

# The Chinese Dream

Story by Leslie Jones & Raemin Zhang  
Photos by Nicky Almasy

It's the defining China story of the last 30 years. The gates opened in 1978 and since then economic reform has launched one of the greatest exodus from poverty that the world has ever seen. Hundreds of millions have left a life of subsistence for one of relative comfort and prosperity.

A fascinating part of this tremendous societal change is the people who epitomize it. China's success is built on the back of countless people whose personal travails and perseverance are reflective of the nation's – a set of entrepreneurial individuals who started with little and built wealth beyond what even they imagined.

Here are seven extraordinary stories of people who have achieved the Chinese dream.

# Seven Shanghai stories of people who made something from nothing

# the crab farmer

**P**u Jinggen grew up on Yangcheng Lake in a mud hut with a straw roof. If it rained outside, it rained inside too. His father died when he was five, and when his mother couldn't afford to send him to school, he quit. He began farming at age 10.

"We were so poor you can't imagine – the poorest on the island," the 55-year-old Pu says.

Demand for Yangcheng hairy crabs, famed for their singular sweet taste, has skyrocketed. A pair of crabs that would've cost RMB20 a decade ago goes for RMB220 today. A two-story concrete residence on Lotus Island stands where Pu's mud hut once was. Like Pu, many farming families have lived on the island for countless generations. Most have replaced their flat oar-powered skiffs with motorboats, yet island life still feels untouched by the outside world. Scrappy dogs trot past crab pots. Women squat by the dock peeling shrimp.

The real trappings of the crabbing industry are manifested in Yangcheng Township, just northeast of Suzhou. Imposing villas and oversized duplexes house the offspring of wealthy crabbers. Roads are being expanded to allow easier access for diners. Even midweek, BMWs and Audis stand parked near the dock, evidence of city folk trekking to their crab fix. Last year Pu saw about RMB1 million in sales. With a 40 percent profit margin, he is one well-off peasant.

"I'm just lucky. Shanghai people love to eat crab."

Almost four decades ago, when he was 18, Pu left to take up carpentry in Shanghai. Working in the homes of moneyed Shanghainese, he learned

good service and honest pricing were key to getting referrals. But he missed home. So at 25 he returned to Lotus Island.

His first year crabbing was difficult. Nurturing starter crabs proved tricky. Each one that died was a loss. Eventually Pu became a master of his trade. Now other farmers buy starters from him.

The explosion in crab demand would have improved Pu's life regardless, but good business sense propelled him even further. Pu doubled his profits by cutting out the middleman and selling direct to wealthy individuals. Some are former carpentry clients. Just like in carpentry, Pu knows fair prices and good service retain clients. His business is built on word-of-mouth.

"Just yesterday I sold 300 crabs to a business man from Zhejiang – he bought them to give as gifts," Pu says.

The crabbing business is a family affair. Pu's daughter runs a Taobao site for selling crabs. On weekends his son-in-law drives the boat which brings diners to the crab restaurant in Pu's island home. The young couple lives in a villa in Yangcheng, thanks to Pu, whose life is still very simple. He doesn't use a computer. He doesn't travel. Pu says the biggest change is that he eats better now. During the harvest season, he still sleeps on the water to deter would-be crab thieves.

"One thing I know is how to work hard."

Farm life is his choice and by sticking to it, with a bit of business savvy, Pu has afforded his family comfort. That's all he ever wanted, he says, it's why he still gets up at 4am each day to check the nets.



"We were so poor you can't imagine – the poorest on the island."



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# the tailor

**Y**u Chunying made 10 kuai a week in her first year as a seamstress. Today the Jiangsu native, affectionately called Xiao Yu by clients, owns two homes in Shanghai. Smart renditions of Dior and Chanel pieces hang on the walls of her Xuhui tailoring office.

Yu, aged 43, grew up on a farm in Taixin. After graduating from middle school at 16, Yu decided she wanted to sew. Her parents paid a tailor 10 kg of rice per month to teach her. The tailor's specialty was traditional Tang Dynasty garments, but together they made all sorts of clothes, including Mao suits. People paid with state-issued tickets. Six tickets bought a pair of trousers.

After her apprenticeship, Yu headed north to Heilongjiang. She had an uncle tailoring there and wanted to master thick winter clothes. She made about RMB500 that year. Afterward, another relative found her a job at a tailoring shop in Shanghai. She stayed there for two years. Then a hotel manager approached her, asking if she would come and work for her. It was 1986 and Shanghai was short on clothing retailers. Tailors commonly worked for one family for several months to make up a wardrobe. Yu accepted the job, moved into the hotel and began sewing. It took five months, working 9am to 11pm. She made about RMB7 a day.

"I couldn't give up. The only option would be to go back to the countryside," she says.

Yu spent two years going from client to client before setting up a table in a fabric store for business. The rent was RMB60 a month. Her old master introduced her to another tailor from Jiangsu. They fell in love, married and combined their businesses.

By 2007 the price of renting a fabric store table had climbed to RMB6,000, so Yu moved into her Xuhui location. Now she has five employees who do most of the sewing and her husband cuts and designs while she concentrates on sales and marketing. Their clientele is 40 percent foreigners. Yu has taught herself enough Japanese and English to cater to foreigners who need suits and fashion-hungry trailing spouses.

Clients take her on scouting trips to Plaza 66. "Can you make this? But longer to suit my frame?" With 26 years experience, Yu can make just about anything – from traditional worker trousers to wedding dresses to RMB8,000 mink coats. She runs a swift business and her earnings are more closely aligned with the average American than the average Chinese.

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# the hairdresser

The first floor of Yun Jia Salon on Jianguo Xi Lu is dominated by women in blue skirts equipped with scissors and rolling brushes. Above the whirl of hair dryers and sugary pop music, Li Jiayong sits at a second-floor glass table, cell phone at the ready.

Yun Jia opened last July. When asked how it's going, Li answers coyly, "Hai hao." He's making twice what he did as a vice president of one of Shanghai's biggest salon chains.

He grew up in Jiangsu. The son of farmers, Li went to school until he was 16, when his family encouraged him to learn a trade. A fellow villager had opened a salon in Xining, the capital of Qinghai. Li ventured west to learn hairdressing from him.

The high elevation took adjustment and Li occasionally got into scuffles with locals. He earned between RMB200-300 a month, good money for the early 90s, a time when a family in his village making RMB1,000 per year was considered to be doing well.

Li introduced a friend to a company looking to hire. Later, the people told Li the friend ran off with their property. They wanted Li to pay them RMB2,600 – money he didn't have. They kidnapped him to the mountains. After several days, Li paid off a guard and escaped.

"It was a tough life," he says.

After three years, Li moved to Shanghai. There he met his wife and together they opened a tiny shop – four square meters with one chair – off a little lane in Luwan. They were just scraping by and a year later the lane was demolished.

Li, who is now 38, spent the next 15 years ascending through the Shanghai salon world.

"I came from a poor family. I wanted to change my fate. That's why I wanted to go into business."

He spent two years in small outfits and then started to work for salon chains. In 2000 he moved into management and ceased styling. Eventually he landed at Shen Zhi Chun. The chain expanded from 20 stores to 120 during his four-year tenure. Li asked the owners to slow down. The speed at which they were opening stores generated cash-flow problems. He had trouble paying employees. Shen Zhi Chun wound up contracting as quickly as it expanded – only about a quarter of its branches are left.

Last May, Li left to start his own chain. A hurried three months later he opened five branches, all of which are profitable, thanks in large part to loyal customers who followed Li and his stylists, many of whom were former Shen Zhi Cun staffers, to his new outfit.

Li owns 51 percent of each branch and his employees own the rest. His is the first salon chain in Shanghai to employ a profit-sharing structure. His staff has a stake in Yun Jia's future. And so far, it's paying off for everyone.

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# the Taobao beauty queen

Zheng Yan wasn't cut out for the 9-to-5; she likes long backpacking trips and sleeping in. If she gets an idea, she has to act on it. By putting independence first, she converted a part-time Taobao cosmetics store into a swift operation that turned over more than RMB3 million last year. The basement of her Baoshan home serves as her operations center.

"For three days I've been working through the night preparing for a big Taobao promo," Zheng says. For a 28-year-old whose home has shelves packed with boutique beauty products, she wears little makeup.

"I'm not especially interested in cosmetics, but I thought I should persist in what I started."

In college, Zheng had a friend studying in Japan who thought they could make money through the online selling of Japanese face and hair products that were unavailable on the Chinese mainland. It was 2005 and Chinese e-retailing giant Taobao was just two years old. The friend went to little shops, bought up Japanese cosmetics and mailed them to Zheng. At first they had five or six customers a day. By the end of the first year they were up to 50 and buying bulk. Zheng graduated and found a web design job. Keeping up with Taobao and her day job was too much. So after two months, she bid the office job goodbye.

Her parents, retired Shanghai factory workers, weren't pleased. They came around as sales increased, and today they're part of the business, helping out with supplies and logistics. Today Zheng has seven employees, including her mother and father, and has more than 100 customers a day. She's expanded her offerings to include European and American brands and uses analytic tools to study clicks and improve sales. Her web design background comes in handy for that.

"Before it was easy," Zheng says. "All you needed was a product and a good price."

Competition is fierce now. Many Chinese studying abroad had the same idea, she says. Plus the new Taobao Mall, where big businesses can sell direct to consumers, is added pressure on the small guys.

Zheng stays on top with meticulous research in fashion media. As Taobao changes, she adapts – now she sends out microblog and text promotions. Despite the added challenges, her business continues to grow.

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# the box seller

Growing up in impoverished northern Jiangsu, Chen Kang had it especially hard. His mother died when he was nine, and his father followed when he was 16. Chen dropped out of school and left for the city of Xuzhou searching for work.

He arrived empty-handed. After several days he began scavenging for food. A man noticed and approached him, asking if he wanted a job. The man took him somewhere that more resembled a jail than a workshop. Chen was beaten and told he would have to work to earn his ticket home.

“Those were the darkest days of my life.”

Every day he hauled heavy construction materials alongside other interned homeless migrants. They weren't fed much. If someone tried to escape, he was beaten. After a month, Chen successfully ran away.

Next Chen joined a construction crew and was sent to Xinjiang for two years building roads. At 18, he returned home to farm. He fell in with a tough crowd. A feud broke out between his clique and a rival gang. Someone was stabbed. Chen and his friends were jailed. He got a lucky break when well-connected relatives from his mother's family sprang him.

He moved to Lianyungang, where his mother's family lived, and with a loan of RMB3,000 opened a stand selling drinks and cigarettes. A cousin also got him a part-time job in a crystal factory, an industry the city is known for. His employer sent him to Yangzhou to see a jewelry box factory. On the train, Chen read a magazine story about Levi Strauss, one of the world's first jeans manufacturers. Levi made a fortune in the California gold rush by selling supplies to gold miners. It was an epiphany. Lianyungang didn't have a box factory. Chen decided he should sell jewelry boxes to crystal manufacturers.

Chen sold his store for RMB16,000 and used the money to pay a Yangzhou box manufacturer to teach him. He con-

vinced an uncle to loan him RMB100,000 to start. Four years later, in 1997, Chen had made more than RMB2 million. He was 27 and felt like he could do anything.

At the time, the government was privatizing factories. Chen bought a lumber factory for RMB1.6 million – not realizing buying the factory meant he was responsible for the 130 workers attached to it, some of them pensioned. He wound up in a legal battle and forfeited the factory before he made a single kuai from it. His savings were depleted and his debts were due – all he could do was borrow more money. The banks didn't want to give him much, so he turned to illegal lenders. On the brink of disaster, Chen slowly climbed back on his feet.

But competition was growing; several employees had left and opened factories. Chen decided to look outside for growth. He began attending jewelry expos. At an expo in Nanjing, he met Qian Minxian. He was immediately drawn to her. She, however, wasn't interested.

In an appeal to impress, Chen told Qian he was opening a jewelry box business in Shanghai and that he'd give her half the earnings. She wouldn't have to do anything. It took eight months of wooing, but Qian came around after she was hospitalized for an illness and Chen took care of her. Her prominent Nanjing family was appalled. Chen was still a country boy to them. They wouldn't speak to Qian after she announced their relationship.

They married anyway and had a child. Business was slow in Shanghai. In 2000, Chen was making RMB10,000 a month and 60 percent went to loan repayment.

“Life was hard, but I was satisfied,” he says.

A year later the market picked up. Their child was older, freeing Qian to help manage the business. Chen had more time to solicit clients. From then on things only got better. By the time he sold the business in 2008, they had 300 employees and earnings were 20 times

greater than during his initial success back in Lianyungang.

“I chose the right business and kept doing it,” he says. “It was good timing.”

And good market timing; he invested in real estate in 2005. Earnings from that vastly outweighed the manufacturing, Chen says.

After two decades in the unglamorous box business, Chen and his wife now run a small jewelry shop in a mall near Yu Garden. They specialize in designer pieces. An RMB200,000 emerald pendant is displayed on one wall. It's a hobby. They mostly sell to friends. They call their place Happiness Accessory. And when they smile at each other over the cases filled with jade, rubies and sapphire it seems the name fits.



“I chose the right business and kept doing it. It was good timing.”



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## The fashion mogul

The windows in Xing Jiaying's office look out on the workspace of La Chapelle's Xujiahui headquarters. Designers sit at banks of computers, flanked by racks of spring line samples. With more than 800 stores and RMB600 million in sales last year, La Chapelle is one of China's top fast-fashion names. They're also the largest owner of Candies in China, the American teen apparel brand endorsed by Britney Spears.

Xing wears an Abercrombie button-down shirt with jeans and a blazer. He's 39 and looks quietly at home in the nerve center of his ladies wear powerhouse. Home used to be a village in Fujian near the Wuyi Mountains. Xing finished school at 16 and spent six years farming and fishing. At 21 he moved to Fuzhou to become a tailor.

Xing started off mending clothes. Then his family borrowed money to send him to a fashion institute in Beijing for six months. Afterward, he returned to Fuzhou and began doing odd jobs for a clothing company. For three years he worked mostly in clothing sales and management. In 1995, Xing decided it was time to tap Shanghai. He didn't have much except a reputation for hard work and professionalism, but he managed to carve out a living as a go-between for Fujian apparel factories and Shanghai retailers.

After two years, Xing was ready to plunge into retail. He had seven years of industry experience and a circle of trusted designers and business managers. Walking through Pacific Shopping Mall, Xing noticed the prominence of foreign names. A Frenchman he'd met working in textiles helped him come up with the name La Chapelle.

With an investment of less than RMB20,000, La Chapelle opened its doors in Huijing Shopping Mall in 1998. In six months, nine more locations were added. For the next six years, Xing plugged profits back into opening stores.

"It was like I had a fever for opening stores. I'd never had much before so I wasn't afraid of losing."

The number of stores doubled each year until 2004. La Chapelle plowed through the global financial crisis, growing by about 30 percent each year until 2008 when investors came on board. A cash injection brought the number of stores from 400 to 800.

Back in 2000 Xing bought a modest home in Xinzhuang. He still lives there with his girlfriend. Xing isn't interested in a luxury lifestyle. He drives a BMW, but it's mainly for work – fashion executives can't drive beaters. He's pointedly humble, quick to credit his management team for success and equally private – he declined to be photographed. He travels to the US and Japan several times a year to study brands. Xing has been single-minded about apparel since he left his village, but these days he doesn't work overtime – there isn't anything someone else can't handle after 5.30pm.

"At the time I believed La Chapelle would be at the top of the market, but I never imagined the scale or that the Chinese market would become so vibrant."

"It was like I had a fever for opening stores. I'd never had much before so I wasn't afraid of losing."



## The 'farm star'

Everything about Linda Qian is big. She's from Jiangsu, but often mistaken for a northerner for her height. She wears tall boots and chunky jewelry. Her hair cascades in long curls, framing a brilliant smile. She's 36, but seems younger, making her a decidedly unexpected executive presence in an agricultural chemical trading company.

"My friends call me nong ming," she laughs. It's a pun: 'Nongmin' means farmer, but 'nong ming' is farm star.

It's a title she's earned – in six years Shanghai Forever Chemical has grown by 30 to 50 percent each year. Last year's sales figure was RMB400 million.

Qian's family was one of the poorest in their village when she was little. They couldn't afford white rice and ate millet instead. Things

changed when her parents went into business supplying grocers. Then they were the first family to buy a motorcycle, the first to build a new house.

After college, Qian moved to Qunshan, an industrial city near Suzhou. She was hired by a Canadian chemical company and worked there for eight years in sales and management. Qian was capable, but clashed with her superior. She always wanted to change, try new things, get bigger – but he resisted.

In 2003 she began consulting for the Shanghai branch of an Anhui-based company. When the opportunity arose to buy the branch, a business contact loaned her RMB5 million based on what he'd seen of her ability. Since taking over, Qian hasn't had a single manager leave. She attributes the tremendous growth to the positive company culture she instilled.

"Employees need to be fully involved," she says. "Everyone should feel like a manager."

Every year Qian invests hundreds of thousands in training for the 40 members of her office. When employees start, they're taught to talk politely and walk softly. Every morning they have public speaking practice. After lunch they spend 10 minutes dancing together. They have badminton tournaments. If it sounds eccentric, it's effective: Qian is often the first to leave. People work late voluntarily.

Forever Chemical also offers enviable benefits. Every year the company pays for two trips, and families are welcome. Outstanding employees receive stock options. The goodwill doesn't end internally: Forever Chemical was one of the first companies to donate substantially to Sichuan earthquake victims. It's not just the actions, it's the sincerity behind them, Qian says, and it's repaid in good relationships with people in her company, in her industry and beyond.

"You have to have a kind heart, a big dream and work very hard."

"You have to have a kind heart, a big dream and work very hard."





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Linda Qian

# From the bottom up

By Raemin Zhang

## Seven rags to riches tales of China's wealthiest



### Li Ka-Shing 李嘉诚

**Born:** Guangdong Province

**Age:** 81

**Estimated wealth:** US\$21 billion

**Made from:** Real estate

**Ranking:** Forbes 1; Hurun N/A

Born in Chaozhou, Li's family fled to Hong Kong in 1940 to avoid the Japanese Invasion. When his father died, Li left school at 14 and began working in a plastics trading company 16 hours a day to support his family. Before he turned 23, Li started Cheung Kong Industries. From manufacturing plastics, he developed the business into a leading real estate investment company.



### Zong Qinghou 宗庆后

**Born:** Jiangsu Province

**Age:** 64

**Estimated wealth:** US\$7 billion

**Made from:** Beverages

**Ranking:** Forbes 1; Hurun 1

Growing up, Zong's family scraped by on his mother's teaching salary. After middle school, he left home to farm in Zhejiang. Before Zong started his beverage producing business, he dug salt, planted tea and sold boxes. In 1991, Zong opened Wahaha – now the largest beverage company in China and the fifth largest in the world.



### Wang Chuanfu 王传福

**Born:** Anhui Province

**Age:** 44

**Estimated wealth:** US\$4.4 billion

**Made from:** Cell phone batteries

**Ranking:** Forbes 8; Hurun 12

Born to poor farmers in Anhui, Wang's parents died before he finished middle school. His older siblings supported him so that he was able to graduate. In college he studied chemistry, and in 1995 he founded BYD Auto, currently the world's biggest mobile phone battery manufacturer. He topped the Hurun list in 2009



### Robin Li 李彦宏

**Born:** Shanxi Province

**Age:** 41

**Estimated wealth:** US\$3.5 billion

**Made from:** Search engine

**Ranking:** Forbes 15; Hurun 5

Born into a working-class family in Shanxi, Li's parents were both factory workers. He went to Peking University and majored in information management. Ten years ago he founded Baidu, now China's largest search engine.



### Liu Zhongtian 刘忠田

**Born:** Liaoning Province

**Age:** 46

**Estimated wealth:** US\$3.2 billion

**Made from:** Aluminum

**Ranking:** Forbes 16; Hurun 41

In 1978, Liu finished high school and borrowed RMB200 to start a furniture-making business. In 1993, not yet in his 30s, he founded Zhongwang Holdings, focusing on aluminum manufacturing. Now the company has assets worth RMB8.91 billion and more than 3,000 employees.



### Zhou Chengjian 周成建

**Born:** Zhejiang Province

**Age:** 44

**Estimated wealth:** US\$3.1 billion

**Made from:** Clothing

**Ranking:** Forbes 18; Hurun 25

Zhou started his working life as a tailor. He had his own business when he was 21. Zhou moved to Wenzhou in the 90s and founded the Metersbonwe Group, now one of China's largest casual wear brands, by borrowing RMB200,000 (US\$25,000).



### Xu Jiayin 徐家印

**Born:** Henan Province

**Age:** 51

**Estimated wealth:** US\$4 billion

**Made from:** Real estate

**Ranking:** Forbes 11; Hurun 25

Xu is from impoverished Taikang County in Henan Province. His mother died when he was a child and he almost dropped out of school because his family couldn't afford the tuition. Xu persevered and went to college. In 1997, Xu established Evergrande in Guangzhou. It is currently one of the 10 largest real estate developers on the Chinese mainland with real estate projects in 22 cities.

// The Hurun Report looks solely at mainland earners, while the Forbes China Rich List includes Hong Kong and Taiwan.

