

Barefoot Doctors Make a Comeback In Rural China

Trained as a Nurse, Ms. Li
Treats Datang Village;
Delivering a Baby for \$4

By PETER WONACOTT

DATANG VILLAGE, China—Shortly after Li Chunyan married five years ago, she sold her wedding gifts—two water buffaloes—and set up a tiny medical clinic next door to a pigpen. Her only competition in this hamlet with no running water was a witch doctor who treats patients by chanting and ringing bells.

Villagers have opted for Ms. Li's conventional cures. As a graduate of a three-year nursing-school program, the 28-year-old is by far the best-trained healer in these parts.

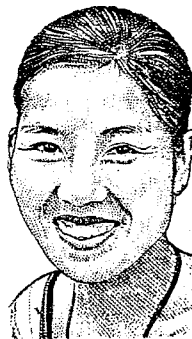
On most days, she's busy treating colds and fevers. When called, she climbs terraced hills of rice and cabbage to deliver babies in villages that have no doctor. "Even the witch doctor comes to see me now," boasts Ms. Li, a petite woman who keeps her hair pulled back in a neat knot. "He gets the sniffles."

In this remote corner of China's southwest Guizhou province, Ms. Li is helping revive one of Mao Zedong's storied successes of the 1960s and '70s: the "barefoot doctors," countryside medics who did a lot to reduce infant mortality and eradicate contagious diseases. Local authorities singled out candidates, who continued to work as farmers and didn't wear shoes in the fields. In three to six months of training, they learned to promote hygiene, treat basic ailments and deliver babies.

Now, amid a collapse of health care in China's countryside, and looming threats of global pandemics, this vestige of communism is making a comeback.

Despite a push to recruit more barefoot doctors, Ms. Li is still a rarity. Local authorities in her county of Congjiang want doctors for each of their 360 villages, but they can't pay them and haven't met that goal. Barefoot doctors don't get subsidies from the state, compared with village doctors who are paid a small salary of about

Please Turn to Page A10, Column 4



Li Chunyan

Hip Check

American Express Tries to Find Its Place With a Younger Crowd

Fearing Slowdown, Executives
Reward Urban Customers
With Glam Drinks, Dancing

Asking Interns What's Cool

By ROBIN SIDEL

American Express Co., the 155-year-old financial-services firm long known for catering to gray-haired executives with expense accounts, is offering its customers some unusual new perks: free chocolate martinis, discount passes to New York's head-thumpingly loud Crobar, and the chance to be a disc jockey at a dance club overlooking Times Square.

The offers are part of an ambitious effort by American Express to tackle a serious problem at the core of its business. The U.S. market is saturated with nearly 900 million credit, charge and debit cards. The glut has started to slow several years of rapid industry growth. Credit-card payments increased at an annual rate of 6.7% between 2000 and 2003, but the growth rate is now expected to taper off, according to the Federal Reserve.

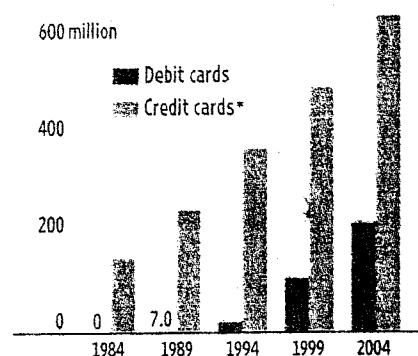
More alarming for American Express: Young shoppers are shifting to debit cards. Particularly popular among people on a budget, debit cards draw directly from a person's bank account, with no annual fees or monthly balances. Debit-card charges now represent 60% of transactions processed by Visa USA Inc. But American Express has never offered a debit card, and executives say it doesn't plan to.

Even its venerable gold and platinum charge cards are under assault. Visa and MasterCard International Inc. are both promoting credit cards with premium perks like concierge services that help customers buy hard-to-get tickets to concerts and shows. Some Wall Street analysts think American Express may have to lower the fees it charges merchants for accepting its cards. Those fees, which average about 2.54% of each transaction, have long been the highest in the card industry. Rates set by Visa and MasterCard averaged 1.78% last year, according to the Nilson Report, a publication that tracks the industry.

So now American Express is on a high-stakes hunt for young customers, forcing the company to learn the byways of an unfamiliar new marketplace. At the center of its quest is a new series of no-fee credit cards for urbanites who are single, age 25 to 35, dine out often, like to drink

Charged Up

Number of credit and debit cards
in circulation in the U.S.



*Includes Visa, MasterCard, American Express and Discover. Excludes gasoline cards or private-label retail cards
Source: CardWeb.com Inc.

and aspire to be hip. In ads, American Express dubs this "the über-glam lifestyle you'll easily become accustomed to." Last year it launched the first city card, dubbed "In:NYC," and aimed at New Yorkers. Earlier this week it followed with "In:Chicago," and "In:LA" is coming out later this year.

To develop the cards, American Express's executives have been scouring city hotspots trying to divine the tastes of the often fickle urban crowd. They grilled company interns about what restaurants and trends were cool, and found themselves soliciting customers well after midnight on Manhattan's streets.

The result is a card promising "access" to a lifestyle American Express hopes is desirable. Instead of earning golf clubs or frequent-flier miles, points accumulated on the In:NYC card can be redeemed for a private booth at Underbar, a candle-lit lounge below Union Square's W Hotel, or to get discounts at Suba, a tapas restaurant where diners sit surrounded by a pool of rippling water.

The push for new customers comes at a critical time for American Express. The company has posted 14 consecutive quarters of double-digit earnings growth, and at \$57 its shares are trading at their highest point in nearly five years. In 2004, American Express earned \$3.4 billion, and Chief Executive Kenneth Chenault has set long-term goals for 12% to 15% earnings per-share growth. "I happen to have a lot of confidence that our growth in payments is sustainable," Mr. Chenault told investors during a meeting last month.

American Express has thrived so far by driving up spending on its cards. Af-

Please Turn to Page A5, Column 1