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0521620732 - Commodifying Communism: Business, Trust, and Politics in a Chinese City

David L. Wank

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## 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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*To my parents and Yoshiko*

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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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## *Acknowledgments*

This book is the result of a long personal and intellectual journey that began when I lived in a North China work unit for two years in the early 1980s. Along the way I have benefited greatly from the advice and support of various persons, institutions, and granting agencies. Because the book draws upon my Ph.D. dissertation, submitted to the Department of Sociology at Harvard University in 1993, it is fitting that I should first thank my dissertation committee members – Ezra Vogel, Andrew Walder, and John Hall. Professor Andrew Walder deserves special mention because he guided me not only in the dissertation stage but also as I was preparing this book.

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