

BOOK REVIEW

Entrepreneurs in Contemporary China: Wealth, Connections, and Crisis

Xiaoying Qi. Cambridge: Cambridge University Press, 2023. 208 pp. £85.00 (hbk). ISBN 9781009316101

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In today's China, the private sector contributes over 60 per cent to GDP and more than 50 per cent to tax revenue. It also accounts for more than 70 per cent of technological innovation, over 80 per cent of urban employment and comprises more than 90 per cent of market players. Private entrepreneurs are among the various social groups that emerged in the 1980s. If they were looked down upon by many at the beginning of the reforms, their contribution to the country's prosperity was acknowledged by Jiang Zemin, then General Secretary of the Chinese Communist Party, in his famous speech of 1 July 2001 for the 80th anniversary of the Party. The emergence of a group of private businesspeople over the last four decades is such an important social fact that one of the most enduring national-scale social surveys is dedicated to its study. The China Private Enterprise Survey (*Zhongguo siyingqiye diaocha* or CPES) began in 1992, shortly after the 14th Party Congress proposed the establishment of a socialist market economy, and it has been conducted more than ten times until now. The latest of the 12 reports was published in 2019. In the English language, a large body of academic literature by sociologists and political scientists has been dedicated to Chinese entrepreneurs with authors such as Doug Guthrie, Kellee Tsai, Yasheng Huang, Thomas Heberer and Gunter Schubert, to name but a few.

Xiaoying Qi, a sociologist currently based in Melbourne, adds her contribution using qualitative methods. Her book, *Entrepreneurs in Contemporary China*, is based on fieldwork conducted from 2017 to 2019 in three Chinese cities: Changshu (Jiangsu), Hefei (Anhui) and Shenzhen (Guangdong). Sixty-five semi-structured in-depth interviews were conducted with founders and CEOs of small- and medium-sized private enterprises in diverse sectors, from mining to manufacturing and services. Informal interviews were conducted with 51 employees occupying various positions in the firms. Four companies served as sites of participant observations: a beauty salon chain, a fashion company, a company in e-commerce fashion, and a company that designed and manufactured personal items it wholesaled and retailed through e-commerce. The author spent over two weeks in each company.

Rather than addressing entrepreneurs as such, either as individuals pursuing a professional career or as a social group defending their collective interests in a competitive environment, the book focuses on business practices in contemporary China. Qi pursues a very ambitious goal. Drawing on a wide range of literature on entrepreneurship (the book has a 40-page bibliography!), starting with Joseph Schumpeter, she proposes a revision of generally accepted assessments on several topics. Qi aims to make an original contribution to the sociological and business-studies literature on issues such as trust, social networks, family business, crisis, gender and e-commerce.

Each of the six chapters follows the same pattern. The existing literature is first reviewed. Then, based on the material collected in China, Qi shows how standard conventions widely accepted in scholarly works need revision. Quite surprisingly, although we agree that China is

probably more advanced in that matter than any other economy, chapter one starts with the issue of e-commerce. According to Qi, the Chinese case departs from the widely held assumption that transaction systems in internet markets do not encourage social ties between buyers and sellers the way face-to-face markets do and, therefore, a social network basis of internet commerce is redundant. Online e-commerce systems, in fact, depend on and reproduce old inequalities, albeit in new forms and possibly less overtly.

Chapter two deals with social networks, focusing on the agency of social actors in contributing to network formation. First, network-making is an explicit activity undertaken by individuals, with costs and benefits. Second, network norms are not residual components of networks but are constructed and modified by participants. Finally, network membership is not a qualification but a practice involving social engagement, including managing network participants.

Chapter three focuses on the issue of trust in business relations. Qi shows that the consequences of breaches of trust are not necessarily exposure of malfeasance nor withdrawal from the relationship in question. The chapter identifies and examines the social mechanisms that come into play when breaches of trust are experienced. These include management of face, reassessing the sense of related obligation and power disparities, and deliberation concerning collateral costs and benefits. Third, she identifies the strategies engaged to preserve a relationship that has suffered trust breaches, including the disappointed party's reinterpretation of their expectations of the trust breaker and, therefore, their renegotiation of trust or their redefinition of the situation.

Chapter four challenges assumptions that family business does not necessarily rely on trust but, more importantly, on role obligation, assurance implicit in kinship structures, and interests that are socially interrelated if not conflated. It demonstrates that the apparent trust-inducing use of familial terms of address masks a complex set of interactions and exchanges providing surety through specialized *guanxi* practices.

Chapter five contributes to sociological research on female entrepreneurs. The Chinese case shows that spousal relationships do not necessarily correspond with gendered stereotypes, and that business and family are not necessarily opposed to each other. Indeed, family relations may support and reinforce the leadership roles held by women in business; hence, female entrepreneurs are able to pursue their business goals and in doing so gain support from their husbands. The Chinese case challenges the dominant discourse of entrepreneurship as an individualistic engagement.

Chapter six shows how business operatives conceptualize crises and manage their enterprises through crises. In the Chinese context, crisis is not necessarily regarded as simply a matter of disruption but as disruption from which new possibilities may arise. This approach encourages an orientation toward future business success even as significant loss is imminent.

One of the book's possible weaknesses is the lack of contextualization of the companies and entrepreneurs interviewed. How have the results been shaped by the types of enterprises met, the specific period of the survey, or the location of the enterprises? These questions remain unanswered. Besides, some of the conclusions reached by the author might sound provocative to a readership of sociologists unfamiliar with the Chinese case, but not so much to business historians of China. Despite these reservations, the book is a useful contribution to the literature on entrepreneurship in contemporary China.