

Chapter 3: China



Overall Theme of this Chapter: Politics and Economics

- How do politics affect economic activity in China?
- Is being proficient in English enough to do business in China?

Section A: Let's Learn About China

Population	13,398 million people (2019)
Land Mass	9,597 km ²
GDP per capita	10,217 USD (2019)
Religion	Buddhism, Christianity, Taoism, Islam

The World Bank Development Indicators



Find Out More About China

Choose one of the topics below and research about it in detail on the Internet or at the library.

1. Research the historical relationship between Japan and China.
2. Research the current relationship between Japan and China.
3. What kind of country is China today?
4. Research about the culture and society of China.

China at a Glance

The official name of the country is the People's Republic of China. The capital is Beijing. It is the most populous country in the world. In terms of politics, the Chinese Communist Party (CCP) holds the leadership of the country, and the country is effectively a one-party dictatorship.

On the economic front, by establishing special economic zones and coastal open cities after the reform in 1978, China made a fundamental shift away from a socialist economic system. As a result, the inflow of foreign capital has increased, and the country has achieved an average annual real GDP growth rate of more than 9% for more than 20 years, becoming the world's second largest economy after the United States in terms of GDP in 2010.

Hong Kong was returned from British rule in 1997 and Macao was returned from Portuguese rule in 1999.

In terms of social issues, corruption has become a major problem. Corruption and abuse of authority by local government officials (not limited to Communist Party members) is a major problem. Environmental problems are also serious. China's carbon dioxide (CO₂) emissions from energy use account for 30% of the world's emissions, making it the world's largest CO₂ emitter.

China is a multi-ethnic country. The largest ethnic group is the Han Chinese, who make up 92% of the population. The remaining 8% of the population is made up of many ethnic minorities such as the Uyghurs, Mongols, and Tibetans. In recent years, the suppression of the Uyghur people has become an international problem.

Section B: Let's Learn about Japanese Entrepreneurs Working in China

Pre-Reading Discussion Questions

1. Have you ever been to China? What time and where did you visit? What was the most memorable thing about your visit?
2. What do you know about the history of China? Please tell us what you know.
3. Is there anything you would like to know about China?
4. What kind of image do you have of China?
5. It is said that China's economic development is remarkable. What are the reasons for this?

Main Task: Read the following Cases 1-3 and answer the questions about the career paths. Don't forget to visit the website(s) listed at the end of each profile to learn more about the business.

Case 1

Mr. Kenta TORIMOTO

Profile

Born in Shintoku-cho, Hokkaido. Married to a Japanese wife and has two children. Studied at public elementary and junior high schools in Shintoku-cho and Obihiro Sanjo High School in Obihiro City. Entered the Faculty of Physical Education at Chukyo University in Aichi Prefecture. At first, he wanted to become a physical education teacher, but dropped out after two years. His father owns a dairy farm in Shintoku-cho. Mr. Torimoto is the eldest of his siblings. His younger brother has taken over the family dairy farming business. Mr. Torimoto is currently the owner of a company called office339.

Website: office339 <http://www.office339.com/>

When Mr. Torimoto was in college, he spent his days in club activities and seeking entertainment over study. During this time, he was receiving money from his parents. After one year, he asked his parents for advice on how to quit. However, he was told to give it one more year and kept going, but dropped out at the age of 20, at the end of his second year.

In the same year, he decided that he wanted to go to Europe, so he went to a language school in England for a month and then worked at a hotel in Manchester. At the hotel, he worked as a waiter, a housekeeper, and helped with events.

A year later in 2002, at age 21, he returned to Japan and worked at an NTT affiliated company in Gotanda, Tokyo, until 2003. He studied IT on his own (through distance learning) stating his interest in IT was sparked by reading Bill Gates' book, "*Bill Gates Talks about the Future*," which he read when he was in junior high school.

From 2004 to 2005 (age 23-24), he worked in the IT department of Dell in Dalian, China, managing and repairing internal systems. The reason he decided to go to Dalian was that he had made friends with Chinese people in Manchester and became interested in China. When it was announced that Beijing would be hosting the Olympics, he was at a home party with his Chinese friends, and everyone was excited. They all felt that the future for China was bright. He felt there was a difference between the optimism for the future of China compared to the less optimistic future of Japan. This prompted him to think about spending time in a country that was growing and moving forward. Having doubts about going back and forth between home and work, he took a three-month leave of absence and visited Shanghai, China in 2005.

At that time, he happened to visit an area called M50 (an art village, an area of former factories and galleries) where the atmosphere was good. While there, he was offered a part-time job at a gallery. After working there for three months, he left his previous company in Dalian.

In 2006, he started working at a Chinese-run printmaking studio in the same area, but after six months, the studio had to move to a much more suburban area and he could no longer commute there. This led him to set up his own art-related office in the same year (at the age of 26). At the time, contemporary art in China was beginning to attract worldwide attention, so he contributed articles on Chinese art to Japanese magazines and coordinated with galleries and artists in China. He hired his first employee, a Chinese national, at that time.

Currently, the company has nine employees. His company plans and produces exhibitions and sources art for hotels and commercial facilities. In addition, they manage famous online YouTubers and plan and produce online video content.

Mr. Torimoto didn't have any mentors in his first job, and although he has had mentors in the past, he currently doesn't have any. He has developed networks both in Japan and China. In Japan, his networks include companies that are interested to expand into China, entertainment-related companies, IT-related companies, and art-related companies. In China, his networks include video website companies, commercial development developers, and his colleagues.

In his personal life, his network has recently increased due to his children. His wife is a private pianist and so he is also friends with her bandmates and colleagues. All of them have been working in Shanghai for a long time. Mr. Torimoto considers his work and personal life to have merged. He is highly satisfied, 5 on a scale of 1-5, in all aspects of his life. Although there are many cases where work takes priority, he sometimes takes his children to work and likes to play with them, so both work and life satisfaction are important to him; he has never thought about drawing a line between the two.

His work experience in Japan was beneficial to his future career. He did not explicitly learn business etiquette, but he learned them when he worked for a company related to NTT (NTT Comware), and at that time, it was useful to see how Japanese people work.

Mr. Torimoto's motto is "Various things are impermanent, 諸行無常. Things change. Do not stick to just one thing." He feels it is important to be concerned about a decrease in income. He wants to make a lot of money because if he has it, there are more things he can do. He currently isn't satisfied with his income. He spent very little money at the beginning because his business didn't require much startup funds. When he incorporated the company, he only needed 100,000 yuan (1.5 million yen), which he paid for with his own savings.

When he started his business, he did not consult with anyone beforehand, however, for his self-development, he makes time to meet different people. He also enjoys reading books about history and business in his free time. The most pressing concerns he has now are cash flow and political issues in China.

Mr. Torimoto's Career Path

18-20	Entered the Physical Education Department of Chukyo University to become a physical education teacher, but dropped out at the age of 20
20	Studied abroad at a language school in Manchester, England
20-21	Worked at a hotel in Manchester, U.K.
21-23	Worked at an IT-related company in Gotanda, Tokyo
23-24	Worked for a U.S. IT-related company in Dalian, China
24-25	Worked at a print studio in an art village in Shanghai, China
26	Founded an art-related event and planning business in China
Present	Expanding his art business



Questions about the Case Career Path

1. Who was the great entrepreneur who influenced Mr. Torimoto? How do you think he was influenced by that person?
2. What do you think he learned from his experience working at the hotel in the U.K.?
3. Why do you think he worked for an American company in Dalian, China, after working for a Japanese company?
4. What was his first encounter with art?
5. Please explain the meaning of Mr. Torimoto's career anchor.

Case 2

Mr. Yusuke WAKEBE

Profile

Born in Tokyo, Japan, Mr. Wakebe attended public elementary school until grade 5 in Japan, and from grade 5 to Junior High School he attended a Japanese School in New York, New Jersey, USA. He returned to Japan and attended Gakugei University High School. He entered the Human Science Course II of the University of Tokyo and graduated from the Faculty of Economics and passed the bar exam while still in university.

He is currently the general representative of IP FORWARD Group. He is the CEO and chairman of directors of JC FORWARD, which specializes in business consulting, Animation Forward, which produces animation content, and Nuru Nuru, which provides support for entertainers and Key Opinion Leaders (KOL) who want to enter the Chinese market as well as advertising services utilizing this support. He is the representative attorney and patent attorney at FORWARD Law & Patent Office and is also a Japan-China Entertainment Lawyer.

Websites:

IP FORWARD <http://www.ip-fw.com/>
Animation Forward <http://af-icf.com/>

Mr. Wakebe joined the Japanese firm Dentsu Inc. as a new graduate in 2000 and worked there for two and a half years before becoming a legal apprentice in the 56th term and registering as a lawyer in 2003. At Dentsu, he was assigned to the contents business division, which deals with movies, music, character business, etc. Normally, new employees are not assigned to this department, but he was selected because of his success in passing the bar exam and his English skills. During his tenure, he learned the basics of being a member of society.

He didn't intend to get his license to become a lawyer. Originally, he had considered becoming a game producer because he liked games and had won a game tournament. However, while meeting people in the game industry, he learned that there were no business producers of Hollywood movies or game content business in Japan. And he also received advice that if he had passed the bar exam, could speak English, and knew a lot about games, he should become a producer for Japan. Therefore, he decided to join Dentsu, Inc., which was creating a new specialized department and was hired.

In the meantime, he registered with the Dai-ichi Tokyo Bar Association and joined a major law firm in 2003. He was involved in contents business law, general corporate law, intellectual property law, and finance and real estate securitization. He spent three years working there until 2006.

For the following three years from 2006 to 2009, based on positive evaluations of his work experience, he was seconded and dispatched to the Ministry of Economy, Trade and Industry (METI) by the law firm as the first anti-counterfeiting specialist lawyer. In that post he oversaw research and analysis of the intellectual property rights legal systems, consultations with the governments of related countries, and consultation services related to damage caused by intellectual property rights infringement. This was the first time someone from his law firm was dispatched to METI.

Mr. Wakebe's connection to China came from an encounter with the president of an IT company he met when he was working at Dentsu. When the Tokyo Metropolitan Government decided to dispatch an IT venture company to China, he was asked to be the lawyer accompanying and supporting the dispatched team (around 2003), and since then he has been deeply involved in China. The mission of the Anti-Counterfeiting Office of METI is to "protect Japan's intellectual property". Therefore, in China, which at that time was a representative country of developing countries, he first listened to the voices of Japanese private companies, grasped the problems they were facing, and investigated China's intellectual property laws. China-related matters accounted for 60 to 70 percent of the total businesses negotiated with companies. Of the remaining businesses, 20-30% of the countries were in Southeast Asia and the Middle East. Mr. Wakebe returned to the law firm in 2009, and for two years until 2011, he obtained the right to work abroad and exercised that right in China in accordance with the rules of the firm.

In the first year (2009), he stayed in Shanghai, where he attended a language school for the first six months and spent the remaining six months at five or six detective/investigation firms specializing in anti-counterfeiting detective/investigation work. It was here that he learned the practice of anti-counterfeiting investigation through on-the-job training. In the second year, he joined a law firm in Beijing, where he received training, and during his training, he began to receive requests from many Japanese companies for work to manage and control anti-counterfeiting detectives in China. This led him to pursue practical work in the field.

During his three years worked for METI and the two years of seeing and fighting against counterfeit goods in China, he had the opportunity to think about Japan's intellectual property rights and, by extension, Japan's national interests, and so he decided that he wanted to see a little more of China and fulfill the work that many Japanese companies had asked him to do. He finally left the law firm at age 34.

In 2011, at the age of 34, he started IP FORWARD, a consulting company in Shanghai that provides one-stop support to Japanese companies in China for the purpose of intellectual property protection. With more than a dozen Chinese detectives and one Japanese, it was his first start-up in a foreign country.

As the business grew steadily, he began to expand its scope, and in 2016, he established JC FORWARD and Animation Forward, whose main business is Japan-China content business and animation production respectively. In addition, in 2019, he established Nuru

Nuru Inc. to support advertising business orientated towards Chinese people and provide support for entertainers and celebrities to enter China.

He manages around 70 to 80 employees in total, including non-regular employees. Ten of them are Japanese. He said that he doesn't work for money but for something more socially meaningful.

None of his relatives are self-employed. He has a brother, and he is the eldest son. He travels back and forth between Japan and China, so he has many opportunities to see his parents.

He had a mentor during his first job at Dentsu. He also consulted with a Japanese mentor when he started his business. However, he does not have a mentor now.

His work and personal life are integrated, and his professional network consists of: 1) consulting companies, intellectual property-related companies, 2) film and content businesses, Japanese and Chinese contacts in the animation industry, 3) patents, patent attorneys and AI engineers, 4) advertising agents, and 5) people working in government departments.

Personal life network is integrated with the professional one. On a 5-point scale, he feels his job satisfaction is 3, life satisfaction is 3, and overall satisfaction is 3. Job satisfaction is the highest.

He considers his work experience in Japan to have been beneficial for the development of his company.

He has three personal mottos: "Difficulties are only given to those who can overcome them," "To manage is to think of solutions" and "all responsibility lies with me." In terms of income, he believes that it is not good to live only for the purpose of earning money. It is good to have enough money to live a life that you enjoy. He doesn't consider himself greedy, but recently, as a business owner, he needs money in order to hire talented people, so he has come to believe that he needs to think more about earning money by doing something good for society.

He regularly reads books in new fields as a form of self-improvement.

Currently, he doesn't have any pending issues.

Mr. Wakebe's Career Path

18	Entered Human Science II course of University of Tokyo
22	Passed the bar exam while a student at the University of Tokyo
23	Graduated from the University of Tokyo, Faculty of Economics. Joined Dentsu Inc.
26	Admitted to the bar. Joined a major law firm.

29	Seconded to the Office of Anti-Counterfeiting and Trade, Ministry of Economy, Trade and Industry. As the first anti-counterfeiting lawyer, engaged in negotiations with companies in China, Southeast Asia, and the Middle East.
32	He returned to his law firm and exercised his right to work abroad for two years, spending the first year in Shanghai. During the first year, he attended a language school for the first six months and spent the remaining six months working for a research company specializing in anti-counterfeiting investigations to acquire practical experience in anti-counterfeiting investigations. After that, he joined a law firm (China Law Firm) in Beijing, where he was engaged in Chinese intellectual property and legal practice.
34	Resigned from the above law firm. Founded IP FORWARD, a consulting firm in Shanghai for the protection of intellectual property.
Present	Currently running and expanding several companies, including an intellectual property countermeasure against counterfeiting, a lawyer and patent attorney business, a business company for entering the Chinese market, a company for importing movies, an animation production company, a patent agency, a patent translation company using AI, and a company supporting Japanese entertainers and KOLs entering the Chinese market.

Questions about the Case Career Path

1. Why do you think Mr. Wakebe became a lawyer?
2. Why do you think he started his own business in China?
3. Do you know of any cases where Japanese products have been imitated and sold?
4. What do you think is the reason why Mr. Wakebe wants to contribute to society?
5. Please explain in detail Mr. Wakebe's personal mottos: "Difficulties are only given to those who can overcome them," "To manage is to think of solutions," and "all responsibility lies with myself." What are your thoughts on these mottos?

Case 3

Mr. Makoto HORI

Profile

After graduating from university, Mr. Hori worked at a university hospital as a medical technologist but left. He applied for the Japan Overseas Cooperation Volunteers (JOCV) and was assigned to the Solomon Islands in the South Pacific. After returning to Japan, at the age of 28, he moved to a health checkup service provider in Chiba Prefecture, and at the age of 30, he became a manager of the company's Hong Kong subsidiary. At 39 years old, he became independent and established a company that provides comprehensive health checkup services in Hong Kong. He is currently the president of the company.

Website:

Mediport Japanese: <http://www.mediport.com.hk>

After graduating from university, Mr. Hori started working at the central laboratory of Nippon Medical School Hospital at the age of 24. He was satisfied with his work in the Clinical Laboratory but was dissatisfied with the seniority system and felt his future may be limited, so left.

He applied for the Japan Overseas Cooperation Volunteers (JOCV) program, and after going through the first and second screening (individual and specialist), although it was pointed out that he lacked experience, at the age of 26, he was assigned to the Malaria Bureau of the Ministry of Health and Medical Services of Solomon Islands in the South Pacific.

He conducted malaria examinations, new clinical trials, and staff education at a hospital in the Solomon Islands. He also participated in conducting medical checkups for malaria on local people. After working in a completely different environment to a Japanese hospital, he felt living in developing countries was a good fit for him.

When he returned to Japan at the age of 28, initially he couldn't find work that was related to overseas. However, in the same year, he found a position at a company in Chiba Prefecture (headquartered in Shiga Prefecture) that was commissioned to provide health checkups. After he joined the company, he heard that they were planning to set up an office in Hong Kong, at the age of 30, he was assigned to Hong Kong as the manager. However, since he did not have the authority to make decisions in Hong Kong he decided to leave the company at the age of 39.

Immediately after leaving the company, Mr. Hori established Mediport International Ltd with a Japanese nurse. The first three months were tough, he stated they used desks in the office of an insurance broker. For the first four years the volume of work was limited but when the SARS outbreak occurred in 2003, the number of clients increased

exponentially. At present, the company employs seven full-time employees in collaboration with medical authorities in Hong Kong.

His company is focusing on comprehensive health checkups for Japanese working for Japanese multinational companies, and their families.

The name of the company comes from the combination of the two words 'medical' and 'support.' He is always thinking about how to contribute to his clients in the field of medicine, medical support, and health, in consultation with doctors in Hong Kong.

Mr. Hori said that his experience working in Japan was not helpful for his career. When he became independent, he received a lot of support and through this support he could maintain his business. He felt he had achieved success when he returned to the same income level and standard of living, he had when he was a salaried employee in Hong Kong.

When he worked in Japan, his satisfaction level was 2 to 3 on a 5-point scale, but now it is 4 to 5. In terms of job satisfaction, he stated that work and life are one and the same. Regarding income, he stated that although a higher income is better, success and satisfaction should not be determined by high or low income, but rather by working in a company that provides a satisfying work environment. As a means of self-development, he has obtained certifications as a mental health counselor and health care manager.

Mr. Hori's network consists of a variety of people. He stated he would never have met those kinds of people if he had remained in Japan.

He is concerned about whether he can accumulate enough funds to deal with an emergency in work. In his private life, he is concerned about his family and his parents living in Japan. Mr. Hori's career anchor is "Never forget a debt of gratitude." He stated he aspires to live a self-sufficient life in Japan, Hong Kong, or the Solomon Islands.

Mr. Hori's Career Path

24	Worked in the Central Laboratory of Nippon Medical School Hospital after graduating from university
26	Moved to the Department of Malaria, Ministry of Health and Medical Services, Solomon Islands, South Pacific as a member of the Japan Overseas Cooperation Volunteers (JOCV)
28	Returned to Japan and got a job with a company which conducts health checkups
30	Stationed in Hong Kong as a manager
39	Quit and established a comprehensive health checkup service <i>Mediport International Ltd.</i> President of the company
Present	Expanding his medical business in Hong Kong



Questions about the Case Career Path

1. Mr. Hori was not satisfied with his first job. Why do you think that was?
2. What do you think you need to do during your university years in order to find a job at a company you are satisfied with?
3. What is the Japan Overseas Cooperation Volunteers (JOCV)? Who can become a Japan Overseas Cooperation Volunteers (JOCV) member and how?
4. Why do you think Mr. Hori decided to start his own business in Hong Kong?
5. What does Mr. Hori do for self-development?



Section C: Deepen Your Understanding

Write a report or give a presentation on the following:

1. If you were to start a business in China, for example, in Shanghai, what areas of business do you think would be promising?

English Supplementary Reading

- Breslin, S. (2007) *China and the Global Political Economy*. Basingstoke: Palgrave Macmillan.
- Deng, Kent G. (2012) *China's Political Economy in Modern Times: Changes and Economic Consequences, 1800-2000*. London: Routledge.
- Ding, S. (2010) 'Analyzing rising power from the perspective of soft power: a new look at China's rise to the status quo power' *Journal of Contemporary China*. 19(64): 255–272.
- Farndon, J. (2007) *China Rises: How China's Astonishing Growth Will Change the World*. London: Planet Virgin.
- Joseph, W.A. (2010) 'Studying Chinese politics' in W.A. Joseph, ed. *Politics in China : An Introduction*, Oxford: Oxford University Press.
- Zhao, Y. (2008) *Communication in China: Political Economy, Power, and Conflict*. Lanham, MD: Rowman & Littlefield.
- Zhang, Y. (2010) *China and Asian regionalism*. Singapore: World Scientific.

Japanese Supplementary Reading

- 地球の歩き方編集室（編）（2018）『地球の歩き方 中国 2019-2020』地球の歩き方。
- 地球の歩き方編集室（編）（2020）『地球の歩き方 上海 杭州 蘇州 2019-2020』地球の歩き方。
- 寛武雄他（2017）『改訂増補 中国のことがマンガで 3時間でわかる本』明日香出版社。
- 谷崎光（2014）『日本人の値段—中国に買われたエリート技術者たち』小学館。
- 中嶋嶺雄(1985)『香港—移り行く都市国家』時事通信社。