

January was somehow a sad month. Two close mates told me that they would leave China for good; another one celebrated his fare well party, which had been announced for a few weeks. People move out of China and rumors have it that less come in to replace the foreign population. Beijing is long off the charts for expats: the city has turned into a wasteland and I don't understand why anybody would like to live in Mordor. But not only *laowais* hit the road, its above all native people that flock to foreign turf. I believe it was already in 2012 that the *hurun* <u>report</u> said that out of 100 rich Chinese 15 something already have a foreign domicile and 60 are doing the paper work to get one. Still many to stay behind, you would think, but in 2013 Chinese friends tell me their eyebrows rising that even "normal" employees look into a safe place abroad. It seems that a certain far-sighted populace, both foreign and domestic, leaves China and I am somehow reminded of the pre WWII Germany exodus.

A Sunday brunch will nowadays most likely turn sooner or later to the topic of where to get easy visas or green cards. After <u>Portugal</u> has opened its borders to Chinese citizens for a Schengen residence ship in exchange for EUR 500k, and <u>Spain</u> has become popular too, Cyprus being your new home for EUR 300k, Greece for EUR 250k, <u>Latvia</u> has followed en suite dumping Schengen visas to <u>EUR 150k</u>. But even tropical islands like <u>St. Kitts</u>, barely know to any European

citizens, can provide access to the old continent. Europe's administrative fragility becomes very visible in this matter and the EU seems to be aware of this fact. At least it sponsored a report released in 2013, which tries to understand the Chinese migration to Europe. This <u>report</u> counts more than 2.3 mio ethnic Chinese in the EU; with a rising trend. Looking at the global Chinese <u>diaspora</u> that counts more than 50 mio people scattered outside of China, the EU has received only a small blessing. But it is bound to become bigger, since <u>Canada</u> put its immigration investment program on ice and thus slammed this February the doors on more than 45k mainland Chinese who had already filed their papers to become Canadian residents. It was nowhere so <u>easy to get residence ship</u> than in Canada.

<u>CCTV</u> writes that for most *nouveau riche* emigration is rooted in concerns over children's education, safety of personal wealth or retirement preparation. A <u>survey</u> amongst Chinese entrepreneurs came in 2013 to the conclusion that the weak rule of law and the lack of regulated business norms drive business minded people out of the country. Even "white trash" basher Yang Rui discussed the emigration trend in his talk show <u>Dialogue</u>; and he comes to the obvious conclusion that all emigrants are traitors of the motherland. He is a great jerk, really. In particular because Yang Rui always has this negative undertone, I cherish the positive perspective that Echo and Miaomiao offer in their <u>popup</u> <u>podcast</u>. They say that the things to be cherished about China are

- e-commerce, in particular swift and free of charge delivery (淘宝/快递) and food home delivery (送餐公司)
- cheap labor force, in particular nannies (家政服务), repair services (家电 维修), long opening hours of banks and restaurants
- public transport, in particular cheap subways, high speed railway
- fake products (山寨产品) that suit in their price-value ratio more the low income customer

Lately there have been many articles written by foreigners who have left China after spending a considerable time of their life in this country of their choice; the probably most famous one was published by entrepreneur Mark Kitto in the British Prospect Magazine in Summer 2012. It was widely discussed and it's worthwhile to read the long and ambivalent string of comments. Even Kaiser Kuo and Jeremy Goldkorn on Sinica, a weekly must-podcast for China watchers, dedicated a program in response to Mark Kitto's article and some less famous exiters, like Charly Custer. Another popular exit article was written by Dutch entrepreneur Marc van de Chijs on CNN Money. The fellows from Sinica come to the quite thoughtful conclusion that most people leave because we witness a generation change of foreigners who came to China in the 80ies or 90ies, that have grown older, who raise children and have different life goals than they had when they were in their 20ies. But as much as this seems to be a reasonable explanation a new article on Chinese language **Economic Weekly** shows numbers of international moving agencies that confirm that more expats are leaving the country than ever before.

In spite of this mass exodus, we have decided to stay. That's why I will give my own summary why both leaving and staying are arguable. So here they are: 10 Reasons Why I Want to Leave China and 5 Why I Don't.

1. **Pollution:** What's more to say about this issue after Beijing's air pollution index went viral in January topping PM 2.5 900µg and Shanghai's in December 2013 topping 600µg? Frankly speaking, I have never cared about air pollution. Expats fidgeting on their smart phones and constantly discussing the PM rating, were people I tended to avoid. Since last December I have joined the crowd. We still don't wear face masks, but I watch the US consulate rating and decide then if outdoor activities are advisable for our family.

16 of the world's most polluted cities are said to be located in China. A rough, gut-felt estimate on the sources of air pollution: 1/3 traffic, 1/3 industry, 1/3 building operation. But all air pollution is rooted in China's deadly energy mix with more than 60% based on thermal power plants which burn domestic and imported coal ... leaving China's residents with healthy carbon dioxide which prompts the cousin of one of my colleagues to buy him a WWII gas mask "you can stay where you are, you will survive everything with that". Though even if air pollution is most visible – in such occasions as sending my daughter off to kindergarten and running into a befriended mother of ours with her two kids hand in hand, one left, one right, all three of them covered with facial masks – even if air pollution is most visible, it is only the tip of a dirty ice berg: water and soil pollution are much worse, have a direct impact on the nutrition cycle and will take much longer to clean up.

- 2. **Internet:** the great Chinese firewall makes online life hell. It forces a person with international or foreign online behavior patterns to either completely adapt to what the Chinese government calls accessible or to take up the infinite battle against censorship. This battle entails the purchase of a VPN that cracks small holes into the firewall, which are rarely big enough to surf at convenient speed, therefore a lot of patience is required on top. If one gets used to this toilsome routine, a sour bottom line is marked that overshadows Chinese governance per se: it takes your freedom.
- 3. **Banking:** very much linked to 2. Neurotic government control makes banking in China a true nightmare. Every single transaction requires some five more steps as in a Western country. Some ten years ago, I attributed all this to a retard banking and IT system, and in some way to what Chinese tell me over and over again: Chinese cheat each other whenever possible. But nowadays I am aware that all banking restrictions are part of a big government scheme to exert control over its subjects. At a big cost in living standards: freedom is slashed. Waiting times of two hours for a simple transaction are normality. Multiple codes, tokens, mobile or email confirmations are normal insanity. Whenever I have a private banking business coming into my way, I feel my stomach crunching. Business banking is not at all better, but most likely worse. Foreign companies

lament the foreign exchange restrictions, which make it basically impossible to transfer valuta between its international entities in required time windows. In particular profit generated in China, will have to undergo inquisition-like proceedings until it is released, if at all. All people recruited to deal with banks or the tax office should be checked for a masochist personality – they otherwise fail.

- 4. Traffic: I firmly believe that traffic is the best way to visualize the sociological patterns of a society. Whether being in India, Thailand, Germany, the US or China, contemplating traffic for a quarter of an hour in a busy intersection of the respective capital or a major city tells a lot about how a society operates, and how for example business is conducted. China's traffic is all about skirting regulations and being in almost full contact with your surrounding - whatever that may be. It is also about spontaneity. For the later I have developed a sort of affection, because it is so contrary to Western, in particular central and northern European behavior, which I regard in this matter rather boring, because so foreseeable and over-regulated. Making me think of Joseph Needham's bureaucratic futilism, which has brought down the Ming dynasty, but will certainly not cause the fall of communist China's traffic policy. In any case, I rather don't drive anymore, although equipped with a Chinese driver's license since many years. Driving in China causes high blood pressure and bad mood, above all it is a dear waste of time. Being stuck in rush hour traffic that lasts in cities like Shanghai from 8 am to 10 pm teaches you three fundamental lessons: 1) there are too many people in this country, and of course too many cars 2) most drivers have their driver's license since only a few months, at best years, and likely bribed somebody to get it - that's why even where no congestion is expected, you will have it nevertheless 3) if you want to chose an incognito brand&model, go for a Porsche Cayenne, not for a Golf.
- 5. Education: China's educational system is being hyped recently. Universities make it into top positions in international rankings, secondary schools score greatly in the PISA evaluations. A slack Western education approach is juxtaposed to a tough Eastern drill, and many professional and private commentators see in the competitive Confucian education systems of Far East Asia the main reason why the West is doomed to fall. Living in China since well over a decade, having taught in all kind of institutions and being now confronted with making a choice for my own offspring, I dare to make a bold and probably disturbing analogy: if concentration camps would result in best work performance, I would still not organize my employees like one. China's schools have one foremost purpose: contain and control the youth's vigor. It is always the youth that rebels first - and that's what is feared most. The iron governmental fist is felt most in schools and kindergartens, where the fascist nature of China is revealed every morning when nationalist sentiments are instilled into innocent children by raising the country's flag and singing the national anthem. Even so disturbing is the growing gap between rich and poor, connected and disconnected parts of society

propelled by a – at least – three class education system. Private and semiprivate schools that offer bi- or even trilingual education for USD 30k a year at age 6, yes indeed, we don't talk about annual tuition for Harvard or Stanford, but elementary school. Affordable experimental public schools with limited places, which are booked for the well connected elite of the respective city, hermetically sealed fortresses for smart children of migrant workers or expat families. Local public schools and beyond that even worse the semi-illegal institutions for the children of migrant workers. Equality in societies starts with same access to education. Equality on a high level creates livability. China's transformation from its 20<sup>th</sup> century communist values to 21<sup>st</sup> century capitalist has missed that the truth lies somewhere in between.

- 6. Halitosis: Lets start this delicate issue of personal hygiene the other way round. Did you know that Chinese perceive almost all Westerners - no matter if men or women, neither if London vuppie nor Anatolian garlic farmer – with a strong odor, if not to say stench that is widely compared to the transpiration of goats? I was amusingly shocked when I was first told, lifting my arms one after another inhaling a nose full of pit flavor. It is said that the Western consumption of dairy products causes this perception, in particular because Chinese traditionally don't consume dairy, although milk is on the rise in spite of wide spread lactose insufficiency. But lets face it: our regular digestion of milk, cheese and voghurt makes us reek to the Chinese nostril. We can't do much about it. A daily shower and a deodorant on the go won't cheat the sensitive olfactory perception of the China man. Transpiration is beyond superficial hygiene: it is a personal essence that cannot be concealed. Making me think of Patrick Suesskind's novel "The Perfume". The other side is Chinese halitosis, which seems to be almost equally rooted in a physical essence, because so many people suffer from her. Two out of three colleagues at work make me suffer in small meeting rooms, even more so on small meeting tables, four out of five Chinese business partners make me want to back off a few feet, when they open their mouth. I have not yet completely understood why so many Chinese have a foul mouth odor, but is certainly also related to a diet that differs from the West. Another more obvious reason for the worst cases is lack of personal hygiene. Receding or even bleeding gum is frequently witnessed, even so grossly neglected teeth. Without mentioning more disgusting details, I conclude, that I have such days, where I wish myself back into a work environment where halitosis is the exception not the rule.
- 7. **Humor:** It is said, that a regular good laugh is worth more than the best physician. Laughing is an essentially social thing. It is thus in humor where all intercultural understanding boils down to one conclusion: China and the West will rarely if not never share a good laugh. Humor, if it is not spontaneous, requires mostly if not always a common cultural background. This background does not exist. The Western civilization, which has its cradle in ancient Greece, has formed over the last 2500 years its own cultural context, which is fundamentally different from the

cultural conditioning of the Chinese civilization during a similar period. Lets not fuss about a few shards of pottery that have been found earlier, lets not discuss CPC historian's claim to 5000 years of continuous history. Lets simply face a fact: Germans and Italians, Canadians and Mexicans have difficulties to laugh together, but after some assimilation and mutual openness one can understand vice versa. This will never be possible for foreigners in China, and will always be hard for Chinese who do not grow up abroad. China is a civilization per se, Germans, Italians, Canadians and even Mexicans have their common roots in ancient Greece and Rome.

8. **Climate:** Having grown up in a moderate alpine climate in central Europe, I always thought that I fear the cold and like the warm. China has taught me something different. Shanghai's winter is unexpectedly long; it can last as a matter of fact from November to March, although global warming is working against my claim. Shanghai's cold is one that makes you freeze deep into the bones, not on the skin like in Beijing or China's Northeast. I can nevertheless live with it, in particular since we have an apartment with floor heating that makes me feel snug.

What I can't live with is Shanghai's humid summer heat, which scorches from June to September without mercy. Summers in China are like a purgatory and there is no escape, but an air-conditioned building. That's why a lot of poor folks can be seen gathering at the subway exits during the worst days. The Chinese adjective for this temperature is men  $\bowtie$ , which means both humid and depressive is very pointedly depicted by a heart enclosed by a door. That's exactly how if feel after a few weeks summer humidity: locked into a depressive state of sweat. My spirits are usually lifted not earlier than mid September, when this locked door is mysteriously opened and my European heart is deceived to take autumn for spring.

9. **Property:** Niall Ferguson wrote in his book "Civilization" that there are six key "ingredients" that make up a civilization. One of those killer apps – as he calls them, are property rights. Its hard to understand how China was able to develop into a civilization, if property rights are probably the least implemented killer app. But I guess we have to take into account that China is in this modern definition of Prof. Ferguson a very young civilization, definitely not 5000 years old, but rather some 65 years old. A civilization that provides something comparable to western property rights to its citizens only since the last 80ies.

For a foreigner in China – without looking at the historical conditions – its simply frustrating to be not able to own a house, because the law tells you that your ownership expires 70 years after construction or 70-x years after purchase of a second hand property. Its frustrating for entrepreneurs that land can only be leased for up to 50 years and then must be returned to the government, which makes most of its revenue with land sales, btw. If owning a property is made so difficult and insecure, its hard to feel at home.

10. **Expectations:** As a European you will always have to deal with frustrations when living and working in China. I tried to overcome this mind-set by getting rid of my expectations, but I had to learn that my expectations of how things are supposed to be are deeply rooted in myself and can not be reprogramed.

Might sound like I am a conservative jerk, but maybe you can understand if I give you an example. Weekends in the Alpine area are usually spent in the mountains. A two to three hour car drive will take you into grand scenery and you will be able to hike as much as your heart desires – free of charge. A two or three hours car drive will take you from Shanghai down town – if you are lucky and there are no jams on your way – to Moganshan, a bamboo forested hill-side retreat. You will be disappointed in pretty much every aspect. Less distance covered in same time; Exhausting traffic conditions; Too many people at your destination; Entrance fees for places nobody would dare to charge you for in Europe; Wild waste dumps all over the place; why making this effort? You will stay in your Shanghai apartment the weekend after, and after, and after. After you realize that in spite of all the frustrated expectations, you still need some nature experience to replenish you energy levels. No matter it's the Alps or Moganshan.

# **5 WHY I DON'T**

- 1. **Professional Career:** ever since I have graduated from university and even before then, my focus has been on China. Call it loss of direction, call it inspiration I have invested so much energy and time into the Chinese language and culture that I have come to feel locked in. Culturally and linguistically locked in. My professional asset is my China know how and I can play with that asset only whence being in China or dealing with her from somewhere else (what would have an immediate impact on my Chinese proficiency).
- 2. **International Setting:** our home Shanghai is a truly multicultural megalopolis, not like New York or Los Angeles with races and ethnicities melted into a new amalgam of identity, but almost as international as London or Paris, with a majority of national, and a minority of international residents that contribute to each others world of thought and deed. If I were looking for relocation, it would be quite tough to find a comparable and affordable place like Shanghai.
- 3. **Service Industry:** a *laowai* as I am, I tend to bitch about China's Gini-Coefficient and all those nouveaux-riche who brag with their Bentley's, private beach homes on Long Island and down town dominions in Sydney, and I lament the poor on whose back all these riches are earned. But raising two kids in such an exhausting place like Shanghai, I am down to the marrow of my bones grateful for having a great ayi, who cherishes our offspring and who is always there to support us parents from being at

work. I don't know how we would be able to raise our kids without her, but I certainly know that we would be not able to afford a nanny back home.

- 4. **Intellectual stimulation:** I think that I would drop bored dead, if I had to live and work again back home. As complex and demanding the Chinese language might be, as stimulating it is to my mind. Chinese has turned into my mental game, like statics and design for an architect or medical therapy for a physician. As Sinica co-host David Moser put is: China is my drug of choice.
- 5. **Coming of China Age:** we all have to consider our own bio-rhythm, respectively that of our family. It was argued that people like Mark Kitto left China because they have reached a certain age, 40 something, and have children in their early teens. It then seems to be an obvious choice to repatriate to your Western home society for several of the above mentioned reasons. I would like to call this the coming of China age phenomenon. It's very much like a <u>coming of age</u> transitional period, but instead of happening in your teens it occurs in between your mid 30ies and mid 40ies, when your children are about to enter primary or secondary schooling. I am not yet there, but I am aware that that period will come for sure.