

Red Capitalists in China: The Party, Private Entrepreneurs, and Prospects for Political Change. By Bruce J. Dickson. New York: Cambridge University Press, 2003. x + 187 pp. Index, notes, bibliography. Cloth, \$65.00; paper, \$23.00. ISBN: cloth 0-521-81817-6; paper 0-521-52143-2.

Reviewed by Mark W. Frazier

The emergence of business interests as a class is widely regarded as an important driving force in transitions to democracy. Barrington Moore Jr. encapsulated his 1966 opus, *Social Origins of Dictatorship and Democracy*, with a line that remains widely cited: “no bourgeoisie, no democracy.” This seemingly perfect correlation between private commercial wealth and pressures for representation in politics tempts many observers of contemporary China to view the rapid growth of entrepreneurs and private businesses as the harbinger of regime change and the end of the political monopoly maintained by Chinese Communist Party (CCP). U.S. presidential administrations base their China policy on the assumption that China’s private entrepreneurs will become agents of political change, a premise ironically shared with CCP hard-liners, who openly criticized their party leadership’s decision in 2001 to allow entrepreneurs to join the CCP.

Bruce Dickson’s pioneering study of the political outlooks and attitudes of China’s new entrepreneurial elite offers an empirically sophisticated, theory-driven analysis that depicts a largely symbiotic relationship between the CCP and entrepreneurs. The latter, far from being agents of change, are shown to favor the political status quo rather than express opposition to it. As Dickson notes, entrepreneurs are “more likely to be partners with the state, rather than adversaries of it” (p. 23). This finding will not come as a surprise to those familiar with the work of China scholars such as Margaret Pearson and David Wank, who have noted the mutual interests of economic and political elites in the reform era. Where *Red Capitalists in China* breaks new ground is in its ambitious effort, based on social survey data, to measure and account for the political attitudes and orientations of China’s entrepreneurs and their interaction with local officials.

Three out of four empirical chapters in the book report on the results of a survey that Dickson designed and carried out with the Research Center for Contemporary China, involving 524 private entrepreneurs and 230 local-level CCP and government officials across eight counties and in four provinces. Dickson does not claim to have found a necessarily representative sample of entrepreneurs—they were selected randomly from a list of medium- and large-scale firms with reported annual sales greater than one million *yuan* (about \$120,000). Yet it is this group, owners of the largest private businesses, that we might expect to possess a preponderant degree of local power and influence. Dickson divides entrepreneurs into three categories: ex-government or party officials who have gone into business and retain their CCP membership; business owners who have recently been brought into the party (“co-opted entrepreneurs”); and entrepreneurs who are not CCP members. These distinctions shed light on the crucial question of how ex-government officials who have “plunged into the sea” (*xiahai*) of business might hold political beliefs that mirror those of both non-CCP entrepreneurs and entrepreneurs who recently joined the CCP (the central CCP’s 2001 decision to admit entrepreneurs to the party in effect ratified what was already occurring in many localities). The survey then attempted to gauge how strongly these subgroups of entrepreneurs agreed, or disagreed, with statements about business associations, the sources of individual economic success, the need for political reform, the appropriate balance of economic development and social stability, and other topics.

Dickson’s findings add great depth and nuance to our understanding of the political outlook of entrepreneurs and local officials. He presents the data in a fashion that can be readily grasped by a broad audience and, more important, he provides readers with a clear sense of how these findings contribute to ongoing debates about civil society, corporatism, the sources of democratization, and change within Leninist regimes. The discussions of corporatism in the introduction and in Chapter 3 offer excellent reviews of the concept and debates over its application to China. Dickson shows that entrepreneurs view their business associations as vehicles for connecting with, rather than acting in opposition to, the state. One of the more interesting findings is that 68 percent of the entrepreneurs believed that business associations could influence state policy, while 75 percent of officials believed just the opposite. This might portend conflict in

government–business relations, but a majority of entrepreneurs (in prosperous areas, no less) also agreed with the statement that “on most matters, business associations represent the government’s views.”

In 2003, the detention or flight of several ultra-wealthy entrepreneurs decimated the uppermost ranks of *Forbes* magazine’s richest persons in China. This selective crackdown on private business executives highlighted a dilemma of China’s red capitalists. Given that bureaucrats at all levels are in a position to grant preferential financing and administrative favors, to succeed in business is almost by definition to evade or violate some regulation or law. The downfall of prominent tycoons in 2003 reinforced one of Dickson’s fundamental points: if even the high and mighty owe their survival to the not-so-good offices of the CCP, then the prospects of entrepreneurs mobilizing to bring about a regime change in China are remote at best.

Dickson’s book is sure to stand out among the best of a growing literature that seeks to explain evolving relations between business and government in contemporary China. *Red Capitalists in China* offers the right mix of theoretical discussion and new data that test fundamental propositions derived from theory. It is difficult to disagree with his claim that if China one day does possess an independent business class with the ability to articulate and pursue its collective interests, this will be an effect, not a cause, of a transformation in political regimes.

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