By Proma Rajagopalan

Chinese Business Networks: State Economy and Culture

Review

Chan Kwok Bun's book, Chinese Business Networks: State Economy and Culture, is a collection of fifteen interesting papers on the Chinese community engaged in business in mainland China and abroad. The collection both highlights and questions the role of informal networks, or guanxi, as the main factor responsible for the success of the Chinese business community. The papers in this volume focus on three different issues: Chinese entrepreneurs in mainland China, the success of Chinese enterprises in other countries, and the successes and failures of overseas Chinese entrepreneurs attempting to enter the mainland economy.

Some talk but do nothing. The narrator realizes that ‘if you want to put up a house of null tenor in the city, they do realize that they actually were the victims of the Maoist policies they defended. Trying to catch up with their more fortunate contemporaries, they attended universities, married, and took up mid-level positions in various research institutes. The victimization continued, however, since modernization had begun to show its ugly face. Not only did their classic Red Guard belief system become the laughing stock of a newly emerging consumer society, but even worse: they found themselves excluded from the recently on-vogue monopoly.

The third topic covered in this volume covers the experience of the overseas Chinese doing business in mainland China, following the implementation of a number of economic reforms. Several advantages and disadvantages of guanxi have received the most attention. Successful Chinese businesses from Taiwan, Hong Kong, and Singapore have for some time been vying with each other to enter the mainland economy, and have resorted to renewing old contacts and networking to facilitate their business. Chan Kwok Bun's paper on the experience of the Singaporean Chinese illuminates this experience. Being accustomed to ‘business tactics of Singapore, they have so far been unable to cope with the limited written documents that characterize business dealings in the mainland. Moreover, several megalopolises and economically unviable, and consequently have lost business opportunities to the Hong Kong or Taiwan Chinese. Guanxi also plays a role in the type of people employed in a Chinese enterprise – people who may not always satisfy the requirements of that enterprise. The dysfunction and liabilities of guanxi also receive sufficient attention in the articles.

The co-called East Asian miracle is a strange one. In this, Western-style capitalism has been able to grow and develop in the absence of those economic institutions that are required in the Western model. This, along with the increasing number of Chinese entrepreneurs in foreign countries and the recent developments in modern Chinese cultural, however, facilitated by the revolutions in information and communication technology, and they have gradually moved out of the ‘personal trust’ syndrome. The focus on guanxi and guanxi-wang by the various authors in this book both demystifies and reassesses their importance and relevance. The book is a well-timed, thorough academic analysis which should become essential reading.

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