

China's Proposed Economic Changes Get Fast Market Reaction

Welcome to As It Is from VOA Learning English! I'm Mario Ritter in Washington. China has long acted as a leading exporter to the world. But, social problems have grown in the country as its economy slows. Today we learn about changes proposed by China's ruling Communist Party. Later, we hear about low-cost business startups in the United States.

China announced a long list of reforms earlier this month. Communist Party leaders agreed on the reforms at a closed meeting in Beijing.

The measures could affect almost every part of life in China. Possible economic reforms have received a lot of attention. Christopher Cruise has more in this report from VOA's Bill Ide in Beijing.

China's Communist Party Lists Reforms After Third Plenum Meeting

Last week, China released a list of what could become historic reforms. They included plans for dealing with social issues and the environment, fighting corruption and making changes in the military. Communist Party officials set out 60 goals in a report released after their talks.

In recent days, the economic reforms received most of the attention. The promise to let markets play a "decisive" part in the economy was credited with lifting stock prices in Hong Kong and Shanghai earlier this week.

Calls for economic reform have grown louder recently. China's economy is expanding at its slowest rate in more than 20 years. Until recently, the economy grew at a yearly rate of near or above 10 percent.

Last year, China reported growth of 7.8 percent. That is high for most countries, but not for China's export-driven economy. Some experts are calling for an economic model that depends less on exports and more on personal spending within the country.

Louis Kuijs is an economist with Royal Bank of Scotland. He told VOA that some of the new reforms are aimed at the powerful state-owned businesses or enterprises.

"In general, this whole strategy of strengthening the role of the market and changing the role of the government is in large part directed at SOEs (state-owned enterprises) and the special position they have in the economy."

He adds that, under the reforms, private banks would be permitted to operate in the country. "For instance, in the financial sector, now the government has committed to allowing private banks to operate in China, that is, for the first time."

In addition, state-owned enterprises would need to be more open with their reporting and budgets. They would have to provide market-based pay. And they would have to return more of their profits, in the form of dividends, to their owner, the Chinese government.

Some of the announced reforms are social. The government is proposing easing the one-child policy, which has been in place since the late 1970s. Reports say couples could have two children if one of the parents is an only child.

Land reform is another issue. One proposal would give farmers more protection from having their land seized for development. Under the new rules, farmers would be permitted to sell rural properties at market prices.

The proposed creation of a pension system would have effects on both Chinese citizens and the economy. Experts believe improvement of China's "safety net" would lead to more spending by the public. This would support a more consumer-based economy.

Another reform would provide better services for the millions of internal migrants in China. Hundreds of millions of people decide to leave the countryside to look for jobs in cities every year. But the migrants lose their rights to social services and face discriminatory policies once they leave their hometowns.

The proposed reforms were the product of a four day meeting of the Chinese Communist Party's Central Committee. The talks were known as the Third Plenum. Some people say the Third Plenum was similar to a high-level meeting held in 1978. At those talks, Deng Xiaoping began the country's "reform and opening up" policy.

I'm Christopher Cruise.

Mobile Stores in America

The cost of opening a store in New York and other major American cities is too high for many people who would like to start a business. But, across the country, a new way of launching a business is taking shape -- on four wheels. Jim Tedder has our story.

Jessie Goldenberg borrowed money to create a fashionable store in the back of an old delivery truck. She says being able to drive her store from place to place helps to keep business costs down. Most of all, she avoids having to make costly rental payments.

Goldenberg: "It's all, it's skyrocketing. It was unaffordable for me as a young business owner to start a boutique that was in a brick and mortar store in the city and pay the rents."

Her business, 'Nomad Boutique', sells clothing and jewelry, mostly from local designers who make one-of-a-kind products. This year, Jessie Goldenberg earned a profit. She explains the increase in business to having created a new experience for shoppers.

"Oh, that looks great on you!"

"I think the intimacy is different, you know, the experience, you know, we're here, it's their lunch break. We're right outside their door they can come in".

She is part of a growing number of young business owners who bring their products to buyers. Sometimes the shopper has more than two legs. With Love Ivan is traveling shop for dogs. It is named after Dina Del Russo's pet dog, Ivan. Her store is filled with treats for dogs. It travels between New York and New Jersey every day. She says her business got started because of a stomach problem.

"My dog had some sensitivities to chicken. So I started making my own treats for him. My neighbor, who is a dog walker, asked me if I could make some pupcakes for a dog she walked and have a birthday party for him. So I did. And then from there I just started making different treats for different people and, I thought why not get a truck and be like the ice cream man for dogs".

Dina Del Russo says her best-selling treat is called Pupcakes.

"I made them with human grade organic ingredients."

She keeps costs down by having only a small number of products.

"I thought why not be mobile. I can be anywhere. If it doesn't work in one spot, I can easily move to another. That's kind of how it started".

Ivan is her taste tester.

"So this is carrot and oat, and this has a beef liver treat on top. This is peanut butter and bacon cookie".

Ms. Del Russo adds that, in the near future, there will be more With Love, Ivan trucks on the road.

Jessie Goldenberg is also thinking big: more trucks, perhaps a traditional store and a brand name for her line of clothing. I'm Jim Tedder.

On This Day in History...

Finally, this is the anniversary of an important event in American history. On November 20th, 1789, New Jersey became the first state to approve 10 of 12 amendments to the US Constitution. The amendments came to be known as the Bill of Rights.

And that's our show for today. I'm Mario Ritter. Thank you for joining us! For the latest news, be listening to VOA at the top of the hour, Universal Time.