Lifestyle and Consumption in 21st-Century China

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Consumption in China —a mystery that isn't one?

To the French, China often appears to be a mysterious continent, an exotic culture, a country seen as a threat to our economy and our jobs, a sort of modern version of the "yellow peril" that Japan was denoted as in the 1930s — and in any case, a country difficult to decipher.
What I would like to show, as an anthropologist in the field of consumption, after fifteen years of qualitative surveys on daily life in China with Chinese colleagues in Guangzhou, Hangzhou, Beijing, Harbin, Chengdu, and Shanghai (cf. Zheng Lihua, D. Desjeux, Anne Sophie Boisard, Yang Xiao Min, *Entreprises et vie quotidienne en Chine* (Enterprises and Everyday Life in China), L'Harmattan, 2002; *Comment les chinois voient les européens* (How the Chinese See Europeans), PUF, 2004), is that China is indeed a complex country, diverse and original; however, there are simple keys to help understand the changing lifestyles of Chinese consumers and thus to anticipate their future behavior, even though all human behavior is still to a large extent unpredictable.

Consumption as an analyzer of ways of life of the Chinese middle class: savings vs. consumption

An estimated 700 million Chinese out of a total population of 1.3 billion comprise the working population; the middle class, whose standard of living has greatly improved, represents 40%. J.-Y. Carfantan, in *Le choc alimentaire mondial* (The World Food Shock) (2009) cites McKinsey's report that in China there is an upper middle class of 105 million consumers with an annual income of $4800 to $12500 and a lower middle class of 190 million new consumers with an income of $3000 to $4800.
The general observation is that the Chinese in cities, who make up a large part of the middle-class consumers, face problems quite close to those of their French and European counterparts today, but also those of the years 1950s and 1960s.
The everyday problems of the upper middle class are very similar to those of the French: how to buy a home at a reasonable cost while the price per square meter in the city has been increasing for 10 years; how to live near a quality school for the sake of their only child; what educational toys to buy to ensure his or her development; how to restrict television-viewing so that their children succeed academically, enter a prestigious university, and find a successful career; how to reduce the travel time between home and the workplace; how to limit the widening gap between rich and poor; how to organize time, with working women shopping in the new supermarkets who have to decide between modern, time-saving, cellophane-wrapped, ready-to-use products and the traditional bulk goods preferred by her mother-in-law who is looking after her child; not to mention purchasing a car and obtaining a driver's license, using Western cosmetics, and buying litter and food for the cat or dog, a practice that was unknown because forbidden until ten years ago.
In the kitchen, there is no oven, except for the very wealthy classes, or bathtubs in many

bathrooms. Even though some bathrooms may rival upscale German or Japanese ones with the latest Jacuzzi, shower, sink, and Western toilet, there are still many Chinese characteristics that can weigh heavily on everyday household consumption.
There is the single-child policy, which parents can get around if they are not in the public sector, such as traders and entrepreneurs, and if they have enough money to provide tuition and health care for their children, or if they live in the countryside. The aging of the population is highly significant, because a child may eventually have to support two parents and four grandparents.
More generally, the practice of saving, and hence consumption, are influenced by the fact that pensions are not guaranteed for all. Similarly the management of health care remains uncertain for many Chinese. This forces many Chinese families to save for their own social security, and thus limits the growth of consumption. Chinese savings represent 60% of household income. *(Note: 14 March 2011: in reality it seems to be 23%, consumption accounting for only 33% of GDP, explaining the 60%.)* China must manage a rapid transition from an agrarian society to an urban society.
Indeed, in all modern urban societies, unlike traditional rural societies where the extended family provides "social security," there is a strong link between the propensity to consume and confidence in the future; the latter hinges on ensuring support for medical coverage, retirement, and children's education. This is one of the primary implications of U.S. health care reform, which the Obama administration inaugurated largely for the poor. The reform increases their capacity to consume by limiting their risks in case of disease. The growth of consumption in China is linked to the development of the welfare state and thus company payrolls; this was the path followed by most Western Europe nations under Bismarck's leadership in the 19th century and Beveridge's in the 20th century.
Today, it may be more interesting to identify similarities and characteristics that reflect the dynamics of the China of tomorrow rather than to seek a kind of fundamental cultural difference that tends to overstate how eternal and immovable China seems, even though much of that effort is very relevant in terms of historical periods and Chinese policies.

Consumption in China and the West: a parallel history, from hypermarkets to food scares

The history of Western consumption, which is associated with that of urbanization, industrial production, energy, and infrastructure, makes it possible to decipher how consumption in China is developing and what similarities there are with Western Europe and the United States.
China seems to be closely following the process of consumers in Europe between 1950 and 1980 that is associated with the growth of stores such as Leclerc, Carrefour and Leroy Merlin in France, malls and mass merchandisers such as Wal-Mart in the United States, and Tesco in Britain. Wal-Mart and Carrefour are now firmly implanted in China, not without conflict with traditional Chinese supply and distribution chains.
But the similarity may go further, particularly between the European social movements in the 1960s associated with consumer good production and the strikes in southern China in 2010 that seem to echo them. The European mad-cow disease crisis or concern about GMOs can provide insight, even though the Chinese apparently have more to fear from unsafe products, such as the 2008 milk crisis in which nearly 1200 Chinese babies were affected. The scandal was all the stronger in that families have only one child.
At some point, the real estate bubble will probably burst, as did the U.S. subprimes in 2008, with one difference: many of the loans are outside the banking system, in social

networks (*guanxi*) of family and friends. And a stock market crisis such as in 1929 is still possible, especially since many Chinese are gamblers, the stock market resembling a game of chance.
Between 1995 and 2010, China came all the way into the consumer cycle to energy saving, in spite of the practical difficulties of achieving truly sustainable development, whether in China, Europe, or the United States. The United States may have even more difficulty in establishing efficient practices after 100 years of consumer society, whereas the Chinese, particularly those in their 6os, have a clear memory of the shortages of the Cultural Revolution (cf. Xinran, *Mémoire de Chine* (China Witness), 2010, Picquier). The United States may have still have an edge over China in many areas, including more efficient consumption, the weakness of the global system; China does not have as long a history of dealing with the issues raised in Vance Packard's "The Waste Makers" (1962).

Constructing the Chinese market: infrastructure, mobility, home, and the body

All this shows that China has in part followed the same path as Europe and the United States, and the market has been constructed in fairly predictable stages. In practical terms this translates into a massive market infrastructure, as in post-war France, with cement, nuclear power, hydropower, and particularly coal; more recently the market for urban water and waste treatment and also mobility — cars, planes and trains — has developed. Continuing the comparative history of consumption, it can be seen that the market for luxury cars in the United States in the years 1910-1920 addressed a limited number of buyers; expansion was spurred by a popular market with the Ford Model T. After the World War II, it was France's turn with the 4CV and 2CV, Germany's with Volkswagen, and Italy's with the Fiat 500.
In China, however, although the auto market is booming, it is not really a mass market, as in India where for $2100, the Tata Group launched the Nano, a real "people's car," as was the Volkswagen. China may be on the verge of a popularization of the automotive market, but it is already relatively saturated.
The spread of the car is hampered by the lack of space in cities. In Canton, cars already circulate on two, three, or four superimposed levels in the city. Pollution is often a crucial issue not only in the industrial cities of the North, but also in southern cities and in the center. In several cities only even- or odd-numbered license plates may circulate on certain days. This may actually increase the number of cars: the wealthier families can buy two cars to get around the ban.
Some Chinese are very aware of issues of sustainable development. The BYD Chinese car-marker has been able to specialize in electric vehicles because the parent company produced electric batteries, and the city of Chengdu, in Sichuan in central China, is already crisscrossed by electric mopeds. Such cases explain, in part, Chinese investment in alternative energy.
In ecological terms, China has indeed significantly increased its investment in renewable energy. It surpassed the United States in 2010 in this area. In Guangzhou, in the south, in 2010, 90% of taxis and public transport were powered by LPG energy (propane and butane).
Observing car buyers during a trade fair in Beijing, as Ken Erickson and I did with several persons from the General Motors innovation department, we saw very pragmatic motivations. At the stand of a mid-range car, a Chinese family was not looking as the engine or the dashboard but rather at the trunk and retractable seats, to gauge the amount of goods they could carry. In another booth, a luxury car buyer did not look the car's technical

performance either; he tested the back seat and the degree of comfort, leaving his driver to worry about technical performance. Some behaviors appear similar to those in France in the 1960s and also today. Manufacturers tend to overestimate the interest of buyers in the car's technical qualities; it may be true for aficionados, but for many French people, a car is merely a box on 4 wheels, as shown in recent research by Fabrice Clochard. Whether a car is viewed with status or a practical function may vary in relation to income or social group.
The infrastructure market and the mobility market are both expanding along with that of home furnishings, especially in the bathroom, kitchen and living room, with special importance given to electronic equipment and everything that is associated with Internet, TV, computers, and telephones. The Chinese are unbeatable in handling the Western keyboard to send each other text messages and puns in Chinese characters, playing with the tones. The do-it-yourself market is expanding; for example Legrand is making inroads with its designer wall outlets and cupboard handles, which denote the increase in everyday household objects and thus an increased need for storage. There is a whole brand-new market for interior design in China; the market for home comfort was non-existent in Guangzhou in 1997, only 13 years ago.
The market for products for the body covers three areas, body care, food, and, apparel, whereas the French market is not segmented in this manner. Chinese values link between morality, health, and beauty. External beauty may reflect inner beauty, which in turn may express a moral beauty, which is maintained by care of the body, food, and the smooth flow of *qi*, energy, throughout one's body, hair, and clothing.
Body care includes traditional massage and acupuncture as well as modern cosmetics. The market is diversified and expanding, with a wide variety of product lines. It poses a specific problem, namely learning the techniques of applying make-up, which does not come naturally. Chinese women have the same tradition of makeup as Japanese women, but the cultural revolution may have ravaged most Chinese traditions, and Western companies sometimes forget this learning phase when launching their products. Many women's magazines, however, explain how to use them. The Chinese are often drawn to the natural dimension of the products, even though nature itself is not always perceived as safe.
Finally, the increasing purchasing power of the middle class, like during the war boom in France, has opened new markets for food, in particular for proteins such as meat and milk, and for pre-prepared meals. This explains some of the tensions that global food markets have been experiencing since 2000.
Shopping is a good analyzer of family relationships, especially the role of paternal in-laws in home purchases, which I observed in surveys of Chinese families, and the organization of Carrefour Guangzhou. Grandparents and grandchildren spend their mornings shopping for traditional products, such as live aquarium fish, cut into 6 pieces, including the head for soups, rice in bulk, vegetables, fruits, and, in increasing quantities, meat. Grandparents use the expertise of all their senses to choose fresh produce that does not come in packaging. Packaged goods are mostly purchased in the afternoon by young couples who work and have less time for cooking. They rely more on ready-to-serve meals and cellophane packaging, even for the traditional heads of salmon.

Conclusion

All the examples cited show that the Chinese middle class is changing its lifestyle in regard to mobility, as these consumers buy more cars; homes, as more money is spent on housing, shopping, decorating, DIY; and technologies, even in the kitchen with appliances. They

buy more meat and dairy products and vegetables when they can, more sugar and vegetable oils, fewer traditional starchy products, such as rice and products made from wheat or corn flour, and fewer root vegetables. This change of lifestyle explains the new rules of the new international competition. This explains why China may become a potential threat if it does not have sufficient access to global sources of energy and raw materials, like Germany between 1900 and 1914.

There is one more similarity between French and Chinese history: it was under Napoleon III in France, an authoritarian regime, that infrastructure, cities, and industry in France were developed, marking the shift from a rural society to an urban industrial society — like in China today.