

INTRODUCTION

In 1997, I arrived in Guangzhou, the booming capital city of Guangdong province, to begin teaching English at a provincial education college. Like many casual observers of China, I was captivated by the irony of a wealthy, entrepreneurial class in an ostensibly socialist country and the social tensions and contradictions brought by China's market reforms. My students were primarily high school English teachers in their twenties from small towns in rural Guangdong. They were attending two years of professional training in Guangzhou before being sent back to their schools. Over late-night snacks and beers in outdoor sidewalk restaurants, they talked about their hopes for the future and anxieties about the present. I quickly learned that the broader social and economic transformations of the previous two decades, while improving their standard of living, had overturned many of their certainties about Chinese society and their place within it. They felt both threatened by and drawn to the expanding world of business, angry about its injustices but seduced by its promises of excitement, status, and riches.

While the new rich were a common topic of discussion, many of the conversations we had about this group quickly evolved into discussions of marriage, romance, and sexual morality. In many ways, among my students it seemed that anxiety about growing social inequality in China manifested in moral discussions about men and women.

My male students frequently complained that in their hometowns uneducated entrepreneurs and nouveau-riche peasants were taking "their women."

They claimed that just a few years earlier the level of education and the lifestyle afforded by their occupations had given them moderate status in their rural home communities, enough status at least to attract another hometown teacher as a wife. Now they felt that the relatively paltry material benefits of their jobs—low incomes and dependence on their schools for cramped, dilapidated housing—ranked them lower in the marriage market than uneducated but wealthy entrepreneurs who often had private cars and personal residences bought in the commercial housing market. Their female classmates, they complained, had it easy. Because they were educated (but not overeducated), poorly paid (relative to a potential husband), and employed in jobs considered morally appropriate for their gender, these women had no trouble finding a suitable (and wealthy) spouse.

For these male students, an increasingly normative masculinity based on taking entrepreneurial risks and achieving success in the market economy had very real consequences for their life decisions. As a result of their difficulty getting married, many were looking for ways to leave their schools. However, because their work units (*danwei*) had funded their two-year stints at the education college, the only way out of their teaching commitments back home was for them to reimburse their schools for all the money spent on their behalf.¹ Ironically, this led quite a few of them to skip classes in search of business and money-making opportunities in Guangzhou. In fact, some had viewed attending the college in Guangzhou from the start as little more than a means of getting to the city to find better employment, a better quality of life, and, they hoped, a wife along the way.

They experienced their dependence on the state sector as a form of emasculation. Their outdated sense of entitlement, derived from their status as non-laboring “intellectuals” (*zhishifenzi*), informed their indignation over “their women” marrying nouveau-riche fish farmers and auto parts dealers who would have been both morally and politically suspect just a decade earlier. This example points to the gendered logic and consequences of stratification in contemporary China. The emergence of a new, class-inflected masculinity, revealed in this case in the domain of marriage, reoriented the ambitions of these teachers and altered their sense of themselves as producers, consumers, and men. And for the female teachers it helped reinforce a reemerging “traditional” femininity—that women should cultivate their feminine virtues and physical attractiveness along with the goal of marrying well. As many popular allegories now proclaim, overachievement in education and business would only make finding a husband more difficult.

There was a saying often repeated to me in these conversations: “As soon as a man gets rich, he goes bad; as soon as a woman goes bad, she becomes rich” (*nanren yi youqian jiu huaile; nüren yihuaile jiu youqian*). This statement suggests that to many of my students both the lure of wealth and the experience of prosperity affect men and women differently. They understood wealth not only to reveal basic differences between men and women, but to have a transformative effect on their motives, characters, and relationships as well. In short, the social stratification brought by China’s economic reforms has produced new ideologies and relations of gender, and these are in turn affecting the course of social and economic change in China (Gal and Kligman 2000).

This book examines the rise of elite networks composed of nouveau-riche entrepreneurs, state enterprise managers, and government officials. These powerful new groups have exerted increasing dominance over many aspects of Chinese commerce and politics during the reform era, which began in the late 1970s. The book considers these networks, which are composed mostly of men, as gendered social formations governed by an ethics of brotherhood, loyalty, and patronage. Using ethnographic data gathered from interviews, experiences as the host of a Chinese television show, and countless evenings accompanying businessmen entertaining their clients, partners, and state officials, I analyze the ways in which relationships are formed between elite men through shared experiences of leisure—banqueting, drinking, gambling, and cavorting with female hostesses—and the importance of these relationships in organizing business ventures, orienting personal morality, and performing social status.

This “masculinization” of the sphere of private business and deal-making in China has generated challenges for women entrepreneurs, who are often accused of using their sexuality to get ahead, and has given rise to a new class of young women who live off the patronage of China’s new-rich businessmen and corrupt state officials. These young women are central to mediating relationships and mirroring status among elite men and are integral to the emergence of a growing, semi-legitimate “beauty economy” (*meinü jingji*) in urban China, which seeks to exploit the youth and attractiveness of young women for commercial gain.

I also examine the rise of new forms of leisure and consumption, new patterns of marriage and sexuality, and the proliferation of official corruption in China, all as aspects of shifting templates of interpersonal morality. I contend that these phenomena are key to understanding new forms of economic inequality and gender discrimination in contemporary China, as well as many aspects of China’s current political configuration.

China's Market Reforms and the Rise of Entrepreneurs

After the death of Mao in 1976 and after a brief Maoist interim period led by Hua Guofeng, the Communist Party, under the leadership of Deng Xiaoping, began to reassess many of the tenets of Maoist economics such as collectivization and the centralized allocation of resources. In the domain of ideology, Deng proclaimed that the fundamental contradiction in Chinese society was no longer between classes, but between “the backward and the advanced forces of production,” and therefore called for the unleashing of the latter, even if it meant the appearance of “transitional” forms of social inequality. Deng grounded his new theory of “socialism with Chinese characteristics” in a selective reading of Maoist thought that stressed pragmatism over theoretical dogmatism, an approach summarized by Mao’s oft-quoted phrase, “seek truth from facts.” Deng and the Party legitimated their reform program largely as a reorganization of the economy in accordance with certain “natural laws” of the market. Market reforms, were, and continue to be, legitimated as scientific and rational means of achieving the socialist ends of national economic prosperity, social stability, and prestige in the international political arena.

In 1978, the Third Plenum of the Eleventh Party Congress introduced the first reforms that marked the beginning of the Reform and Opening Policy (*gaige kaifang*) and what has become known as the reform era. This period has been marked by a decline in central economic planning and an increasing reliance on market mechanisms for the distribution of capital, resources, and goods. The “opening” component of the Reform and Opening Policy also signaled an opening to cultural and economic exchanges with the capitalist world—the United States, Japan, Hong Kong, and Taiwan in particular. It also signaled a turning away from the “nonaligned” countries of the third world (Rofel 2007: 11).

Reforms began in rural areas in 1980 with the introduction of the household responsibility system. However, following a general theme of the reform era, practices on the ground tended to precede their official sanction in state policy. Under this system, individual households contracted for a portion of collectively owned land and farm equipment, which they “paid” for in taxes and grain quota obligations to the state. Households were allowed to organize production in any way they saw fit and to sell their surplus for profit. Although the household responsibility system improved agricultural output and raised the standard of living throughout rural China, reforms in rural industry ben-

efited a smaller portion of the country and produced a class of rural industrialists which included many cadres and their kin.

Post-Mao reforms also included a reorganization of state power. The Communist Party apparatus was formally dislodged from the government bureaucracy (though not disconnected in practice), and the daily operation of the government became less subject to the intense politicization that characterized the Cultural Revolution years (1966–1976). The Party’s role was envisioned as formulating goals, agendas, and priorities, while the government’s role would be to develop and implement policies that realized these goals (Fairbank and Goldman 1998: 420). Deng called for the rationalization of bureaucratic rule, emphasizing professional qualifications over ideological purity among the official ranks (Meisner 1999). Both economic and political decision-making were partially decentralized, granting greater autonomy to local-level governments and cadres. While this change helped facilitate rapid economic growth in many areas, it also gave local officials the power and administrative space to personally profit from economic reforms. They were able to do so largely because many of the new market-oriented businesses were built on the bureaucratic architecture of the previous collective, state-run economy.

“Township-village enterprises” (TVEs) were one such example.² They evolved from collective and brigade-run industries started during the Great Leap Forward (1958–1960). The dramatic success of TVEs in the mid-1980s spawned the first class of “new rich”; and “rural entrepreneurs” (*nongcun qiyejia*) and nouveau-riche “upstarts” (*baofahu*) emerged as social categories around this time. Though officially classified as part of the collective sector of the economy, TVEs were run independently of planned economic decisions by the state, a common theme of much market-oriented business during the first decade of reforms.³ They were officially registered as collectives (known as “wearing a red hat” [*dai hongmaozi*]), but most were run like profit-oriented private businesses. In fact, many “privately run” businesses to this day are still started with state-controlled capital, affiliate themselves with a state-owned enterprise or ministry, or invite one or more government officials to serve on their governing board, practices that allow them to reap the tax benefits, regulatory flexibility, and political protection afforded by close ties to the state (Wank 1999; Tsai 2007; Huang 2008).

Small-time entrepreneurs first appeared in urban areas in the early 1980s as “independent households” (*getihu*). For the most part, this term referred to a petty capitalist class of shop owners, peddlers, taxi drivers, and restaurateurs

who were independent of the state-controlled work-unit (*danwei*) structure, made their own production decisions, and received few or no state-sponsored benefits such as medical care and housing. Businesses classified as getihu were envisioned by policymakers as units of household production and were legally limited to eight employees. Up until the early 1990s, most urban Chinese viewed this class with suspicion and disdain.⁴ Many early getihu who prospered in the nascent market economy were in fact men and women with low political status and sometimes criminal backgrounds on the margins of the state-run economy who had little to lose by engaging in semi-legal business. They included unemployed youth and intellectuals who had recently returned to urban areas after being sent down to the countryside during the Cultural Revolution, as well as former political prisoners.

Reflecting on this era, many of my informants described the first group to get rich from market-oriented small businesses as “daring” (*danzi da*) because of the semi-legal nature and uncertain political status of many of their activities. According to narratives of the time, because they already lived a marginal, insecure existence, successful getihu were not afraid to suffer or “eat bitterness” (*chiku*). In the 1980s, many parents would have been reluctant to allow their daughters to marry an entrepreneur, which at the time was still perceived as a politically insecure status (Yang 1994: 160).

The power and scope of the market economy in urban areas increased significantly in 1984 when the Communist Party leadership called for the increased efficiency and autonomy of state enterprises. Cut off from public funds and facing bankruptcy if unable to show a profit, most urban enterprises began to be run like profit-minded businesses, and some aspects of production (as well as entire enterprises) were contracted out (*chengbao*) to entrepreneurs, many of whom were the current managers of the businesses being privatized. Until the mid-1990s, however, the majority of these enterprises used their increased revenues to provide for employees by constructing housing and creating jobs for their employees’ children, thereby continuing to fulfill their socialist-era welfare obligations (Andreas 2008: 127). While many managers themselves became shareholders in or proprietors of formerly state-owned enterprises through managerial buyouts and “insider privatization”, others profited both directly and indirectly from their sale. According to several of my interviewees, as failing and unprofitable state enterprises started to be dismantled, countless numbers of them were sold at well below market prices to relatives and associates of the cadres overseeing their sale who manipulated the value of the company’s assets.

In 1988, private firms (*siying qiye*) received official legal sanction, and private businesses were allowed to legally hire more than eight employees. In practice, it was still difficult for them to obtain bank loans, they were subject to higher rates of taxation than their “red hat”-wearing or state-run counterparts, and they were (and still are) barred from certain sectors of the economy. As Kellee Tsai (2007: 54) puts it, it wasn’t until after Deng Xiaoping’s 1992 Southern Tour (*nansun*) that “the red hats started to come off” and the number of legally registered private enterprises began to mushroom.⁵ Many state-run and collective enterprises were dismantled or privatized, resulting in over 50 million public sector workers losing their jobs. Those state enterprises that remained were increasingly run like profit-oriented businesses, shedding many of the welfare obligations to their employees (Andreas 2008: 131). Around this time the flow of rural migrants to cities and prosperous rural regions such as the Pearl River Delta, which had started in the early 1980s, became a flood. These migrants filled the service and manufacturing jobs created by the newly legitimated private sector.

After 1992, foreign investment, the bulk of which initially came from Taiwan and Hong Kong, also took off, creating more opportunities for entrepreneurs as factory managers and export merchants. China’s Special Economic Zones, as well as other coastal cities open to foreign capital, attracted much of this investment, which was primarily used to support export-oriented manufacturing. During the 1990s and 2000s, foreign investment continued to grow exponentially as other cities and provinces were opened up to international capital. Most of the early foreign corporate ventures in China came in the form of joint ventures, which paired foreign companies with Chinese state-owned and privately owned enterprises. But since China’s entry into the World Trade Organization (WTO) in 2001, foreign investment has increasingly taken the form of wholly foreign-owned enterprises (WFOEs). By 2008, 80 percent of foreign investment assumed a “wholly-owned” structure (Walter and Howie 2010: 7).

Seeing the success and official sanction of profit-making, by the mid-1990s members of nearly all occupational groups and economic strata of China’s cities began to moonlight in private enterprises to supplement their work-unit incomes. Many left their work units or dropped out of school to form private businesses in the hope of making a fortune in the market economy (Gold 1991). Despite the preponderance of tales of hard work and self-sacrifice serving as the basis of rags-to-riches success, entrepreneurs with official connections succeeded at a much higher rate than ordinary citizens (Pieke 1995; Buckley 1999; Meisner 1999: 477).

The means of profit-making for the officially connected often bordered on the illegal. One legacy of the restructuring of 1984 was a dual pricing system in which state industries paid a low fixed price for resources that could then be sold for much more on the free market. Many early fortunes of the new rich (largely composed of former cadres, state enterprise managers, and their friends and relatives) were made through practices that exploited discrepancies between the planned and market economies. Smuggling of imported luxury goods, films, music, electronics, and cars from Hong Kong, Japan, and the West was rampant in southern coastal areas as well.

The early 1990s saw a mass departure of “intellectuals” (*zhishifenzi*)—teachers, scientists, and engineers—from their work units into the market economy as well, a phenomenon known as *xiahai*, “jumping into the sea.” Also in the mid-1990s, an influx of foreign capital led to the creation of another category of nouveau riche—“white-collar” workers (*bai ling*)—highly skilled employees and managers of foreign or joint-venture companies. This group, which is concentrated in large eastern cities, tends to be better educated and more cosmopolitan than the stereotypical entrepreneur and is often disdainful of the crudeness and lack of sophistication of many of China’s nouveau riche from the interior provinces. The growing success of large Chinese private and state-owned companies has also contributed to the rise of this white-collar class.

In a speech on July 1, 2001, China’s then president, Jiang Zemin, gave official approval to the status of entrepreneurs. He declared that entrepreneurs from the nonpublic sector of society were “working to build socialism with Chinese characteristics.” Jiang proposed that entrepreneurs should join workers, farmers, intellectuals, cadres, and soldiers as the foundational elements of the socialist Chinese nation. This speech also officially condoned what was by that time already a common trend—wealthy entrepreneurs becoming Communist Party members and occupying posts at local levels of government. It seemingly marked the end to a debate on whether “Red Capitalists” should be allowed to join the Communist Party (Li 2001).

Even with some lingering resistance from leftists within the Party, the official embrace of entrepreneurs continues to move ahead. In the spring of 2002, exemplary entrepreneurs became eligible to be considered for model worker honors (Ruwitch 2002). Then, in 2004, the constitution was amended to explicitly protect private property rights, although this has not yet led to dramatic changes in how the state manages property rights in practice (Tsai 2007: 71).

Despite their increasing acceptance by official ideology and vanishing fears of a leftist retreat from reforms, China's entrepreneurs are still intertwined with and dependent upon the state. The majority of entrepreneurs, far from being a class spawned by an unruly, latently democratic market that potentially poses a threat to Communist Party rule (as many Western observers would like to see them) are still largely dependent on the Chinese state for capital, certain commodities (such as land), beneficial policies, and access to business opportunities in many industries. The political, cultural, and economic conditions in which entrepreneurs have arisen complicate attempts to place them within universalizing social science categories such as the "bourgeoisie" or "middle class," who inevitably come to demand political rights and representation to protect their accumulated capital (see Goodman 2008). In fact, instead of autonomy from the state, many entrepreneurs actively seek ways to forge closer relationships with state officials (although many do so grudgingly), as these still afford them a competitive advantage in virtually all areas of business.

New-Rich Men and the Effects of Wealth

Following the late-1990s commercialization of housing, the rise of private auto ownership, and the explosion of exclusive bars, restaurants, and nightclubs in urban areas, a distinctive elite emerged in nearly all Chinese cities. Drawing from the practices of Hong Kong and Taiwanese businessmen, images of Western life in Hollywood films, and prerevolutionary Chinese gentry culture, this new elite has created a distinctive lifestyle that has served as the subject of countless political, economic, and moral discourses on the future of China, alternately receiving praise and condemnation.

The smashing of the "iron rice bowl" (*tiefanwan*)—the end of state systems guaranteeing social services, lifelong employment, and housing—has generated greater uncertainty for most Chinese, but it has also created opportunities for individuals to dramatically alter their material wealth and social status. As the influence of the market economy on many aspects of people's lives grows, the authority of the socialist work unit (*danwei*) in such realms as marriage decisions, housing allocations, and career choices has virtually disappeared, allowing for greater personal freedom and autonomy. Many Chinese view post-Mao society as having more space for the expression of individuality, providing more opportunities for economic advancement, and offering more choice and greater freedom in marriage, career, and lifestyle. Urban Chinese

often characterize the present as a return to more “natural” gender relations after the prohibitions of the Maoist years. The lifestyle of China’s new rich is understood by many to exemplify these trends.

In addition to being hailed by the government for their enlightened business practices through “model worker” awards and Communist Party membership, new-rich entrepreneurs, the vast majority of whom are male, are often the most sought-after marriage partners, trendsetters in consumption and fashion, and the most prominent patrons of urban China’s exclusive restaurants, nightclubs, and department stores. Advertisements, fashion magazines, and romance and dating-themed television and radio shows draw from the experiences and images of the new rich to produce and market a new elite masculinity for emulation by consumers from all strata of Chinese society. Furthermore, elite masculine forms of entertainment and leisure—banqueting, drinking, singing karaoke, playing mahjong, receiving massages and foot baths (*xijiao*)—have come to form the core practices for the cultivation of personal relationships (*guanxi*) with both government officials and fellow businessmen essential for making deals in China (Liu 2002; Zhang 2002; Zheng 2006; Uretsky 2007). Much of this entertaining involves young women, who play a mediating role in projecting an idealized masculinity onto the men involved (Allison 1994). Elite masculinity thus is gradually becoming institutionalized and codified by state and market alike, and in the process it is becoming the normative masculinity around which all urban men’s practices are oriented and measured.

At the same time, many Chinese see prosperity as having had a negative impact on people’s character, personal relationships, and morality, as exhibited by the excesses of male entrepreneurs. The Chinese media abound with stories of happy marriages turned bad once the husband got rich, tales of businessmen who keep unofficial second wives (*bao ernai*), and accounts of women lured into extramarital affairs by the luxurious lifestyles of entrepreneurs (Xu 1996). Intellectuals and reformers decry the betrayal of socialist goals of gender equality by young women who cultivate their feminine charms in the hope they can marry well or “live off moneybags” (*bang dakuan*). Young people of both genders complain that marriage has been rendered little more than a material transaction (*jiaoyi hunyin*).⁶ Campaigns launched at both national and local levels have sought to tone down the consumption activities of the new rich and regulate the businesses that cater to them.

Another legacy of the new rich is divorce. Divorce rates among the new rich are much higher than among the Chinese population as a whole (Tang 2009).

So-called buyout divorces (*gaojia xieji lihun*) have emerged in which a wealthy entrepreneur offers his first wife a significant share of his wealth in exchange for a quick and easy divorce, and, because he has not technically abandoned his family, the moral upper hand.

The Chinese marriage law was reformed in 2001 largely to deal with the problems associated with the newly wealthy such as de facto polygyny, abandonment of spouses, and divorce and prenuptial settlements involving significant amounts of wealth. While many single women express their desire to find a man with “good economic conditions” (*you tiaojian*—usually referring to the possession of a car, house, and high salary), they also complain that men at this income level cannot be trusted to be faithful. Furthermore, for Chinese men lacking the resources to enter the ranks of the new rich (or even a vaguely defined car- and house-owning middle class), exclusion from this lifestyle is often experienced as a form of “emasculatation”—difficulty finding a spouse, loss of status and prestige, and a dwindling social network.⁷ Given their status as both exemplary and excessive, male entrepreneurs of the new-rich class thus embody many of the contradictions of the reform era.

Who Are the New Rich?

When people in Chengdu asked me about my research topic, my most economical answer was simply, “the new rich,” which I most often described with the phrase “the rich stratum (*furen jiecheng*), “high society” (*shangliu shehui*), or simply the “new rich” (*xinfu*).⁸ By far the most common question that followed was, “How much money does someone need to have to be considered rich?” Sometimes I suggested a monthly salary that I considered put one in the ranks of the new rich, but my interlocutors often responded that that wasn’t enough or that there were lots of people who made that kind of money. Another response questioned the value of my topic: “Why do you want to study them? They’re all corrupt.” Or, “We’re trying to learn from famous American entrepreneurs like Bill Gates. Why would you want to study Chinese entrepreneurs?”

These exchanges did lead me to ponder the problem of just who constituted the new rich. Because I didn’t have access to my informants’ bank statements, and many were less than forthcoming about their personal net worth and its sources, I could only use the external trappings of money such as their cars, wardrobes, houses, club memberships, and circle of friends and associates as indicators of their wealth, a tactic that proved mostly effective.⁹ This approach

followed from my understanding of the new rich as not a coherent class defined by income level or occupation, but an unstable and contested category that is constituted by the practices and performances of a diverse group of entrepreneurs, professionals, artists, and government officials.

To most of the Chinese with whom I spoke, the new rich were the public new rich—the entrepreneurs and heads of enterprises that appear on *Forbes* magazine's or *Hu Run Report's* list of China's richest people and who are profiled in the Chinese and international media. Or they are high-ranking officials and their the sons and daughters (the so-called princeling party [*taizidang*]) who now occupy key positions in many major state-owned companies and are frequently employed by large multinational corporations doing business in China hoping to benefit from their high-level *guanxi*.¹⁰ The Western media, on the other hand, are often quick to lump the new rich in with an emerging "middle class" in China that, they presume, will help usher in political reform. As measured by their income, however, this new "middle class" constitutes a small slice of even urban China, let alone China as a whole, and thus they resemble a minority elite more than a middle class.¹¹

Using World Bank standards of average world income adjusted for purchasing power in China, a Chinese National Bureau of Statistics Survey from 2005 reported that only 5 percent of China's population could be considered middle class by these global standards (Renmin Wang 2007).¹² In an editorial entitled "The New Rich in China: Why There Is No New Middle Class," David Goodman (2007) argues that new-rich entrepreneurs in China, judged by political, ideological, or economic standards, fail to resemble a middle class as it is idealized in the West and cautions us not to see them simply as "the PRC manifestation of a universal middle class" (Goodman 2008: 1). In their numbers, relative incomes, and political behavior, he contends that they resemble something closer to an "haute bourgeoisie," a minority elite with close ties to the state. He argues that labeling the new rich the "middle class" is comforting both to Westerners, who believe this class will usher in liberal democracy, and to many Chinese, who can see them as a growing middle stratum rather than a divergent elite (2007). In short, the notion of the middle class carries a great deal of ideological baggage and partakes in the mythology of China's inevitable evolution toward democracy.¹³

Thus, for these political, analytic, and demographic reasons, I label most of my wealthy informants members of the "elite" or the "new rich." Although most of my research subjects lacked the wealth, power, and connections of the

national elite (that is, they were not heads of national enterprises or members of the “princeling party,” for example), many of their practices, privileges, and anxieties are similar. They have close ties and access to local (and sometimes provincial-level) state officials, sometimes serving on local People’s Congresses (*Renda*) and joining the Communist Party themselves. Many enjoy extralegal protections, and some are awarded government privileges, from special license plates to official titles. Many have their own private chauffeurs, and nearly all employ domestic servants in their homes. Like the children of their national-level counterparts, their children attend the best domestic schools and often enroll in elite boarding schools and universities in other countries. Although some are resentful of the fact, many rely on the current Chinese regime for their success and protection, and the majority fears a major political shakeup in China.

Entrepreneurs in China, and the new rich in general, have diverse backgrounds with varying economic interests and political attitudes and thus should not be considered a “coherent class” (Tsai 2007: 71). As the above history suggests, the category “entrepreneur” includes individuals in a wide variety of private and state-owned industries. In fact, the very diversity of backgrounds and paths to success among China’s new rich generates a great deal of anxiety and boundary work among their ranks. Every entrepreneur is haunted by a category closely associated with his or her occupation—that of the *baofahu*, a derogatory term for the nouveau riche. *Baofahu*, who are stereotypically from a rural background, are considered culturally unsophisticated, poorly educated, and lacking the “taste” (*pinwei*) and personal quality (*suzhi*) to spend their wealth properly. The paths to success for *baofahu* are often suspect as well, and they are depicted both as lucky beneficiaries of opportunities and as unscrupulous profiteers. Thus, entrepreneurs I knew often concealed their rural backgrounds from me at first and were at times reluctant to provide a detailed account of how they made their money.

Virtually all of the entrepreneurs in my study are private entrepreneurs, operating businesses that are legally separate from the state-run economy (though by no means disconnected from it). Except where noted, most of them came from ordinary families with little wealth and few political connections. Despite their high levels of wealth and status relative to the vast majority of Chinese, most of the entrepreneurs I worked with still characterized Chinese society as a domain in which only those with “background” (*beijing*—political connections, wealthy families, influential friends) were guaranteed long-lasting success. For

the most part they differentiated between themselves and what they termed the “nobility” (*guizu*—the same term used for the European aristocracy), which usually referred to high-level government officials and their families and the publicly known super-rich. In contrast to the privileged *guizu*, most of my informants referred to themselves and their social group as members of the “upper-middle stratum” (*zhongshang jieceng*) or “high-salaried stratum” (*gao shouru jieceng*).

State enterprise managers and government officials are another component of the new rich. They were a constant presence during evenings of entertaining hosted by my businessmen informants, and I met many during the course of my research. Because of the sensitive nature of my research interests, which often touched on semilegal and illegal practices in China’s economy, they were usually reluctant to serve as research informants. When discussing this group, entrepreneurs tended to lump together state enterprise managers, leaders of party- or state-controlled institutions (such as the military, scientific research institutes, and universities), members of the Communist Party’s various bureaucracies, and members of the government into a single category usually referred to as “officials” (*guanyuan, dangguande*), “cadres” (*ganbu*), or “leaders” (*lingdao*). Thus, when I refer to government officials below, I am following the practice of my entrepreneur informants and mean anyone whose status was derived primarily from his or her position in a bureaucracy. Although I tried to ascertain the positions and affiliations of officials who were introduced to me, many were reluctant to identify the institutions to which they belonged.

Despite their growing political and social acceptance, the new rich I encountered were beset with an array of anxieties about their position within Chinese society and how they were perceived by both their domestic peers and the outside world. Many were unhappy with aspects of their professional and personal lives and critical of the lifestyles and values of their peers. Several had become legal residents of Western countries and planned on leaving China once they made their fortunes. Most had sent or planned to send their children abroad for their education. Others had sent their entire families to live abroad and planned to join them in retirement. Most expressed a conflicted attitude toward the current regime. On the one hand, they resented the power and influence the state wielded over their affairs. But at the same time they acknowledged how they had profited from ties to the state and feared the chaos dramatic political transformation might bring. Few harbored an optimistic outlook on China’s long-term political and economic prospects.

Research Chronology and Methods

I conducted this study during several extended periods of research in Chengdu, the capital of Sichuan province, from 2002 to 2006, a total of thirty-five months of primary fieldwork supplemented by short follow-up visits in 2008, 2010, and 2011. In early 2003, I became involved with a local Chengdu television show, serving as a co-host, translator, and writer. The show received all of its revenue from advertising, and thus a large portion of my work consisted of accompanying the show's producer and sales representatives to area businesses to court sponsors for our show. I also was charged with helping to maintain the show's relationship with cadres in the state-run television station, whose sponsorship was crucial to its existence and plans for expansion to other networks. I met many of my initial research subjects through this experience, including restaurant owners, real estate developers, government officials, and entrepreneurs with diverse business ventures who were the program's sponsors and whose businesses were profiled on the show. Through these individuals I gradually was able to meet other members of their social networks, many of whom helped me with my research. During my time at the TV show, I also learned the importance of cultivating and maintaining relationships with clients and official patrons and became familiar with the techniques involved in what the Sichuanese refer to as *goudui*, the courtship of important people for an instrumental purpose.¹⁴

I ended my association with the television show in the spring of 2004, and in the fall of 2004 I began full-time fieldwork. Building on the contacts I made through the TV show, I spent much of the first few months doing favors for entrepreneurs, including emceeding business ceremonies (because of my television experience) and translating their companies' promotional literature into English. Once I had established a core group of about twenty-five entrepreneurs, I found myself with a fairly full social agenda, meeting people for tea or coffee in the afternoons and attending banquets and going out to karaoke clubs in the evenings. Though I met most of my subsequent research informants through this group, I also met a few key individuals by chance at bars and nightclubs frequented by the new rich.

My core informants ranged in age from their mid-twenties to late forties. Older entrepreneurs, those in their fifties and sixties, were often less accessible to me partly because their lifestyles differed from their younger counterparts. They were less likely to frequent clubs, and because their business ventures

tended to be more well established, entertaining was a less crucial component of their business. They were also more likely to engage in less-visible forms of leisure such as gambling in teahouses and trips to saunas. My research thus focused on this younger age group largely because they were accessible, and this accessibility was a product of the stage of their careers as well as the industries in which they did business. Furthermore, this younger group constitutes the core demographic of entrepreneurs in China, and it is their business culture that has attracted the most scholarly and popular attention, both in China and elsewhere.

The bulk of the participant-observation component of my research consisted of accompanying entrepreneurs as they entertained their business associates and clients in the evenings and on weekends. During the day I often accompanied my informants to a tea- or coffeehouse, where they played cards, met with business associates, and managed their enterprises over their mobile phones. With a few exceptions, I had little access to their workplaces, and thus their relationships with staff and forms of management fall outside the scope of this ethnography. Most bosses in Chengdu preferred to conduct their business away from their offices, in teahouses, restaurants, and karaoke clubs and by mobile phone. Most of my data were gathered during these informal conversations in the afternoon and evening. During the last several months of my fieldwork, I also conducted extended semi-structured recorded interviews with several of my key informants.

Many of my informants came to see me—a male, Chinese-speaking American familiar with banquet protocol—as a useful resource in conducting their business entertaining who could help build their social networks. Sometimes I was invited along to help court an important client or official. At other times my presence as a foreigner served to vaguely suggest the international reach of an entrepreneur's social circle. The status afforded to me as a white, American male, and the novelty of being a Chinese-speaking foreigner in Chengdu, which has a much smaller foreign population than many of China's eastern cities, no doubt helped me gain access to my informants' social networks. As a foreigner with whom they had no business ties, I was safely positioned outside their business and social circles. Thus many of my informants felt that they could discuss personal dilemmas with me that would have been too sensitive to discuss frankly with other members of their social networks, for fear that such revelations would adversely affect their reputations. Many also actively sought an outsider's perspective on the changes occurring in Chinese society and were

eager to discuss their observations with me. My outsider status, however, also imposed limitations on the types of people willing to talk to me and the kinds of information they were willing to divulge.

Chengdu as a Fieldsite

In the English-language social science literature on China one rarely finds mention of the importance of local discourses of regional cultural difference. To most Chinese, however, each region and city is associated with a character type, some aspects of which locals self-identify with, others of which they reject. These tropes figured heavily into how my research subjects talked about gender relations, business practices, and the overall direction of change in China during the reform era.

Regional “character” was used to explain particular behaviors, and they frequently cited regional cultural differences to account for the representativeness or uniqueness of Chengdu in economic and cultural matters. Sichuan as a whole and Chengdu in particular has a reputation for being more “laid back” (*xiuxian*) and slower-paced than other regions of China. To account for this, Chengduers often noted that their city had been less affected by many of the wars and natural disasters of the past several hundred years than the eastern regions of China. Sichuan’s climate is also well suited for agriculture, giving it the nickname “land of abundance” (*tianfu zhi guo*). Urbanites would often assert that even the farmers in Sichuan enjoyed their leisure and could be seen playing mahjong year-round. Many locals also explained that the irrigation works at the nearby city of Dujiangyan, which helped prevent floods and facilitated agriculture in the Sichuan basin, was a major contributing factor to the laid-back mentality of most Sichuanese.

Chengdu, with a population of around 9 million (14 million if you include the surrounding rural districts), is the financial, commercial, and transportation center of western China. Located at the western edge of the Sichuan Basin, Chengdu is surrounded by mountains on all sides, shielding it from harsh northerly winds but also condemning it to fewer sunny days than London. The region’s geography and its resulting reputation as a place that promotes hedonism and whittles away the ambitions of young people have led to a popular saying that Sichuan is not a good place for young people to go to seek their fortunes (*shao buru chuan*). Some people even used Chengdu’s topography to emphasize this point: “Sichuan is a basin; once you fall in, it’s very hard to get out.”