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Family accounts show major social change

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"Family Accounts Show Major Social Change"

W.Zheng and B. Liu

China Daily, Vol. 21, No. 6523, February 26, 2001, P.9

**Summary of the article by Robert Bloom
Peking University & John Carroll University**

This piece furnishes an analysis of fifteen personal account books maintained by a Shanghai, China resident for over thirty-five years. Yanxui Yang, age 71, kept a record of her family's spending and income since 1965. Both the Shanghai History Museum and the Beijing China Revolution Museum want to be recipients of these account diaries.

The 1960s were especially hard times for the Chinese. For this family daily expenditures for food ran about 0.4 yuan or \$0.29 to \$0.41 (U.S. at the exchange rate then in effect).

The annual Spring Festival is the most important holiday event in China, which recognizes the arrival of the New Year during the last two weeks of January. In 1966, Yang paid 19 yuan, then equivalent to \$11 for eggs, meat, and fish to celebrate the holiday.

Despite the on-going Cultural Revolution in China from 1966 to 1976, and the disruption it caused throughout the country, Yang managed to pay 16.4 yuan (\$9.60) for meats, fish, and eggs for the 1970 Spring Festival. Also the family spent 0.65 yuan (\$0.38) for pots and baskets.

As political and economic re-

forms took hold in China, the living standard of its people improved. In the 1977 Spring Festival, Yang indulged in fruit and milk for the first time. For this family the 1979 festival, marked a time when duck, and pork, among other items, were first served, costing 15 yuan or \$9. In 1980, in addition to food expenditures for the annual festival, Yang also recorded purchasing three outdoor baths at 0.63 yuan or \$0.37. At the time, outdoor showering was considered a luxury of sorts, since few homes in Shanghai had baths.

Also in 1980, the family bought its first black-and-white television for 456 yuan (\$267). To do so, meant borrowing from friends and relatives. The TV cost more than four months of total expenditures in that year.

By 1987, there was a significant improvement in family living conditions, having paid off all loans and made their first bank deposit-1053 yuan (\$390). In 1990, there was an extra added feature for their Spring Festival celebration: Yang gave her two granddaughters 20 yuan each (\$5.40 each). Also she began to make telephone calls, using a neighborhood phone which cost her 0.3 yuan (\$0.04) for each call.

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By the 1990s, the family could afford a refrigerator, a color TV, a washing machine, a telephone and even an air-conditioner. In the 2000 festival, Yang spent 870 yuan (\$105). Moreover, her children this time gave her a gift of 850 yuan (\$102). Her married son, in fact, with whom she lives, recently purchased a computer for 8188 yuan (\$987).

An important indicator of living standards, which economists use, is called Engel's coefficient, reflecting the percentage of total expenditures

a family spends on food. In 1980, Yang paid 790 yuan (\$462) on food for her family out of 1300 yuan (\$760) total expenditures or 60.7 percent. However, in 1998, she spent 8000 yuan (\$964) on food or 33.9 percent of total expenditures of 23,591 yuan (\$2,842); I think she has a family income well above average for Chinese today.

Though only the accounting records of a single Chinese family, these diaries may very well shed light on the way typical Chinese households have managed their resources in recent decades.

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