

BOOK REVIEWS

Bruce J. Dickson, *Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change*. New York: Cambridge University Press, 2003. 195 pp. Cloth, \$65.00; paper, \$23.00.

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It has been more than 3 years since Chinese Communist Party (hereafter “the party”) leader Jiang Zemin announced that private entrepreneurs could join the party. That speech may have stunned the outside world, although in practice there has always been a sizable proportion of party members among mainland China’s re-emerging private entrepreneurs since the 1980s. The party’s statistics indicate that one fifth of private entrepreneurs were party members in 2000, even when the post-1989 ban on recruiting them into the party was still in effect. Today, the recruitment of the “other social classes” has been enshrined in the party constitution, and 30% of private entrepreneurs are party members. The vast economic resources that private entrepreneurs command (one third of the gross domestic product and rising) and their newly sanctioned political ascent have inevitably led to rich imaginations and prognoses of their possible impact on changes to the party, if not to China itself. This latest and timely volume by Bruce Dickson represents the culmination of his research project in the late 1990s that explored the relationship between the party and private entrepreneurs. The insightful theoretical examination and rich empirical analysis in the book undoubtedly make an invaluable contribution to the study of contemporary Chinese politics.

Dickson’s research project was mainly designed to address three important questions. First, is the party willing and able to adapt to the needs and consequences of economic reforms and development? Second, what is the relationship between the party and private entrepreneurs? Third, will the “red capitalists” contribute to China’s democratization?

To answer the first question, the book includes a fairly extensive discussion about the necessity for the party’s adaptation. Apparently the new socioeconomic environment that the party’s own policies have helped create has also brought about unprecedented problems for the party’s organizational work at the grassroots level. On one hand, the party has changed its criteria for recruiting new members to reflect its new emphasis on economic modernization. On the other hand, however, the party has been unsuccessful in strengthening and expanding its organizational basis in the most dynamic part of the economy, namely, the nonstate sector and the rural area. Most private enterprises do not even have party members, let alone party organizations.

Faced with those challenges, how is the party adapting to the new environment? Dickson argues convincingly that the party has used a two-pronged strategy of adap-

tation, namely, the creation or revival of business associations under the leadership of the party and the direct co-optation of economic elites into the party. Thus an effective link is built between the above-mentioned first and second research questions. The next two chapters discuss the two components of the party's adaptation strategy, supported by empirical evidence from an eight-county survey. The two theoretical models of corporatism and civil society have been well established in comparative politics, although controversies remain as to whether they can be used to describe or explain the contemporary politics of the Leninist party state in China. Dickson points out that some elements of corporatism and civil society are emerging in China, yet the party's strategies have been highly selective. He particularly notes the distinctions between "state corporatism" and "societal corporatism" (p. 60), between "exclusionary and inclusionary policies" of state corporatism (p. 68), and between the "non-critical realm" and the "critical realm" of a civil society (pp. 92-93), and he illustrates the importance of those differences through comparisons with other historically Leninist regimes in Eastern Europe and East Asia. The party has been adapting to the new socioeconomic environment in China, but its strategies fall far short of amounting to a serious weakening of or threat to its political monopoly.

The highlight of the book indeed lies in the intriguing findings from original survey data. Chapter 2 includes case studies of local party organizations' strategies in two booming cities in the coastal region, but the main empirical analyses are presented in the next three chapters. Dickson drew on unique survey data collected in mainland China in 1997 and 1999. The data consist of the responses of 524 owners and operators of large private enterprises (those with reported annual sales of over the equivalent of \$121,000) and 230 local party or government officials across eight counties in four provinces with varying levels of economic development. Here also lies one of the main strengths of this study. Previous research has mostly been confined to one particular location or economic sector, whereas this project involves a more extensive sample of entrepreneurs. The survey had its constraints as well, as Dickson admits, yet his design of the project nevertheless makes the empirical analyses the most interesting part of the work. For example, the survey suggests that the post-1989 ban on recruiting private entrepreneurs had been very unpopular among local officials (fewer than one quarter of them supported it; p. 107), and two fifths of the entrepreneurs surveyed in 1997 and 1999 were already party members (p. 108).

There are many more important empirical findings in the last three chapters. With regard to the state corporatist arrangement of business associations, more than 40% of the local party and government officials in the survey thought that the associations should represent the views of their own members instead of ensuring party leadership over the private sector. Interestingly and probably ironically, an even larger proportion of entrepreneurs than officials actually agreed that "business associations represent the government's views on most matters" in the four counties with higher levels of economic development and privatization (p. 76). The survey suggests that "business associations may not simply be agents of the state, neither are they completely autonomous" (p. 78), especially in the economically more advanced areas. In my opinion, however, one should be cautious about extending those regional differences

into a temporal trend and coming to the conclusion that economic development in China will necessarily bring about a closer embeddedness of those organizations into the party state. Indeed, the various perceptions of shared interest between local officials and private entrepreneurs contribute to the unequal growth of the nonstate sector in different regions in China, which in turn directly explains diverging levels of economic development in the first place. Concerning the party's co-optation of private entrepreneurs, the survey analysis also yields interesting results besides the above-mentioned widespread support among local officials for recruiting private entrepreneurs and the high proportion of party members among the owners of large firms. In general, the party's adaptation seems to have been working, which generally confirms the findings by other scholars in the field.

The third question mentioned above, whether red capitalists will democratize China, is very interesting and probably the most important question. Actually, the book starts with a discussion of the paradoxical agreement of orthodox party leaders and Western observers concerning Jiang Zemin's proposal to recruit private entrepreneurs. Diametrical contradiction in their ideological orientations notwithstanding, they both believed that the red capitalists would bring about political changes to the party and to China. The last chapter before the conclusion considers the implications for political change in China on the basis of survey questions on the political beliefs and behaviors of private entrepreneurs. The party's adaptation has provided entrepreneurs with the institutional and personal basis to be agents of political change, and 16% of those surveyed had run in village elections. However, those who are looking in this book for a positive or definitive answer to the question of whether the political ascension of private entrepreneurs will bring democracy to China may be disappointed. On one hand, sharp and statistically significant differences in most cases exist between entrepreneurs and party cadres and rarely show up between party members and nonmembers among entrepreneurs (p. 136). On the other hand, there is no clear or coherent pattern in the responses to the questions designed to measure entrepreneurs' liberal values (p. 138). The detailed multivariate regression results on specific attitudes (pp. 142-156) therefore are helpful. Readers may have their own interpretations and form their own predictions, yet taken together, the findings presented in the chapter suggest that neither private entrepreneurs nor the party members among them will become agents for political change in China. Even if they do, it will not be out of a strong belief in the liberal ideals of a participatory democracy. They remain a necessary but not sufficient condition for democratization in China's mainland.

This book greatly deepens the understanding of the party's strategies to adapt to the new socioeconomic environment in the reform era, supported nicely by analyses of original survey data. More survey research and case studies are needed, however. For example, the project considers only the wealthiest private entrepreneurs, whereas only 16% of private enterprises in Zhejiang Province, for instance, reported annual sales of over 1 million yuan (which was the selection criterion used in the survey) in 1999. The *getihu* (a small-scale, family-owned business) background turned out to be an interesting and unexpected explanatory variable at various places (p. 110, 125),

which bodes well for a research project on the much more numerous owners of smaller firms. Besides, most private enterprises in China are in cities, which this survey did not include. There are other important theoretical or empirical questions that remain to be answered. For example, the party's strategies of adaptation seem to be designed to build consensus, but how good are they at handling potential or actual conflicts? This book points to new and promising avenues of research in the future, but the rich theoretical and empirical contents in it already make an important contribution to the understanding of contemporary politics in China.