

Higher Pay for Executives

THE world is now driven by market economy where openness is the main criterion. In this new context, in the countries where the transformation is more recent, there has arisen a new situation. Some days back I was reading a copy of the Business Week where I found a nice description of how China's transformation to a market economy is having type's different effects on ordinary citizens or workers.

Changed circumstances two persons were well covered. In the first scene we see on a breezy first scene we see on a breezy evening in a dusty Beijing parking lot, Jui Fengton, dressed entirely in black, twirling his partner with expert precision and dazzling here with deft footwork. Christmas lights wink overhead. Speakers blaring Chinese pop tunes compete with honking trucks and the whirl of the bicycles from the nearby road, which is lined with auto repair and dumpling shops. It is the routine that Lin 39, performs night after night at the makeshift dance floor where he gives lessons to those paying a 25c admission fees. Liu earns \$90 a month, half his old pay as a welder at a coal plant a few kilo meters away. But ever since he was laid off last year, it has been the best work he could find. This is not a profession. Says Lin. But I must make some money for my family.

In the second scene in Shanghia we find the family of Frank Li enjoying the economic fruits of the new China, the one that is joining the global economy. Li has a top job in a government agency that recruits foreign investors in the city's booming free trade zone. Sitting in his wood-panelled office and dressed in an expensive dark suit Li explains how Intel, Hewlett Packard and IBM all are looking to expand their operations in the zone. Li occasionally visits foreign countries now a day. Li's family has prospered as well. His wife has a good job at Intel, they just bought a new apartment and his 11 year old son attends an exclusive private school.

The two present day realities of the two families mentioned in the business week reminded me of something from my Norway training days. In our training programmes 19 oil executives from 9 countries participated. Among them I had 4 friends from China. In those days from my Chinese friend Zhan, I learnt that there was hardly a difference of payments among seniors and juniors.

Depending on number of children some special allowances were given. In those socialistic days there was hardly any motivation for enthusiasm and hard work. In that time we found that our Chinese friends were busy in buying costly apparels and eating away scholarship money in luxury restaurants. We heard that any foreign currency will be taken by the state while entering their airport and foreign electronics and other goods are not allowed to be penetrated into their country. So, they spent their scholarship money in the foreign soil like anything.

The situation now in the rest of the world is almost like the same as China today. Recently, I found that an MBA with 25 years experience holding a very high position at AT&T, the global communication company and

earning about \$100,000 per month whereas common workers of the USA still get around \$2000 per month. This is because of high salary and stock options provided to top management.

In the public sector throughout the world there was control of wages between 1:10 or 1:15 from the lowest to the highest tiers. However, because of the open and market economy private sector is booming in country after country. With this new reality in South East Asia and even in India an elite class of managers are emerging with high income which was not thought of before. With this new wave in our country also we are seeing higher remuneration being provided to the really skilled executives.