



# Cultural IQ Newsletter

Fostering Connections, Illuminating Insights

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## Newsclips

### China: 30 years of economic reform known as the “*Open-Door Policy*”



Over the past 30 years, China has maintained an average annual growth rate of 9.8 % - triple the world average.

December 2008, China celebrated 30<sup>th</sup> anniversary since inauguration of a radical economic reform known as the “Open-Door Policy”. This is the top news across almost all types of media, including TV programs, newspapers, books and publications, talk shows.

30 years is a short period of time in history, yet so much has happened and such fundamental changes had occurred which dramatically changed the lives of billions of Chinese people. The data and statistics are stunning:

- The Chinese gross domestic product soared from 360 billion yuan (\$53 billion) in 1978 to 24.95 trillion yuan (\$3.7 trillion) in 2007, making China the world's fourth-largest economy.
- China's economy has doubled in size every six years since 1980s.

*A young lady holding the first model of mobile phones introduced in China early 90s, the one produced by Motorola.*

Along with what has been achieved economically, the lives of Chinese people had undergone outstanding changes. Between Dec.16 and 26 in Wang Fujing Boulevard, Bloor Street in Beijing, a photographic show was on, capturing the changes of Chinese people over the past 30 years. Here are some shots from the show.

*A taste of fashion back then.*



## Rise of China's middle class

Increasing prosperity among the Chinese populace is creating a new market for Western goods and service providers who previously envisioned China solely as a supplier of goods. A new expression among Chinese social science researchers is "Zhong Chan," meaning "middle class" or "middle property" in Chinese.

Some analysts estimate the Chinese middle class will number over **400 million** by 2025. They include professionals, entrepreneurs, business owners, executives of large state-owned corporations, joint ventures and private companies, professional athletes and celebrities. They tend to: first, save; second, provide ever-increasing demand for more sophisticated goods; and third, provide ever-improving leadership in both civic and commercial sectors.

## Opportunities for Western Businesses



For Western companies, the middle class signifies a large and still growing market of those with enough disposable income to make discretionary purchases. The Rise of China's middle class creates opportunities for Western businesses in:

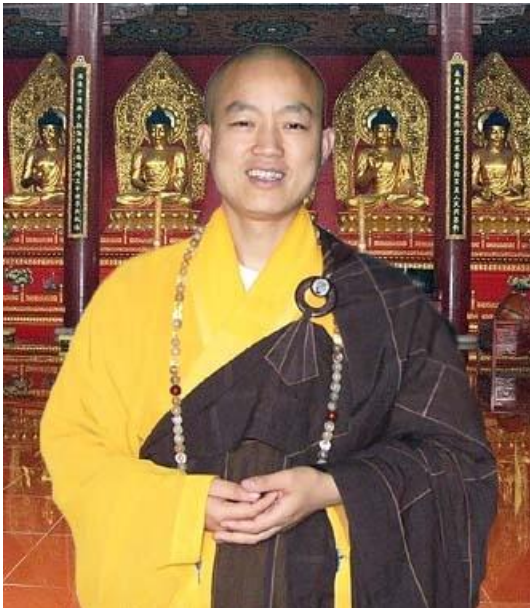
- 1/ Educational investment
  - 2/ Insurance, investment and financial services
  - 3/ Automobiles
  - 4/ Luxury goods
  - 5/ Travel and relating services
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## China Watch

# Coming back of **Buddhism** amongst Successful Entrepreneurs and Professionals

**If one understands a culture's values, one understands a people.**

Although *Buddhism* has been one of the three main schools of thinking and regions since 2000 years ago, the other two being *Confucianism* and *Taoism*, in a vast population in China, one cannot find as many Buddhism temples as churches in North America. But during my recent trip to Beijing and Shanghai last December, I was amazed to find that many successful entrepreneurs and professionals are discussing and practicing meditation following Buddhism principles.



Some 350 kilometers north from Beijing, a Buddhist temple called Bai Lin Temple has become a sought-after destination for business owners and professionals. The Jian Yuan, i.e. CEO of the temple, used to be a graduate from the Department of Philosophy at Peking University (in Beijing). Now at age 31, he is managing and leading a team of more than 150 monks, using a modern and western management theory to teach and spread an ancient wisdom.

*Master Ming Hai, CEO of of Bai Lin Temple*

### **The coming back and re-emergence of traditional Chinese Culture and values**

I was introduced to a DVD, one of the best-sellers in Beijing recently, regarding a famous and successful entrepreneur who practices Buddhism and applies it's principles in his daily business practices. This gentleman, named Hu Xiaolin, shared his experience before he practiced Buddhism. In order to obtain businesses and contracts from customers, he had to invite them for an expensive lunch and dinner, including drinking a lot, causing serious problems with his health. Over the years, he also developed anxiety and depression due to lack of integrity and not being able to live a life of his own. Money and business were the only things he worked and lived for. Through Buddhism he learned that one's fate or destiny is pre-determined. In life what one has to do is giving love, do good things, go with the flow, and spend time meditating. This is the only way one can become wise enough to notice the voice of inner wisdom and power.

In every bookstore I visited, I found all kinds of books, DVDs, CDs, MP3 on techniques on meditation and unlocking the wisdom of life. In almost all meetings, whether it's of social or business nature, people shared stories about someone they know who is practicing Buddhism.

Buddhism, Taoism and Confucianism's teachings overlap in many areas: they all emphasize the balance and harmony of Nature and Man. They all stress a holistic approach to life by following the belief of fate and self-examination, self development to improve one's ethical standards. This is the only route to prosperity, fortune and happiness.

### **Material wealth has been achieved, what's Next?**

With a rapid development during the past 30 years, China has accumulated such tremendous wealth which it may have taken generations to accomplish. However, although any type of religion was forbidden for decades, people still need a belief system to answer some of the larger questions in life such as "Who am I?", "Why am I here?" "Where am I going?"

*Successful Entrepreneur Hu Xiaolin*



### **A Healthier body and psychological well-being is also on the agenda**

With the rise of a middle and upper middle class, a healthier body and psychological well-being is next to acquiring properties, cars and successful businesses. The bestselling books in December with Amazon China are books on health, healthy cuisines and life styles based on Chinese medicines, Buddhism and principals of Ying and Yang. In fact I noticed many Chinese are becoming vegetarians and have given up alcohol. In a culture where dinner and drinking are such a crucial part of business practices, sacrificing alcohol is almost deadly. But according to Hu Xiaolin, the entrepreneur I previously mentioned, he not only enjoys better health after giving up drinking and becoming vegetarian, he also teaches his guests and clients the value of eating healthy and not drinking. This in turn received appreciation and earned him more friendship because the clients appreciated his good will of teaching them wisdom of a better life.

### **What message does this trend convey to you?**

Pay attention in that we are talking about the emerging group of a middle and upper middle class. They are successful professionals and entrepreneurs who have both financial and political power. One thing is for certain: China is constantly changing. Even for a Chinese like me, I found new things and trends which I have adjusted too since my last visit to Beijing six months ago. For a Canadian like yourself, these changes may be even more challenging. My advice: it's wiser to invest in the learning of Chinese culture, the main values which govern the Chinese way of thinking, decision making and building relationships i.e. "Guan Xi". In doing so, you will attain a better understanding of what

they think and how they feel, putting yourself in a better position to attain trusting relationships when you embark on a China Strategy or a China excursion.

**Cultural IQ** prepares organizations and individuals to work and to do business successfully within the context of Chinese business practices, culture and language.

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## What's happening?

### Register Now for the Next **Cultural IQ** Learning Seminars

- Next One-Day seminar: Accessing the Chinese Market by developing "GuanXi, i.e. Trusting Relationships"  
[Saturday, February 7, 2009](#) [Register Now](#)
- Chinese Culture and Best Business Practices sharing group series  
Tuesdays, 6:30 – 9:30pm, 6 weeks  
[Starts Tuesday February 10, 2009](#) [Register Now](#)
- Shattering Myths and Illuminating Realities on Doing business in China, mini workshop series  
Thursdays, 6:30 – 9:30pm, 10 weeks  
[Starts Thursday Feb.19, 2009](#) [Register Now](#)
- Survival Business Chinese (Speaking Basic Mandarin)  
Saturdays, 2:00 – 5:00 pm, 6 weeks  
[Starts Saturday Feb.21, 2009](#) [Register Now](#)
- Celebrating the **Chinese New Year!** - Jiao Zi – Sharing Chinese dumplings pot-luck lunch  
[Saturday January 24, 2009](#)

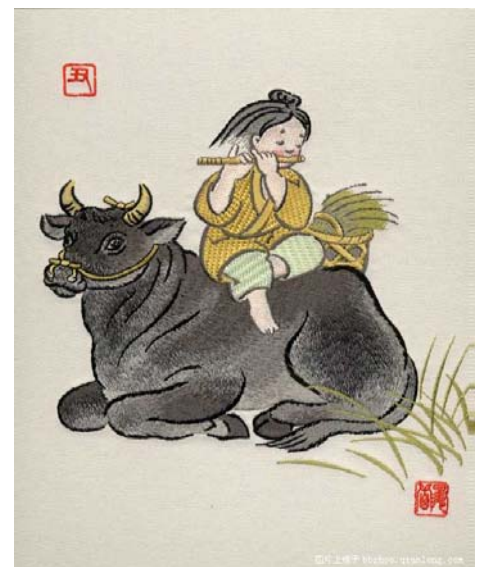
#### *Message from Christine Gao*

Dear friends,

Chinese New Year is approaching on Jan.26, 2009, the year of the Ox. According to Chinese tradition and Zodiac, the year of Ox is a year of harvest and achievement through hard work and persistence, just like the quality and personality represented by an Ox.

At this time of year, my heartfelt wishes go to all of you for a year of happiness, health, success and prosperity.

Warmest regards  
Christine Gao, M.Ed, PCC  
President,  
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