

The Rise of China's Yuppie Corps: Top CEOs to Watch

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The remarkable development of China's economy has been matched by the rapid rise of Chinese entrepreneurs. A group of young, well-educated, urban economic elites—China's "yuppie corps"—has recently emerged and taken the spotlight. Focusing on the CEOs of China's 100 leading enterprises, this article will outline the demographic characteristics, especially professional backgrounds and career experiences, of China's most prominent business leaders. Their relatively young age and the growing importance of their enterprises indicate that the most promising executives in China's flagship firms may broaden the way in which future political leaders are chosen. The rise of the yuppie corps in the business leadership of the People's Republic of China (PRC) also suggests that Chinese firms in various industrial sectors may become even more competitive in the world market in the years to come.

The rise of China's entrepreneurs has been as dramatic as the recent rapid development of the Chinese economy.¹ A group of young, well-educated, urban economic elites—China's "yuppie corps"—has recently emerged and taken the spotlight. A few distinguished members of this new elite group have already become chief executive officers (CEOs) of many leading companies in the People's Republic of China. For example, Sinopec (China's second-largest oil company), China Mobile (the largest telecommunications firm in the country), China Construction Bank (the second-largest commercial bank in the country), and Shanghai Baosteel Group (China's largest steel producer) are all headed by CEOs who are only in their 40s. These newly appointed CEOs all hold doctoral or other advanced professional degrees.

All four of these Chinese firms are also ranked by *Fortune* magazine as top companies in the Global 500.² In 2004, based on their high revenues and other criteria, a total of 14 PRC companies were included among the Global 500. Led by such young and ambitious executives, China's flagship companies in industries such as energy, telecommunications, banking, motor vehicles, and metals are expected to become more competitive in the ever-changing global economy in the years to come. The characteristics and worldviews of the executives of the PRC's leading corporations not only will influence the trajectory of economic development in the country, but also will have ramifications far beyond China's borders.

Zhu Yanfeng, the 43-year-old CEO of China First Auto Works Group, the largest producer of motor vehicles in the country, states that the goal of his multinational

corporation is to “let every Chinese family own a car.”³ This goal could scarcely be more ambitious considering the fact that China presently has only 15 cars per 1,000 people, compared with 700 cars per 1,000 people in the United States.⁴ Zhu’s remarks are probably nothing more than a self-serving business promotion. Nevertheless, China’s fast-growing demand for oil and other resources, as well as the negative environmental consequences caused by this ongoing, unprecedented, large-scale industrial revolution, are among the daunting challenges that confront China and the entire world.

Young and prominent economic elites in China’s top business firms are also rising stars in the next generation of the Chinese political leadership. The CEOs of China’s leading corporations usually have the official government rank of vice minister or vice provincial governor or above. At the 16th National Congress of the Chinese Communist Party (CCP) held in 2002, for the first time in history, entrepreneurs of large enterprises and banks attended as distinct groups. The Central Enterprise Work Commission and the Central Financial Work Commission had their own delegations at the party congress.⁵ Seventeen representatives of the entrepreneurial class became members of the presidium of the party congress.⁶ A total of 24 entrepreneurs from large state-owned enterprises, collective firms, joint ventures, and commercial banks were selected to serve on the 356-member 16th Central Committee as full or alternate members. They include Zhang Qingwei (43-year-old CEO of China Aerospace Science & Technology Corp.), the aforementioned Zhu Yanfeng (43-year-old CEO of China First Auto Works Group), Su Shulin (42-year-old vice president of China National Petroleum Corp.), and Liu Shiquan (41-year-old deputy general manager of the Sanjiang Space Group). Zhang is the youngest full member of the 16th Central Committee, and Zhu, Su, and Liu are the three youngest alternates.

The relatively young age of China’s top business leaders and the growing importance of their enterprises indicate that this new elite group will most likely play a more pivotal political leadership role in the near future. They may challenge the prevalent norm of elite recruitment in reform China, in which most high-ranking leaders are selected from a group of officials who have advanced their careers primarily through provincial and municipal administrations.⁷ The differences between enterprise executives and government bureaucrats—in terms of their occupational backgrounds, career patterns, political socialization, behavioral attributes, and worldviews—may have profound implications for the trends and dynamics of elite politics in the country as more business leaders take on leadership positions in the political establishment.

Despite the great significance of the subject, very few scholars, either in China or abroad, have undertaken systematic and empirical studies of the top Chinese business executives.⁸ This paper aims to fill the gap between the dearth of scholarly research on the subject and the growing influence in China of both major corporations and the entrepreneurial class. Focusing on the CEOs of China’s 100 leading enterprises, this article will outline and assess the demographic characteristics, especially professional backgrounds and career experiences, of China’s most prominent business leaders.

Sources, Enterprises, and Assessments

This study analyzes the biographical information of current CEOs of the top 100 companies in the PRC. The list of the top 100 was derived from the web site of the National Association of Chinese Enterprises, which recently ranked the largest business firms in the PRC, primarily by their total revenues in 2004.⁹ Almost all these companies have home web sites that provide comprehensive information about their firms, including brief biographies of the CEOs. Additional information has been acquired through searches using major Chinese-language web sites such as yahoo.com.cn, sohu.com, and sina.com.cn.

Table 1 lists these top 100 companies. They represent a wide range of industries, including energy, metals, motor vehicles, transportation, telecommunications, construction, electronics, utilities, banking, insurance, pharmaceuticals, and commercial trade. Many companies on this list have engaged in business across different industries. For example, the Shenhua Group not only concentrates on energy areas such as coal mining, but also administers railway cargo transportation, seaports, and shipping.

These corporations also vary in terms of ownership, although a majority of them are state-owned and/or shareholding enterprises. Some of these firms are joint ventures with foreign corporations; for example, Motorola China, Philips China, Shanghai Volkswagen, and Guangzhou Honda all have foreign partners. The central government and/or local governments in the country usually hold large proportions of stock in these shareholding enterprises. The ownership of some large firms can be ambiguous—sometimes even publicly controversial—as many state-owned enterprises have recently been transformed into privatized or shareholding companies. This ownership change can be a result of management buyouts (MBOs), which enable managers to buy state assets at bargain prices for personal gain.¹⁰ The CEOs of some famous companies, including Haier and TCL Corp., were recently accused by critics like Hong Kong-based economist Larry Lang of deliberately using the MBOs to cause huge losses in state assets.¹¹

A small number of the firms on the list are considered privately owned (*minyingshi qiye*). Shanghai Fosun High Technology Group, for example, was founded in 1992 by several young graduates of Fudan University in Shanghai. Principal founder Guo Guangchang is often referred to by the Chinese media as “China’s Bill Gates.” This company ranked second among the top 500 Chinese private enterprises in 2003. The firm originally specialized in biotechnology research and has now become one of the largest conglomerates in the country, operating in six industrial sectors: pharmaceuticals, real estate, metals, motor vehicles, commercial trade, and telecommunications. Another example is the Jiangsu Shagang Group, which was first founded in 1975 in Zhangjiagang, Jiangsu, by a few rural entrepreneurs with total capital of 450,000 yuan. Now the firm is the largest privately owned steel producer in China, having total assets of 26.4 billion yuan (\$3.2 billion) and employing 9,500 people.

Table 1
Top 100 Companies in China (2004)

<i>Rank</i>	<i>Company name</i>	<i>Abbreviation</i>	<i>Industry</i>	<i>Location</i>	<i>CEO</i>	<i>Year appointed</i>
1	State Grid Corp. of China	SG	Utilities	Beijing	Liu Zhenya	2004
2	China Nat'l Petroleum Corp.	CNPC	Petroleum refining	Beijing	Chen Geng	2004
3	China Petrochemical Corp.	Sinopec	Petroleum refining	Beijing	Wang Tianpu	2005
4	Industrial & Commercial Bank of China	ICBC	Banking	Beijing	Jiang Jianqing	2000
5	China Mobile Communication Corp.	China Mobile	Telecommunications	Beijing	Wang Jianyu	2004
6	China Life Insurance Group	China Life	Insurance	Beijing	Wang Xianzhang	2000
7	China Telecom		Telecommunications	Beijing	Wang Xiaochu	2004
8	China Nat'l Chemicals I&E Corp.	Sinochem	Commercial trade	Beijing	Liu Deshu	1998
9	China Construction Bank	CCB	Banking	Beijing	Guo Shuqing	2005
10	Bank of China		Banking	Beijing	Li Lihui	2004
11	China Southern Power Grid		Utilities	Guangdong	Wang Yeping	2003
12	Shanghai Baosteel Group		Metals	Shanghai	Xu Lejiang	2005
13	China First Auto Works Group	FAW	Motor vehicles	Jilin	Zhu Yanfeng	1999
14	China Nat'l Cereals, Oils, & Foodstuffs Corp.	COFCO	Commercial trade	Beijing	Liu Fuchun	2000
15	Agriculture Bank of China		Banking	Beijing	Yang Minsheng	2003
16	Shanghai Automotive Industry Corp.	SAIC	Motor vehicles	Shanghai	Hu Maoyuan	1999
17	Guangdong Guang-Dian Power Grid Group		Utilities	Guangdong	Wu Zhouchun	2004
18	Dongfeng Motor Corp.	DFM	Motor vehicles	Hubei	Miao Yu	2001
19	Haier		Household products	Shandong	Zhang Ruimin	1993
20	China Netcom Corp.	China Netcom	Telecommunications	Beijing	Zhang Chunjiang	2003
21	China Ocean Shipping Group	COSCO	Transportation	Beijing	Wei Jiafu	1999
22	China Nat'l Metals & Minerals I&E Corp.	China Minerals	Commercial trade	Beijing	Zhou Zhongshu	2004
23	China Railway Engineering Corp.	CREC	Transportation	Beijing	Qin Jiaming	1996
24	China State Construction Engineering Corp.	CSCEC	Construction	Beijing	Sun Wenjie	2003
25	China Railway Construction Corp.	CRCCG	Construction	Beijing	Wang Zhenhou	2000
26	Ping An Insurance Group Co. of China		Insurance	Guangdong	Ma Mingzhe	2001
27	China United Telecommunication Corp.	China Unicom	Telecommunications	Beijing	Shang Bing	2004
28	Philips China		Electronics	Shanghai	Zhang Yue	2002
29	China Nat'l Offshore Oil Corp.	CNOOC	Petroleum refining	Beijing	Fu Chengyu	2003
30	China Post		Electronics	Beijing	Liu Andong	2003
31	Shanghai Volkswagen		Motor vehicles	Shanghai	Chen Zhixin	2002
32	China North Industries Group	CNGC	Defense	Beijing	Ma Zhigeng	1999
33	China South Industries Group	CSG	Defense	Beijing	Xu Bin	2004
34	Shougang (Capital Steel) Corp.		Metals	Beijing	Wang Qinghai	2003
35	Beijing Railway Board		Transportation	Beijing	Li Shutian	1998
36	China Huaneng Enterprise Group		Utilities	Beijing	Li Xiaopeng	2002
37	Shanghai Brilliance Group		Commercial trade	Shanghai	Wang Zongnan	2003
38	China Worldbest Group	CWGC	Pharmaceuticals	Shanghai	Zhou Zhengsheng	2004
39	Lenovo Group		Electronics	Beijing	Stephen Ward	2005
40	Tianjin Electronic Communication Corp.		Electronics	Tianjin	Shan Changshou	n/a
41	China Metallurgical Construction Group	MCC	Construction	Beijing	Yang Changheng	1998
42	Motorola China		Electronics	Tianjin	Gao Ruibin	2003
43	TCL Corp.	TCL	Electronics	Guangdong	Li Dongsheng	1996
44	Shanghai Video & Audio Electronics Co.	SVA	Electronics	Shanghai	Gu Peizhu	2003
45	Shenhua Group		Energy	Beijing	Zhang Xiwu	2004
46	Zhejiang Enterprise Group		Commercial trade	Zhejiang	Meng Weilin	n/a
47	Bank of Communications		Banking	Shanghai	Zhang Jianguo	2004
48	Beijing Automotive Industry Holding Corp.	BAIC	Motor vehicles	Beijing	Dong Yang	2002
49	Anshan Steel Group		Metals	Liaoning	Liu Jie	1994
50	Guangzhou Automotive Industry Corp.		Motor vehicles	Guangdong	Lu Zhifeng	1999
51	Aluminum Corp. of China	CHALCO	Metals	Beijing	Xiao Yaqing	2004
52	Shanghai Railway Subadministration		Transportation	Shanghai	Liu Lianqing	2003
53	China Huadian Corp.		Utilities	Beijing	He Gong	2003
54	Zhengzhou Railway Subadministration		Transportation	Henan	Xu Yifa	2003
55	Benxi Iron & Steel Group		Metals	Liaoning	Liu Guoqiang	2001

(continued)

Table 1 (cont.)
Top 100 Companies in China (2004)

<i>Rank</i>	<i>Company name</i>	<i>Abbreviation</i>	<i>Industry</i>	<i>Location</i>	<i>CEO</i>	<i>Year appointed</i>
56	China Shipbuilding Industry Corp.	CSIC	Transportation	Beijing	Li Changyin	2001
57	China Shipping Group		Transportation	Shanghai	Li Kelin	1997
58	Yuxi Hongta Tobacco Group	Hongta Group	Tobacco	Yunnan	Liu Wandong	2005
59	Wuhan Iron & Steel Group	WG	Metals	Hubei	Deng Qilin	2004
60	China Harbor Engineering Co.	CHEC	Transportation	Beijing	Meng Fengchao	2004
61	Shanghai Fosun High Technology Group		Pharmaceuticals	Shanghai	Guo Guangchang	2003
62	China Coal		Energy	Beijing	Jing Tianliang	n/a
63	Panzhihua Iron & Steel Group		Metals	Sichuan	Luo Zezhong	2001
64	China Panda Electronics Group	Panda	Electronics	Jiangsu	Xu Guofei	2004
65	China Railroad Corp.	CRMSC	Transportation	Beijing	Qi Xiaomin	2000
66	Shanghai Construction Group	SCG	Construction	Shanghai	Xu Zheng	2004
67	China Guodian Corp.		Utilities	Beijing	Zhou Dabing	2004
68	Shanghai Textile Group		Commercial trade	Shanghai	Xi Shiping	2004
69	China Development Bank		Banking	Beijing	Chen Yuan	1998
70	China Southern		Transportation	Guangdong	Yan Zhiqing	2002
71	China State Shipbuilding Corp.	CSSC	Transportation	Beijing	Chen Xiaojin	1999
72	Orient International Holding Co.	OIH	Commercial trade	Shanghai	Cai Hongsheng	2003
73	China Nat'l Foreign Trade Transportation Group	SinoTrans	Commercial trade	Beijing	Zhang Jianwei	2003
74	Guangdong Yudean Group		Electronics	Guangdong	Deng An	2002
75	Huachen Automotive Group		Motor vehicles	Liaoning	Lin Xiaogang	2004
76	China Aviation Oil	CAOHC	Energy	Beijing	Jia Changbin	2002
77	Guangzhou Railway Group		Transportation	Guangdong	Wu Janguang	2002
78	Hisense Group	Hisense	Electronics	Shandong	Yu Shumin	2000
79	Shanghai Alison Group		Metals	Shanghai	Wu Guodi	1997
80	Guangzhou Iron & Steel Enterprises Group	GISC	Metals	Guangdong	Chen Jialing	2001
81	Guangzhou Honda Automobile Co.	GHAC	Motor vehicles	Guangdong	Koji Kadowaki	2004
82	Shanghai Huayi Group	HUAYI	Energy	Shanghai	Zhou Bo	2004
83	Taiyuan Iron & Steel Group	TISCI	Metals	Shanxi	Li Xiaobo	2004
84	China Nat'l Machinery & Equipment Corp.	CNMEG	Machinery	Beijing	Ren Hongbin	2002
85	Shenyang Railway		Transportation	Liaoning	Kang Weitao	2004
86	Jiangsu Shagang Group		Metals	Jiangsu	Shen Wenrong	1994
87	Handan Iron & Steel Group	HGJT	Metals	Hubei	Wang Yifang	2002
88	Zhuhai Gree Corp.	GREE	Electronics	Guangdong	Chen Yuanhe	2004
89	Tianjin Enterprise Group	TEWOO	Commercial trade	Tianjin	Wang Zhizhong	1999
90	Chunlan Group		Electronics	Jiangsu	Tao Jianxing	2000
91	China Nat'l Water Resources & Hydropower	SINOHYDRO	Energy	Beijing	Guo Jiantang	2000
92	Nanjing Iron & Steel Co.		Metals	Jiangsu	Qin Yong	2005
93	Harbin Railway		Transportation	Heilongjiang	Wang Zhanzhu	2004
94	Chengdu Railway		Transportation	Sichuan	Qi Wenchao	2001
95	Guangdong Foreign Trade Group	GDTEX	Commercial trade	Guangdong	Ou Guang	2003
96	Dalian Dashang Group		Commercial trade	Liaoning	Lu Weishun	2001
97	Beijing Urban Construction Group		Construction	Beijing	Xu Jianyun	2005
98	Shanghai Pharmaceutical Group	SPGC	Pharmaceuticals	Shanghai	Qian Jin	2003
99	Jinan Railway Subadministration		Transportation	Shandong	Zuo Shenxiang	2000
100	China Road & Bridge Corp.	CRBC	Construction	Beijing	Zhou Jichang	1997

NOTES AND SOURCES: Data derived from <http://www.ceda.org.cn/china-500/>. The information regarding the year of appointment also comes from *China Directory, 2005* (Tokyo: Radiopress, 2004). Abbreviations: Corp. = Corporation; Nat'l = National; I&E = Import & Export; Co. = Company; n/a = not available.

A majority of these top 100 firms are located in coastal regions, including 45 in Beijing, 17 in Shanghai, 12 in Guangdong, 5 in Liaoning, 4 in Jiangsu, 3 in both Tianjin and Shandong, and 1 in Zhejiang. Only 10 companies are headquartered in the inland regions, including the central and western areas of the country. While most of these firms have established branches and factories across the country, these local branches usually contribute most substantially to the economy of the city/province in which the company's main office is located. For example, Haier, China's largest home appliance company, is based in Qingdao, Shandong. The company, however, has established 10 manufacturing complexes, which are located in Guizhou's Zunyi, Hubei's Wuhan, Anhui's Hefei, Liaoning's Dalian, and Guangdong's Shunde. Similarly, Shanghai-based Baosteel Group plans to invest \$10 billion in order to build Zhanjiang Iron & Steel in Guangdong.¹² But the creation of these branches and factories does not undermine the fact that Haier and Baosteel have played a pivotal role in the economic growth and employment of Shandong and Shanghai, respectively. This fact also explains why the proposed relocation of Shougang (Capital Steel) Corp. to Tangshan, Hebei, was one of the most controversial issues at the annual meeting of the National People's Congress (NPC) in March 2005, since a large number of employees of Shougang in its current location of Beijing will likely lose their jobs due to the relocation.¹³

These top 100 firms not only are considered heavyweight players in the Chinese economy, but also are remarkably influential on the world stage. Table 2 lists all 14 PRC corporations that were ranked among the Global 500 in 2004. Three of them made the list of the top 100 firms in the world in terms of total revenues. State Grid Corp. of China is also the largest utilities firm in the world. China National Petroleum Corp. and Sinopec are ranked Nos. 8 and 9 in the petroleum refining industry, following the world-famous oil companies BP, Exxon, Royal Dutch/Shell, Total, Chevron Texaco, Conoco Phillips, and ENI. Four Chinese commercial and savings banks are ranked among the top 50 banks in the world, according to the *Fortune* Global 500 list. China Mobile and China Telecom are among the industry's top 20 in the world. Most of these firms hire a large number of employees. China National Petroleum Corp. has a total of over 1 million employees, second only to Wal-Mart Stores, which has some 1.5 million employees.

Four CEOs of China's top 100 companies are non-PRC citizens. Zhang Yue (Philips China) and Gao Ruibin (Motorola China) are both from Taiwan, Koji Kadowaki (Guangzhou Honda Automobile Co.) is Japanese, and Stephen Ward (Lenovo Group) is an American. In these four companies, the chairpersons of the boards of trustees, who are all Chinese, may have the ultimate say in important decisions. The Chinese side in these joint ventures usually holds more shares than do their foreign partners. In a few firms where Chinese serve as CEOs, the No. 1 leader is also the chairperson of the board. For example, the chairman of China Worldbest Group, instead of its CEO, is considered the top leader in the company.

In some enterprises, the posts of CEO and board chair are held by the same person. For example, Wang Xiaochu serves as both CEO and chair of China Telecom; Zhang Ruimin of Haier, Ma Mingzhe of Ping An Insurance Group Co. of China, Miao Yu of Dongfeng Motor Corp., and Shen Wenrong of Jiangsu Shagang Group have similar

Table 2
Overview of PRC Companies in the 2004 Global 500

<i>Global 500 rank</i>	<i>Company name</i>	<i>Industry</i>	<i>Rank in industry (Global 500)</i>	<i>Revenues</i>	<i>Assets</i>	<i>Profits</i>	<i>Number of employees</i>
46	State Grid Corp. of China (SG)	Utilities	1	58,348	127,148	261	750,344
52	China Nat'l Petroleum Corp. (CNPC)	Petroleum refining	8	56,385	97,657	4,351	1,024,371
54	China Petrochemical Corp. (Sinopec)	Petroleum refining	9	55,062	67,568	1,048	854,700
241	China Life Insurance Group (China Life)	Insurance	10	20,782	55,068	32	78,187
242	China Mobile Communication Corp. (China Mobile)	Telecommunications	16	20,765	49,734	3,580	116,189
243	Industrial & Commercial Bank of China (ICBC)	Banking	29	20,757	637,829	299	389,045
254	China Telecom	Telecommunications	17	19,465	61,742	1,708	371,139
270	China Nat'l Chemicals I&E Corp. (Sinochem)	Commercial trade	4	18,846	5,455	123	12,000
331	China Construction Bank (CCB)	Banking	39	15,825	429,432	50	275,029
358	Bank of China	Banking	45	15,022	464,213	554	188,716
372	Shanghai Baosteel Group	Metals	7	14,548	20,792	946	102,039
412	Agriculture Bank of China	Banking	50	13,303	359,632	232	511,425
415	China Nat'l Cereals, Oils, & Foodstuffs Corp. (COFCO)	Commercial trade	8	13,290	5,547	112	24,804
461	Shanghai Automotive Industry Corp. (SAIC)	Motor vehicles	32	11,755	9,116	689	51,200

NOTES AND SOURCES: Data derived from <http://www.fortune.com>, May 1, 2005. Revenues, assets, and profits listed in millions of U.S. dollars. Abbreviations: Corp. = Corporation; Nat'l = National; I&E = Import & Export.

responsibilities. Zhang and Miao, in fact, also serve as party secretaries of their companies. Among the top 200 PRC stockholding companies in 1999, 36 firms had CEOs who also held posts as chairs of their companies' boards.¹⁴

CEOs of the banks listed under China's top 100 firms usually serve as party secretaries of these banks. Examples include Jiang Jianqing of Industrial & Commercial Bank of China, Guo Shuqing of China Construction Bank, and Yang Mingsheng of the Agriculture Bank of China. In general, however, the CEOs make the most important business decisions for firms. One can reasonably assume that the CEOs listed in table 1 are among the most powerful economic leaders in China today.

Characteristics of China's Top CEOs

Fast Turnover and the Rise of the Forty-Somethings

Table 1 shows that an overwhelming majority of China's top CEOs (78 percent) were appointed to their current posts within the past five years, including 52 percent who have ascended to their current posts since 2003. Only one executive, the legendary founder of Haier home appliances, Zhang Ruimin, whom a recent issue of *Newsweek* called "a Jack Welch of communists," had held the CEO post for more than 10 years by the end of last year.¹⁵ This relatively short term of office is partially due to the fact that many of these leading Chinese firms have merged only recently to form groups or conglomerates, but it mainly can be attributed to the quick turnover of top business leaders in China. The CEOs of State Grid Corp. of China, China National Petroleum Corp., Sinopec, China Mobile, China Telecom, China Construction Bank, and the Bank of China, all of whose companies feature among the top 10 in China, are newcomers who have been appointed to their current posts since 2004. All the CEOs in China's petroleum refining, utilities, pharmaceuticals, and telecommunications industries were appointed within the past three years.

Apparently, Hu Jintao and the fourth generation of leaders have made an effort recently to reshuffle the business executives of the flagship firms in the country. A majority of the CEOs appointed in 2004 and 2005 were under 45 years old. As some foreign observers recently noted, both the rapid turnover in and the youthful composition of the group of China's top business executives are unusual for China's large companies, because the "succession regime at the companies has long been dictated by seniority, which invariably has reflected age and length of service."¹⁶

Table 3 shows the age distribution of the CEOs for whom age information was available for this study. Almost half the CEOs are in their 40s. Another 40 percent are in their 50s. Only eight CEOs (8.9 percent) are in their 60s. The average age of all the executives on this list is 49.8. The oldest are Wang Xianzhang (China Life Insurance Group), Li Kelin (China Shipping Group), and Yan Zhiqing (China Southern), who were all born in 1942. The two youngest CEOs, Guo Guangchang (Shanghai Fosun High

Technology Group) and Chen Yuanhe (Zhuhai Gree Corp.), are only 37 and 39 years old, respectively.

Table 3
Age Distribution of Top CEOs in China (2005)

<i>Age in years</i>	<i>Number</i>	<i>Percentage</i>
60 or over (born before 1945)	8	8.9
55–59 (born 1945–49)	16	17.8
50–54 (born 1950–54)	20	22.2
45–49 (born 1955–59)	21	23.3
40–44 (born 1960–64)	23	25.6
39 or under (born after 1964)	2	2.2
TOTAL	90	100.0

In addition to being a young executive, Guo Guangchang of Shanghai Fosun High Technology Group also has a remarkably young core management team in his company. The eight most senior officers in the firm—the CEO, the vice presidents, the chair and vice chairs of the board, and the trustees—were all born in either the 1960s or the 1970s.¹⁷ Most of them are graduates of Fudan University. Many of them majored in genetic engineering at the undergraduate or graduate level. Their average age is only 36.3. These young, energetic, and well-educated entrepreneurs are believed to have a global perspective. They are better prepared to handle the tough competition in today's international business world than the party bureaucrats who traditionally managed Chinese business firms.

Underrepresentation of Women and Overrepresentation of the East Coast

China's top CEOs are predominantly males. There is only one female CEO on the list of the top 100 companies. She is Yu Shumin, 49-year-old CEO of Hisense Group, a Shandong-based electronics company. According to an official Chinese source, female leaders usually take the posts of vice chairperson or vice chief. Women chiefs account for only 1.7 percent of the ministerial/provincial leadership, 6.2 percent of the prefectural/division-level leadership, 7.1 percent of the county-level leadership, and 3.4 percent of the township-level leadership.¹⁸ The gender discrimination against female executives in business firms may not be unique to China. As a matter of fact, there were only three female CEOs in the Global 500 in 2004: Mary Sammons (Rite Aid), Anne Mulcahy (Xerox), and the then-CEO of HP, Carleton Fiorina.¹⁹

In terms of birthplace distribution, only 54 of the top 100 Chinese CEOs' birthplaces have been identified in the sources for this article. Among them, 34 (63.0 percent) were born in the eastern coastal areas, including 11 (20.4 percent) in Shanghai, 8 (14.8 percent) in Jiangsu, 7 (13.0 percent) in Zhejiang, 5 (9.3 percent) in Shandong, and 3

(5.6 percent) in Fujian. All four Jiangsu-based firms, China Panda Electronics Group, Jiangsu Shagang Group, Chunlan Group, and Nanjing Iron & Steel Co., are headed by CEOs who were born in Jiangsu. This distribution echoes a general pattern in which a disproportionately large percentage of China's economic, political, educational, and military elites during the Reform Era (if not earlier as well) have come from the eastern coastal region.²⁰

In contrast, only one CEO was born in Beijing and four were born in nearby Hebei Province, despite the fact that a total of 45 firms in the study are located in Beijing and 3 are located in Tianjin. Similarly, only two CEOs were born in Guangdong, a leading province for trade and foreign investment that is home to a total of 12 firms in China's top 100. No CEO was born in Henan, China's most populous province, and only one was born in Sichuan, the second-most-populous province.

Educational Credentials and Foreign Experiences

A total of 88 CEOs have publicized their educational backgrounds, and all of them attended college. A majority of them—48 (54.5 percent)—obtained postgraduate degrees, including 12 (13.6 percent) who earned doctoral degrees and 10 (11.4 percent) who received master of business administration (MBA) degrees. Wang Tianpu, the new, 42-year-old CEO of Sinopec, holds both an MBA and a doctorate. He attended the Qingdao Institute of Chemical Engineering from 1981 to 1985. He later received his MBA from the Dalian Institute of Engineering in 1996 and a PhD in chemical engineering from Zhejiang University in 2003. His postgraduate education must have been completed largely on a part-time basis, since he became vice president of the Qilu Petroleum Company in 1999.

Several executives, including Liu Deshu (China National Chemicals Import & Export Corp.), Zhang Jianwei (SinoTrans), and Zhou Zhengsheng (China Worldbest Group) all received their MBAs from the China-Europe International Business School (CEIBS), an educational joint venture located in Shanghai. The CEIBS, which was established by the Chinese government and the European Union in 1994, now claims to offer the “best MBA program in the Asia-Pacific region.” Due to its strong faculty and financial resources, the CEIBS has become a cradle for China's CEOs. Distinguished scholars such as economist Wu Jinglian serve on the faculty of the school.

A few executives included in this study received their degrees from overseas. For example, Shang Bing, the 48-year-old CEO of China Unicom, received an MBA from the State University of New York in 2002; Fu Chengyu, CEO of China National Offshore Oil Corp., obtained a master's degree in petroleum refining at the University of Southern California; and Wu Guodi, CEO of Shanghai Alison Group, received his doctorate in economics in the United States in 2000. Xu Lejiang, the newly appointed, 45-year-old CEO of Shanghai Baosteel Group, studied as a visiting scholar at the University of West Virginia for a year during the mid-1990s. The CEOs of two of the largest banks in China, Jiang Jianqing (Industrial & Commercial Bank of China) and Guo Shuqing (China

Construction Bank), were visiting scholars at Columbia University and Oxford University in the 1980s, respectively. Several executives worked in Hong Kong, Singapore, and Japan for many years earlier in their careers. Li Lihui (Bank of China), for example, served as the bank's representative in Hong Kong in the late 1980s and in Singapore in the early 1990s.

A large number of the CEOs (37 among those 63 executives for whom areas of study are available) majored in engineering.²¹ Only one majored in mathematics, two studied computer science, and three studied physics and chemistry. Nineteen majored in economics, finance, or economic management. Very few had a degree in the humanities; Zhou Zhongshu (China National Metals & Minerals Import & Export Corp.) has an undergraduate degree in Spanish. Almost no one specialized in the social sciences; only one executive, Guo Shuqing, received a law degree. It remains to be seen whether the predominance of engineers-turned-CEOs at China's leading business firms will change in the future, in light of the fact that enrollments in the fields of economic management and law have increased rapidly during the past two decades.

Career Patterns and Political Backgrounds

Table 4 shows the career experiences of the CEOs in terms of their most recent job title. A total of 86 biographies in this study provide such information. Over three-fourths of the CEOs (75.6 percent) advanced their careers within the same firm. Three are the founders of their companies, including well-known entrepreneurs Zhang Ruimin (Haier) and Shen Wenrong (Jiangsu Shagang Group). Most of the executives (62.8 percent) advanced to their current positions through the post of vice president in the same company.

Most young, rising stars in China's leading companies, especially those in their early or mid-40s, have had little grassroots leadership experience. For example, Wang Tianpu (Sinopec) had only 11 months of work experience in a grassroots firm. About 9 percent of CEOs were promoted to their current posts from positions lower than the vice presidential level within the same company. Chen Jialing (Guangzhou Iron & Steel Enterprises Group) was promoted from assistant to the CEO to CEO. Chen Yuanhe, the 39-year-old accountant-turned-CEO of Zhuhai Gree Corp., was promoted from his position as head of a subsidiary company of the corporation in 2004.

Not surprisingly, very few executives in this study have had any experience in rural China. After completing their undergraduate or graduate studies at universities, most of them immediately began working for the same industrial firm where they would later be promoted to top positions. However, Guo Shuqing (China Construction Bank) and Jiang Jianqing (Industrial & Commercial Bank of China) are two exceptions. Guo was born in 1956 and was a "sent-down youth" in Neimenggu from 1974 to 1978. He then spent a decade engaged in academic studies, majoring in philosophy at Nankai University, attending a master's program at the Chinese Academy of Social Sciences

(CASS), completing a doctoral program in law, and studying at Oxford University as an exchange scholar before starting work for the State Planning Commission in 1988.

Table 4
Career Experiences of CEOs in China

<i>Most recent previous post</i>	<i>Number</i>	<i>Percentage</i>
Promoted from same company		
Founder	3	3.5
Vice president	54	62.8
Lower than vice president	8	9.3
Promoted from different company		
From same industry	13	15.1
From different industry	1	1.2
Transferred		
From central government	4	4.7
From local government	3	3.5
TOTAL	86	100.1

Jiang Jianqing was born in Shanghai in 1953. At the age of 17, he was sent down to a village in Jiangxi, where he worked as a farmer from 1970 to 1976. He later also labored for three years as a contract worker in a coal mine in Jiaozuo, Henan Province. He returned to Shanghai in 1979 and worked as a clerk in a subsidiary of the People's Bank while attending night school at the Shanghai Institute of Economics & Finance from 1981 to 1984. He served as deputy director and later director of the office of the Shanghai branch of the Industrial & Commercial Bank of China (ICBC) from 1986 to 1990 while attending a part-time master's program in management engineering at Jiaotong University. Equipped with both managerial skills and educational credentials, he served as vice president and then president of the Pudong branch of the ICBC and played an important role in promoting financial and economic development in the pacesetter region of the country in the early 1990s. Jiang also participated in short-term study programs in the United States and completed a doctoral degree at Jiaotong University in 1999. As both the CEO of China's largest commercial bank and an alternate member of the 16th Central Committee, Jiang will most likely play an even more important role in China's economic and financial development in the years to come.

Approximately 15 percent of CEOs were transferred from top leadership posts in other firms in the same industry. For example, Wang Jianyu moved from the CEO post at China Telecom to the CEO post at China Mobile in 2004. At the same time, vice president of China Mobile Wang Xiaochu was transferred to China Telecom, where he now serves as CEO. A similar transfer also occurred in the banking industry. Chen Yuan was transferred from the post of vice governor of People's Bank to serve as CEO of China Development Bank. Guo Shuqing, CEO of China Construction Bank, was

transferred from his previous post as director of the State Administration of Foreign Exchange in 2005.

Not many executives in this study directly transferred from positions in the central or local governments to their current positions. Only four, in addition to the aforementioned Guo Shuqing, were transferred from ministries or departments in the central government. Zhang Chunjiang, CEO of China Netcom, was transferred from the Ministry of Information Technology & Telecommunication Industries, where he served as vice minister. Yang Changheng, CEO of China Metallurgical Construction Group, was transferred in 1998 from the Ministry of Metallurgical Industry, where he served as director of the economic adjustment department.

Wang Zongnan, CEO of the Shanghai-based Brilliance Group, and Lin Xiaogang, CEO of Liaoning-based Huachen Automotive Group, were both transferred from posts in local government. Wang previously served as deputy director of the CCP Organization Department of Huangpu District in Shanghai. Lin was office director of the Defense Science & Technology Office of Liaoning Province prior to being appointed to his current post. Similarly, Cai Hongsheng, CEO of Shanghai-based Orient International Holding Co., previously served as chair of the Commercial Commission for the municipal government of Shanghai.

Wang, Lin, and Cai are the only individuals in this study who were transferred to their current posts from local governments. They are the exception rather than the norm among the CEOs examined in this study. The trend of choosing executives from within companies contrasts with the practice that was common during the first four decades of the PRC, when the top leaders of large state-owned enterprises were often transferred from the central and local governments, including many officials who were nearing retirement or were in disfavor.

In fact, an overwhelming majority of executives in this study have never had any leadership experience in local governments in their careers thus far. A few exceptions are Li Lihui (Bank of China), who served as vice governor of Fujian in 2002–4; Guo Shuqing (China Construction Bank), who served as vice governor of Guizhou in 1998–2001; Chen Yuan (China Development Bank), who served in the district and municipal government in Beijing in the mid-1980s; Shen Wenrong (Jiangsu Shagang Group), who served as deputy party secretary of Zhangjiagang City in Jiangsu in the mid-1990s; and Liu Wandong (Yuxi Hongta Tobacco Group), who served as deputy director of the party organization department of Yunnan Province in the late 1990s.

Meanwhile, very few current provincial and municipal leaders in China have had any previous leadership experience working for large business firms. Three exceptions are Liu Qi, CEO of Wuhan Steel in the early 1990s, who currently serves as party secretary of Beijing; Wei Liucheng, CEO of China National Offshore Oil Corp. from 1999 to 2003, who currently serves as governor of Hainan Province; and Guo Shengkun, former CEO of the Aluminum Corp. of China, who currently serves as executive vice governor of Guangxi Province. In general, there is a bifurcation in the career

advancement of provincial/municipal leaders and CEOs of major firms in present-day China. Current top political leaders in the country have usually advanced their careers through provincial leadership. It remains to be seen whether the top Chinese leaders in the next generation will include those with business and administrative experience from working for large industrial corporations or major banks. The recent appointment of Miao Yu of Dongfeng Motor Corp. to become party secretary of Wuhan has been widely reported in the Chinese media. This is probably a sign that the CEOs of China's top companies will be among the candidates for promotion to the posts of provincial and municipal chief in the years to come.

Eight executives in this study currently serve on the 16th Central Committee of the CCP. They are Liu Jie (Anshan Steel Group), Tao Jianxing (Chunlan Group), Jiang Jianqing (Industrial & Commercial Bank of China), Ma Zhigeng (China North Industries Group), Zhang Ruimin (Haier), Li Changyin (China Shipbuilding Industry Corp.), Chen Yuan (China Development Bank), and Zhu Yanfeng (China First Auto Works Group). One executive, Wei Jiafu (China Ocean Shipping Group), serves as a member on the 16th Central Discipline Inspection Commission. In addition, a number of executives in this study, such as Miao Yu (Dongfeng Motor Corp.) and Wang Yeping (China Southern Power Grid), were delegates at the 16th Party Congress. A few executives in this study currently serve as members of the 10th NPC or the 10th Chinese People's Political Consultative Conference (CPPCC). For example, both Liu Deshu (China National Chemicals Import & Export Corp.) and Guo Shuqing (China Construction Bank) serve as members of the 10th CPPCC.

Information about the family backgrounds and political associations of the CEOs in this study is not available, with the exception of some well-known princelings such as Chen Yuan (son of Chen Yun) and Li Xiaopeng (son of Li Peng). Li Xiaopeng currently serves as CEO of the China Huaneng Enterprise Group, the fourth-largest utilities company in the country. It was common practice during the Reform Era to promote the children of high-ranking officials to important leadership positions in large state-owned enterprises, joint ventures, and shareholding companies.²² Jiang Mianheng, the eldest son of Jiang Zemin, has been involved in some of the country's highest-profile information technology ventures. Jiang serves on the board of many leading companies in the country, including as chair of China Netcom and as a trustee on the six-member board of the Shanghai Automotive Industry Corp.

Patron-client ties may explain the rapid rise of some CEOs in China's leading companies, especially during the initial phase of development for the companies. For example, Ma Mingzhe, 44-year-old CEO of the Ping An Insurance Group Co. of China, has had a legendary career. In 1988, at the age of 28, Ma worked as a driver for Yuan Geng, who was head of the Shekou Industrial Park, one of the special economic zones in the country. It was reported that under the initiative of Yuan, Ma established the Shekou Ping An Insurance Co., the predecessor of the Ping An Insurance Group Co. of China.²³ Ma later received a doctorate in finance from the South China Institute of Economics & Finance. Now Ma runs the second-largest insurance company in China, which has total assets of \$29 billion and over 40,000 full-time employees as well as some 200,000 salespersons throughout the country.

Conclusion: An Impressive New Elite Group to Watch

In his seven-decade-long academic career, the great British historian, Joseph Needham, tried to explain what Sinologists later called “the Needham Paradox.” The paradox was that despite the fact that traditional China had many talented people and was advanced in science, the country declined during the middle of the last millennium. According to Needham, a primary reason for the decline of China was that the country “lost its edge” by suppressing technicians and merchants “whose power posed a threat to the Emperor.”²⁴

The conditions in China described by Needham have changed profoundly since the mid-1990s. This change was particularly evident at the 16th Party Congress held in 2002. All nine members of the new Politburo Standing Committee, the highest decision-making body in the country, are engineers by training. Furthermore, the party congress codified in the CCP constitution what was already true in practice—the push to enthusiastically recruit merchants, known as “entrepreneurs” to the Chinese or “capitalists” to Western reporters, into the Chinese Communist Party.

Do the new leadership and new constitution that was amended at the 16th Party Congress mark the end of the “Needham paradox”? Will Chinese economic and political development, as a result of this historical change, be particularly dynamic in the future? To a certain extent, China has already reemerged as an economic powerhouse. The rise of the “yuppie corps” in the business leadership of the PRC, a relatively recent phenomenon, seems to suggest that Chinese firms in various industrial sectors may become even more competitive in the world market in the years to come. Many of these party-legitimized entrepreneurs were educated in engineering, and some majored in economics and business administration. Some were trained in the West. Most of these young business executives do not have life experiences that are as broad as those of their predecessors, the members of the Cultural Revolution generation. However, the young executives probably are equipped with better professional skills and broader economic perspective than were their predecessors.

The rapid rise of young business executives may also broaden the way in which political leaders are chosen. During the Reform Era, prominent political leaders—Jiang Zemin, Zhu Rongji, and Li Ruihua in the third generation, and Hu Jintao, Wu Bangguo, and Jia Qingli in the fourth generation—have usually advanced their political careers through provincial and municipal administrations. It remains to be seen whether the young and promising stars of China’s flagship firms and banks—such as Zhu Yanfeng (43-year-old CEO of China’s largest automaker), Wang Tianpu (42-year-old CEO of the world’s ninth-largest petroleum company), Xu Lejiang (45-year-old CEO of the world’s seventh-largest steel company), and Guo Shuqing (48-year-old CEO of China’s second-largest commercial bank)—will show a desire to assume political leadership in the country.

The percentage of entrepreneurs, especially private ones, in the Chinese political leadership is still very small. They will likely increase their representation on future Central Committees of the CCP and at other high levels of leadership. A recent official study by the United Front Department of the CCP Central Committee found that 34 percent of the owners of private enterprises in 2004 were members of the Chinese Communist Party.²⁵ This official study also shows that the percentage of CCP members among private entrepreneurs increased significantly during the last decade—from 13 percent in 1993 to 17 percent in 1995, 17 percent in 1997, 20 percent in 1999, and 29.9 percent in 2002. Furthermore, this official study shows that more than half (52 percent) of the private entrepreneurs with CCP memberships have completed at least junior college educations.

Meanwhile, a group of young Chinese private entrepreneurs now possesses a tremendous amount of wealth, of such a degree that their parents' generation simply could not have imagined it. According to a survey by U.S.-based *Fortune* magazine in 2003, among the world's 40 richest people under the age of 40, 6 are located in mainland China, including Guo Guangchang (37-year-old CEO of Shanghai Fosun High Technology Group).²⁶ Guo reportedly is worth \$302 million. As China's economy continues to develop at a fast pace, more young Chinese entrepreneurs like Guo may join the ranks of the rich and powerful. Perhaps only a small number of entrepreneurs will become government officials. As a new economic elite group, however, the entrepreneurial class will have influence in the political domain. This elite group's role in the diffusion of political power should not be overlooked.

The transformation of social and economic life in China during the Reform Era is essentially a tale of redistribution of power, wealth, and prestige. Chinese entrepreneurs' growing wealth and influence in Chinese society, their complicated relations with other elites and social groups, their own diversified characteristics, and the implications of the rise of this group for the outside world should attract much more attention among China watchers in the future.

Notes

¹ The author thanks Sally Carman and Jennifer Schwartz for suggesting ways in which to clarify this article.

² The 2004 Global 500 lists the largest 500 companies in the world in terms of revenue in 2004. See *Fortune*, May 1, 2005, <http://www.fortune.com/fortune/global500>.

³ See <http://www.faw.com.cn:80/ndbg/2003EN/02.htm>, May 1, 2005.

⁴ Sameena Ahmad, "Behind the Mask: A Survey of Business in China," *The Economist*, March 20, 2004, 5.

⁵ The 16th Party Congress included 38 delegations. In addition to the two new delegations from enterprises and financial firms, there were 31 provincial and municipal delegations, one from the PLA, one from the central party, one from the central government, one from Hong Kong and Macao, and one representing Taiwan. For a comprehensive study of the composition of the 16th Central Committee, see Cheng Li and Lynn White, "The Sixteenth Central Committee of the Chinese Communist Party: Hu Gets What?" *Asian Survey* 43, no. 4 (July/August 2003): 553–97.

⁶ *Shijie ribao* (World journal), November 12, 2002, sec. A, p. 3.

⁷ For a discussion of provincial and municipal leadership experience as a major stepping-stone for further promotion among Chinese political elites, see Cheng Li, "A Landslide Victory for Provincial Leaders," *China Leadership Monitor* 5 (winter 2003).

⁸ One exception is Wang Xiu, *Qiyè lingxiu: Shisi wei fengyun renwu jiaodian wenti fangtanlu* (Chief executive officers of enterprises: Interviews with 14 well-known entrepreneurs) (Shenyang: Liaoning renmin chubanshe, 1999).

⁹ *Zhongguo qiye lianhehui wangzhan* (Website of the National Association of Chinese Enterprises), May 1, 2005, <http://www.cec-ceda.org.cn/china-500>.

¹⁰ The total number of state-owned enterprises in China decreased from some 238,000 in 1998 to about 150,000 in 2004. See <http://www.freerepublic.com/focus/f-news/1301484/posts>.

¹¹ For more discussion of the disputes regarding MBOs of large SOEs, see Stella Nie, "Short History of Reforms Concerning Chinese State-Owned Enterprises," *Shanghai Flash 2* (February 2005), and Chen Jing, et al., "Interview with Larry Lang," *Nanfang renwu zhouban* (Southern people's weekly), December 22, 2004, 26–35.

¹² *21 shiji jingji baodao* (21st-century economic report), February 3, 2005, 1. This plan has not been approved by the central government due to ongoing macroeconomic control measures.

¹³ See <http://finance.qianlong.com/26/2005/03/04/206@2537342.htm>, March 4, 2005.

¹⁴ *Zhongguo yaoren* (VIP in China) (Hong Kong: China Infobank, 2000), 232–37.

¹⁵ Sarah Schafer, "Business: A Jack Welch of Communists," *Newsweek*, May 9, 2005, 30–31.

¹⁶ Richard McGregor, "China Sweeps Aside Older Executives to Make Way for Youthful Verve: Beijing Believes Young Stars Are Best at Handling Stiff Competition," *Financial Times*, April 6, 2005, Asia-Pacific Sec., p. 4.

¹⁷ For more information about the biographical backgrounds of executives at Shanghai Fosun High Technology Group, see <http://www.fosun.com/intro/hxtd.htm>, May 4, 2005.

¹⁸ See <http://people.com.cn>, January 28, 2005.

¹⁹ See <http://www.fortune.com/fortune/global500/subs/women/0,20854,,00.html>, May 9, 2005.

²⁰ Cheng Li, *China's Leaders: The New Generation* (Lanham, Md.: Rowman & Littlefield, 2001).

²¹ This classification is based on the person's terminal degree.

²² For a detailed study of this phenomenon, see Xiao Chong, *Shangchang taizidang* (Princelings' party in business) (Hong Kong: Xiafeier chubanshe, 2000).

²³ *Huanqiou qiyejia* (Global entrepreneurs), July 2004. Quoted from <http://finance.tom.com>, April 27, 2004.

²⁴ John King Fairbank, the late dean of U.S. studies of modern China, echoes Joseph Needham's argument. See *The United States and China*, 4th ed., enl. (Cambridge, Mass.: Harvard University Press, 1983), 74–76.

²⁵ *Xingdao ribao*, December 13, 2004, 1.

²⁶ Quoted from *Shijie ribao*, September 11, 2003, sec. F, p. 5.