

Commodifying Communism

Business, Trust, and Politics in a Chinese City

One might expect to find, in the wake of China's remarkable economic growth and the market reforms of the Deng era, a retreat of the state at all levels and the advance of private entrepreneurial autonomy. China's emerging commercial economy, or that of any reforming, emerging socialist economy, should gradually come to resemble the typical ideal of a market economy, with private transactions increasingly free from the influence of position and power stemming from the state hierarchy. David Wank, in this pioneering study of the institutional organization and political consequences of China's unprecedented growth, finds a very different, contrary image of an emerging commercial economy.

Drawing upon almost two years of ethnographic fieldwork in China, Wank reveals a system in which the state continues to play a significant and central, though transformed, role in business. He shows how entrepreneurs running private trading companies in Xiamen (one of China's five Special Economic Zones) in Fujian province must cultivate patron–client networks with local state agents in order to maximize profit and security. The author examines how processes of opportunity, transactions, contracts, and competition are constrained by both statist and popular institutions in commercial clientelism. He considers the implications of this patron–client network system for China's economic dynamism relative to Eastern European, post-communist economies, and looks at the political consequences for state–society and center–local relations. This book offers the most extensive, intimate, and revealing portrait available of how private business is conducted in China's emerging “free” market.

David L. Wank is Associate Professor of Sociology in the Department of Comparative Culture at Sophia University, Japan.

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*Business, Trust, and Politics
in a Chinese City*

DAVID L. WANK



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To my parents and Yoshiko

Commodities cannot themselves go to market and perform exchanges in their own right. (Marx [1867] 1976: 178)

Marx said that the market economy is social relations (*guanxi*). We used to read him in political study to understand socialism but I find him an inspiration for doing business. (Boss Short Pants, 1989 interview with the author)

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The seeds for this study were planted during two years of living and teaching in the Shanxi Agricultural College in Taigu, Shanxi Province, from 1980 to 1982 through a fellowship from the Oberlin Shansi Memorial Association of my undergraduate alma mater, Oberlin College. Living in an out-of-the-way place in China's hardscrabble heartland before the perceptible advent of market reform impressed upon me how the party-state pervaded people's lives, constraining their perceptions of possibilities and the behavior needed to achieve them. This experience led me to graduate school in quest of ideas to better comprehend it. At Harvard, Daniel Bell provided my baptism of fire in social theory, Theda Skocpol introduced me to political sociology, and fellow graduate student John Lie and visiting scholar Richard Swedberg suggested I explore economic sociology. My undergraduate mentors at Oberlin in Chinese studies were Vivian Ling (Hsu) and Dale Johnson in language and literature, Mark Blecher in politics, and Charles Hayford in history.

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