Arif Dirlik

Critical reflections on 'Chinese capitalism' as paradigm

Abstract

Recent economic development in South China, and Southeast Asia more generally, in which populations of Chinese descent have played an important part, has provoked interest in 'Chinese capitalism' as an alternative paradigm of development. This essay reflects on this new phenomenon in relation to changes in Chinese society in particular, and in global economic relations in general.

Introduction

The rise of interest in Chinese or Asian capitalism coincided historically with the turn away from socialism in China beginning in the late seventies, gathering strength with the nearly total opening of China to capitalism in the early nineties. The same period has marked an intensified interest in what has been called 'Global Capitalism' or 'flexible production'. The temporal coincidence, to say the least, is intriguing, and raises questions concerning the conjuncture between a Chinese or Asian capitalism, and what appears to be a new phase within capitalism. How the one may have contributed to the other, or the ideological dialectic between the two, is the point of departure for my discussion below.

I argue below that the contemporary discourse on a Chinese capitalism is an integral aspect of the discourse on Global Capitalism. While the latter provides the context for understanding Chinese capitalism, the relationship is by no means unidirectional; the economic development of Chinese societies in East and Southeast Asia (and North America as well) has in turn contributed to dynamizing the discourse on Global Capitalism. The one is incomprehensible without reference to the other.

This relationship suggests also that what has come to be called variously as Chinese capitalism, 'Confucian Capitalism', or whatever, may be little more than an invention of a new post-socialist post-revolutionary discourse on capitalism. By invention here I do not mean an ideological operation that is based on falsehood, or the creation of something out of nothing, but rather the reorganization and rearrangement of social, political and ideological characteristics associated with 'Chineseness', to create a new model, and to some extent, a new reality of development. I use the term to highlight what may be a fundamental problem of explanation; to invert, if you like, the cause-effect relationships between Chinese characteristics and a Chinese capitalism: rather than a cause of Chinese capitalism, what have come to be identified as Chinese characteristics may be the effect of the development of a capitalism that has its sources elsewhere, in the global economy. In other words, the discourse on Chinese capitalism does not merely describe; more importantly, it may be a discourse creating its object (I use discourse broadly here, to include not just ideological operations but institutional practises as well).

Such a discourse, moreover, must be evaluated not only against its enunciations, but also for its suppressions. I will suggest below that the discourse on Chinese capitalism does indeed suppress very significant questions, including questions that pertain to the very idea of 'Chineseness'. The enhanced visibility globally of Chinese populations as a by-product of the discourse on Chinese capitalism has touched off an unprecedented attention to the so-called Chinese diaspora. While the very visibility of these populations would seem to confirm notions of 'Chineseness' identifiable in terms of common characteristics of a transnational ethnicity, from an al-

ternative perspective it also calls into question the very idea of Chineseness in bringing to the surface the differences between cultures of Chinese localized in various social and cultural environments. In this perspective, the insistence on Chineseness also expresses an urge to contain, if not to suppress, these local differences in order to create a transnational Chinese ethnicity corresponding to an assertion of Chinese economic power in global relations. The disappearance of these differences into a reified notion of Chineseness in such representations of ethnicity, I may add, has revived 'Orientalist' constructions of China and Asia, this time by the Chinese themselves.

I will conclude my discussion with a brief commentary on the instability of the so-called Chinese model in capitalism, that are as rooted in the vagaries of Global Capitalism as the affirmation of the model itself.

The invention of 'Chinese capitalism'

That there might be a Chinese variant of capitalism was an idea that was born not in any Chinese society but in the United States, and there were two conditions, both global in significance, that gave birth to it: the retreat from socialism in China, and the apparent regression in Euro-American capitalisms against evidence of unprecedented growth in East and Southeast Asian societies.[1]

More than any other work of which I am aware, it was the book, *World Economic Development: 1979 and Beyond*, by the US futurologist Herman Kahn that stimulated the discussion of a Chinese (more broadly, East Asian) capitalism. The condition of the world economy was very much on Kahn's mind when he wrote of East Asian societies that:

'The current relatively high morale, commitment and managerial and economic competence of the first two [Taiwan and South Korea] also provide a stark and useful contrast with what is going on in almost all of the Advanced Capitalist nations-including Japan' (Kahn, 1979: 329).[2]

According to Kahn, the conventional wisdom that Chinese could not industrialize needed to be revised to read that, 'Chinese can industrialize under any and all circumstances'. He offered as a reason that:

'Most readers of this book are familiar with the argument of Max Weber that the Prostestant ethic was extremely useful in promoting the rise and spread of modernization. Most readers, however, will be less familiar with the notion that has gradually emerged in the last two decades that societies based upon the Confucian ethic may in many ways be superior to the West in the pursuit of industrialization, affluence and modernization' (ibid., 121).

'Neo-Confucian societies' as Kahn described them, registered 'higher growth rates than other cultures' because of two related sets of characteristics imbedded in the 'Confucian ethic': 'the creation of dedicated, motivated, responsible and educated individuals and the enhanced sense of commitment, organizational identity, and loyalty to various institu-

[1] Statements about origins are always risky. It is quite possible that there may have been suggestions to this effect earlier, and among Chinese thinkers. There is some evidence that the texts I discuss below were products of informal interactions with Chinese or East Asians of their authors. It should be clear from the discussion below, however, that those involved in creating a discourse on Chinese capitalism trace the origins of the discourse to works published in the US around 1980. If the latter were not the first to draw attention to a Chinese capitalism, they at the very least empowered it.

[2] Kahn's book was rushed into print in order to make it available for the 1978 meeting of the International Chamber of Commerce. The book was intended explicitly to reaffirm faith in capitalist development at a time when both advanced capitalist and socialist societies seemed to be suffering from a deep 'malaise' (see Kahn, 1979: 3).

tions (be it, 'the family, business firm, or a bureau in the government')' (ibid., 128).

Kahn's observations have been echoed by many writers since then in discussions of 'Confucianism' and 'Chinese capitalism', among them sociologists such as Peter Berger (1987) and S. Gordon Redding (1993), East Asia specialists such as Roderick MacFarquhar (1980) and Roy Hofheinz (1982), and popular writers such as Joel Kotkin (1992).[3] Over the years, the discussions have become more detailed and variegated, adding new elements of 'Chineseness' to Chinese capitalism. It is fair to say, I think, that Confucian values, as expressed in daily life through strong family structures, commitment to education, and kinship or pseudo-kinship social networks (including place) are among the most frequently cited of such Chinese characteristics.

If texts such as those by Kahn and Berger appear as foundational texts in the new discourse on Chinese capitalism, the discourse was institutionalized through a relentless series of conferences, especially in various East and Southeast Asian locations, including China, bearing some variation on the title, 'East Asian Culture and Modernization'. The lead was taken by Singapore where, beginning in the late seventies, a movement got under way under the direction of then Prime Minister Lee Kuan Yew to 're-Sinify' Singapore society. The culmination was the invitation to Singapore in 1982 of eight foreign experts of Chinese origin to advise the Singaporean government on ways to introduce Confucianism into the school curriculum. The following year, an Institute of East Asian Philosophies was established in Singapore to promote research on Confucianism. Singapore, where 'Confucianism was not even a topic for public discussion' before 1979, according to two Singaporean scholars, quickly emerged as a promoter of Confucianism, and Chinese values generally, in East Asia, the United States and China.[4]

By the mid-eighties, others had joined in. I am incapable of enumerating all the conference and publication activity around this question over the last decade; and the exercise would be of marginal significance. A few general observations will suffice. First, those conferences with which I am familiar indicate that, after the first few rounds, there was much repetition in discussions of the question; and the issue of a relationship between Chinese characteristics and Chinese capitalism remains unresolved, even though conference activity goes on unabated. Secondly, while initially Singapore, Taiwan, Hong Kong and various locations in the US (especially Hawai'i) served as sites for this activity, especially in the nineties locations in the People's Republic of China have emerged as major sites for conferences on Chinese or Asian cultures and modernization.[5] Finally, not only have these discussions not resolved the issues, but they have brought to the fore major disagreements among Chinese schol-

[3] See also Hung-chao Tai, 1989. These are, needless to say, just a few examples in what has become an industry.

[4] The 're-Sinification' of Singapore included the promotion of *putonghua* (mandarin Chinese) beginning in the late seventies (Prime Minister Lee himself had learned *putonghua* as an adult). In the face of opposition from scholars, the Institute of East Asian Philosophies would be changed subsequently to The Institute of East Asian Political Economy. (I am indebted to Dr. Leo Suryadinata of the National University of Singapore for informing me of some of these developments). For the activities in 1982, see, Tu Wei-ming (1984). Tu, who has been an advocate of 'New Confucian' values all along, would emerge in these years as the foremost champion of the Confucian revival. For the last quotation, see, Wong and Wong (1989). For a detailed discussion of the Confucian revival, see Dirlik, 1995a.

[5] Song Zhongfu et.al., (1993: 352–361) for an account of some of this activity in the late eighties. The activity has gathered speed in the last two-three years; I have noticed for five conferences last year alone. Singapore, Taiwan and UNESCO have played parts in financing these conferences. Recently, with increased South Korean economic activity in China, Korean Confucians have become interested in joint conferences. For an account of the Sino-Korean conference in August 1994. See Cho Hae-Joang, 1995.

ars themselves not only on the question of the relationship of Chinese capitalism to Chinese characteristics, but even more significantly over the question of 'Chineseness'. On the other hand, the conferences have provided sites for the circulation of intellectuals, academics, government officials and businessmen from East and Southeast Asia, Europe and North America, creating an intellectual space that serves as a source for dynamizing the idea of a Chinese capitalism, keeping it in the forefront of global ideological activity. The very activity, in other words, promotes the idea of a Chinese capitalism, dissolving the complexities of and disagreements over the question.

The question of the Chinese diaspora which, I noted above, may have been a product of the question of Chinese capitalism, in turn contributes to the vitality of the latter question by underlining the question of Chinese identity. I can speak here only of the United States, where the idea of a 'model minority' emerged to the forefront simultaneously with the rise to economic prominence of East Asian societies.[6] A century of discrimination had disinclined Asian Americans to play up their ties to their native societies, but this has changed in recent years with the success of Asian societies, and a new wave of immigration giving priority to professionals and the wealthier groups from Asia. Chinese Americans in recent years not only have acknowledged such ties, but have been more willing than ever to serve as intermediaries in US-East Asian business relations. A conference on 'The Meaning of Being Chinese' held in Honolulu in 1990 brought together Chinese and non-Chinese scholars to pursue the question of identity within the context of the Chinese diaspora. An important conference on the Chinese diaspora held in Berkeley, CA, in 1993, brought together Chinese from around the world to pursue the quest for a Chinese identity. As with the question of Chinese capitalism, these conferences have served to bring out differences as much as identities, but they have served nevertheless to dynamize the discourse on Chineseness. Titles for conferences or conference volumes, such as 'growing roots where fallen' (*luodi shenggen*) or '*the living tree*', while they do indeed point to the 'changing meaning of being Chinese' and the problems of identity it presents, also constitute affirmations of 'identity in the last instance' based on common origins. At the very least, we need to consider the implications of intellectual activity conceptualized in terms of a single ethnicity, and the ways in which such activity helps produce its object. It is also noteworthy that Chinese officialdoms (both Taiwan and PRC in the case of the Berkeley conference) have been involved with these activities.[7]

[6] The idea of 'model minority', applied to Asians in general these days, may have been a product initially of racial conflicts within the US. When the term was first used in 1966, it was used with reference to Japanese-Americans. It has been extended gradually to other Asian groups, especially Chinese and Koreans. But that term, too, came to the fore in the eighties, gaining strength from the assumed relationship of Asian Americans to their societies of origin; the success of the one seemed to confirm the success of the other. For the origins of the idea, see Daniels (1988: 317–321). A conference sponsored by the Asia Society in 1991 explicitly connected Asian Americans to development in East Asia ('The Asian-American Experience: Looking Ahead', Los Angeles, 24–26 October 1991), as did Robert Oxnam of the Asia Society in an article in the New York Times Magazine. See Oxnam, 1986.

[7] The proceedings of the Honolulu conference have been published as a special issue of *Daedalus*, the journal of the American Academy of Arts and Sciences (Spring 1991). For the problematization of identity among Chinese Overseas, see especially the pieces by Wang Gungwu, David Yen-ho Wu, L. Ling-chi Wang and the epigrammatic pieces by Hsu Cho-yun. In the Berkeley conference, PRC and Taiwan representatives hosted separate receptions for the participants. For evidence of a new Chinese willingness to proclaim their Chineseness in another context (Thailand), see Szanton Blanc, 1995. Szanton Blanc argues that while earlier Chinese in Thailand sought to assimilate to Thai ways in everyday culture, there is a new self-assertivess in an everyday culture associated with Chinese wealth.

This ideological activity, while it formally recognizes the complexity of 'Chineseness', also serves to bridge the many differences among Chinese to invent a new kind of unity among Chinese populations around the world in a process of 're-sinification' (I believe the term is Wang Gung-wu's). It may be suggested also that, given such differences, the invention of a Chinese identity which must come to terms with these differences is very much an activity of the present even though it calls freely upon the past to justify the undertaking. In this sense, the discourse on 'Chineseness' and Chinese capitalism calls upon different spatialities and temporalities of being Chinese, and rearranges cultural elements of a multiplicity of sources, to invent its object: a new Chinese identity. The discourse unavoidably calls forth contestations over the meaning of 'Chineseness', but it has nevertheless created a space or a site for such contestation which has endowed the issue with global significance.[8] What it suppresses I will take up in the next section.

I would like to note briefly here that it is not ideological issues of a Global Capitalism alone that dynamize the discourse on Chinese capitalism, but economic activity that would seem to be reconfiguring Chinese societies globally. The evidence I have here is mostly impressionistic; I will state what I have in mind, therefore, as a proposition: that the 'imagined' Chinese transnational ethnicity in the discourse on Chinese capitalism is a product of material activity that has been made possible by the economic practises of a Global Capitalism, especially within the context of the nearly total opening of China since 1992. What I have in mind by Global Capitalism, which is derivative of the work of economic theorists, I have outlined elsewhere (Dirlik, 1994).[9] Suffice it to say here that the unprecedented transnationalization not just of financial transactions but of production and consumption that is associated with Global Capitalism has given rise to circumstances which seem to have favored the Chinese populations of East and Southeast Asia, as well as North America and Europe. I am referring here in particular to transnational subcontracting practises associated with the so-called 'new international division of labor'. While the larger organizational context for Global Capitalism is the transnational corporation, subcontracting practises have given a renewed significance to small businesses producing for larger corporations. One Japanese analyst, Takahide Kosaka, has suggested that subcontracting practises, especially on a transnational basis, favor 'network- type' organizational structures over vertical and centralized organizational structures (Kosaka, 1990: 31–36). In

[8] Note, for instance, the ideological activity that goes on both in Taiwan and China to lay claims to 'tradition'. Last year, the Chinese government proudly flaunted that 'compatriots within and without the seas' (*haineiwai tongbao*) contributed funds for erecting a Temple of the Yellow Emperor on the site of his 'tomb'. For the relationship to tradition, see, among others, Cohen, 1991.

[9] Capitalism has always been global and globalizing. Global Capitalism refers to a more recent development within capitalism of which the most important aspect is the transnationalization of the very process of production through the agency of transnational corporations (hence the capitals to denote this new situation). The spreading of the production process of the same commodity across a multiplicity of locations, including a multiplicity of different national spaces, has become a commonplace of the contemporary world economy. Such transnationalization of production has obvious consequences for the political, social and cultural mapping of the world. One immediately relevant observation here – without implying causation – may be the parallel developments between 'commodity chains' and diasporic populations at once as sources and consequences of transnationalization; diasporic populations may also be strategically well-placed to deal with some of the demands of transnational production and other transactions that are transnational in scope. On the other hand, their very involvement in these processes may be a contributing factor to the configuration of transnational ethnicities. Other frequently encountered terms to describe this new situation are 'the new international division of labor', 'post-Fordism', 'regime of flexible production', and 'late capitalism'.

the former case, moreover, controls are 'latent' rather than overtly organizational; which, it seems to me, would also bolster the importance of personal relationships, though other punitive measures might be available.

If this is indeed the case, it seems reasonable that Chinese who have been prominent all along in small business in Southeast Asia, and have retained network-relations of one kind or another over the years, should be particularly well-placed to take advantage of the new division of labor in production. More is involved here, however, than simply the legacy of past economic practises. Ambrose King has suggested that 'kuan-hsi and network building' is a process of inventing and reinventing relationships in what he terms an ongoing 'social engineering' (King, 1991). As Chinese businesses have been incorporated into the new production networks of transnational corporations, not only are the older networks likely to be transformed, but new networks need to be invented to answer the requirements of a 'new international division of labor'. Subcontracting practises, in other words, enhance the practise of networking. As subcontracting is extended into China, which has been described as a present-day 'frontier capitalism' because of the weakness of legal restraints on economic practises, personal networks must be invented, renewed or reinvented to ensure the functioning of the division of labor. Even outside of China, however, these networks are of primary significance given the past history of discrimination against Chinese populations in the various societies of Southeast Asia, which has made for a preference for dealing with other Chinese.[10] In either case, subcontracting practises (among others) are likely to enhance the interrelationships among various Chinese populations, and strengthening the ties among them, in what might be described as an 'ethnicization of production'. Wang Gungwu has alluded to this possibility in observing that 'the massive growth of international trade has enabled... Chinese, especially in the Asia-Pacific region where they are so numerous, to combine cosmopolitan culture with an increased capacity to associate and trade with other Chinese – both in China and around the world – in ways never before seen' (Wang Gungwu, 1991: 154).

I do not wish to fall into an economic reductionism or a functionalism here to ascribe the contemporary concern with 'Chineseness' to a few economic factors, but neither can we avoid questions that arise from the temporal coincidence of the rapid development of capitalism in Southeast Asia with the appearance of concerns for a Chineseness; concerns, moreover, that arise not out of the distances between the various Chinese societies, but out of the bridging of those distances by new economic relationships of one kind or another.[11] Ultimately, moreover, these new economic relationships have for their context the production processes of a Global Capitalism centered in transnational corporations. It is in this sense that we may benefit from viewing the discourse on Chinese capitalism as a contemporary phenomenon, that is linked intimately with the structural conditions of a contemporary Global Capitalism, however it may draw on the past to articulate its identifying features. In the next section, I will argue that this relationship to Global Capitalism also helps explain some of the basic claims made by the discourse on Chinese capitalism, as well as the reasons that these claims have been welcomed into the ideology of capitalism globally in spite of the challenge it presents to an earlier Eurocentric ideology of capitalism.

[10] Evidence for these observations are to be found in S. Gordon Redding, *The Spirit of Chinese Capitalism*. Redding, however, has a tendency to fall back too readily on 'cultural tradition' as an explanation, and has little to say on the organizational requirements of the new global economy.

[11] I would like to note here the work of Donald Nonini, who is engaged in a sustained effort to site the ethnography of 'Chineseness' in Southeast Asia in the circuits of Global Capitalism (what he describes as 'transites'). See Nonini, 1994 and 1995.

The discourse on 'Chinese capitalism': what it suppresses

The fundamental problem with the idea of a 'Chinese capitalism' is the vagueness of the notion of 'Chineseness' Over the last few years, the question of ethnicity has emerged as a primary intellectual concern, mainly because of ethnic conflicts around the world, but also because of the emergence of transnational ethnicities that have brought to the fore questions suppressed by an earlier assumption of some kind of equation between ethnicity and the nation. One fundamental question pertains to the nature of ethnicity itself: the very phenomenon of diaspora, while it gives rise to a quest for a transnational ethnic identity, also defies any easy definition of such an identity because it of necessity implies the localization of identity in a variety of diasporic sites.[12] The diasporic identity (or, 'ethnoscape', in Arjun Appadurai's metaphor) is found upon closer examination to consist of many localized identities. The reconstruction of a transnational ethnic identity under these circumstances already presupposes the incorporation of many cultural practises of uncertain ethnic origin. It also presupposes the suppression of local differences in the name of a transnational ethnicity.

Both procedures seem to be at work in the new discourse on 'Chineseness'. Where the characteristics associated with Chineseness are concerned, the question is not whether or not these characteristics apply to Chinese, but that they do not apply to all Chinese around the world, while they also apply to other peoples as well. Ling-chi Wang writes that 'five types of identity have appeared among the Chinese in diaspora: the sojourner mentality; assimilator; acommodator; ethnicly proud; and uprooted. Each is represented by a Chinese phrase with the word *gen* in it and each is defined by a perception of and relation to Chinese roots, *gen*, which refers to a variety of reference points: ancestral village; Chinese race; China as a nation; the Chinese government; or Chinese culture' (Wang Ling-chi, 1991: 184). In other words, even where the 'roots' are concerned, and conceived in nebulous terms of great internal complexity themselves, such as race, culture, nationality, etc., the various Chinese populations in diaspora hold different self-images and different notions of relationship to 'Chineseness'.

A comparable vagueness is apparent in the more concrete characteristics associated with Chineseness in the discourse on Chinese capitalism. Lynn Pan points in her no-nonsense manner to the appropriation for 'Chineseness' of values that are the values of a primal capitalism:

'Among the overseas Chinese themselves, a very complimentary self-Image is held; they see themselves as nothing less than the very embodiment of Diligence and Thrift, and they claim that these are Chinese qualities. Their confidence in the superiority of their own culture reinforced at every turn by the visible evidence of their wealth, they have no doubt at all that it is hereditary flair that does it. To their way of thinking, to be Chinese is to be business-minded, and it is a combination of genetics and up-bringing that makes them the dedicated entrepreneurs they are. The further one moves from the core of tradition, they think, the less business-minded one becomes-which is why, to their mind, peranakans and Babas do not take so readily to trade... Of course the Chinese do not have a monopoly of the values so glibly ascribed to Confucianism; such values would be just as familiar to a Samuel Smiles or a Victorian... But many Chinese have taken the idea of a 'Chinese spirit of capitalism' to imply ethnic and cultural superiority' (Pan, 1994: 244-245).

One might go even further and suggest that the appropriation of such values for Chineseness or Confucianism represents no

[12] This problem has been raised very directly by Paul Gilroy. See, for example, his various essays in *Small Acts: Thoughts on the Politics of Black Cultures* (London: Serpent's Tail Publishers, 1993). Note the pluralization of 'culture' in the subtitle.

less than an assimilation of Chinese traditions to the values of European capitalism. I have suggested elsewhere that the Confucian revival, which also claims similar values for Confucianism, represents a 'Weberizing' of Confucianism; the critique of Max Weber's views on the relationship between Confucianism and capitalism has taken the form not of a critical evaluation of Weber's views on capitalism, but rather of an assertion that Confucianism shares in the values that Weber ascribed to the Protestant ethic in Europe. Needless to say, such reinterpretation of Confucianism also implies a suppression of the complexities of Confucianism; as in the case of Tu Wei-ming's repudiation of what he describes as 'the dark side' of Confucianism.

A similar ambiguity attends other values that have been associated with Chineseness, chief among them values that derive from strong family and kinship ties. Compared to the contemporary situation in the United States (which is very often the basis for comparison in these discussions), Chinese family ties appear to be much stronger and more stable, but whether or not kinship ties among Chinese are stronger than among other peoples is much more problematic. Even in the United States, there are important differences in the strength of kinship ties between urban and rural communities. Scholars such as Carol Stack and Herbert Gutman have demonstrated in their classic studies how kinship ties and strategies have helped the survival of Afro-Americans, the most abused among the oppressed in the United States (Stack, 1974; Gutman, 1976). The persistence of kinship ties is essential to understanding why countries such as the Philippines and Turkey, as well as many of the Pacific Island states, have become nearly dependent on remittances from workers abroad.

How kinship structures may play a part in economic development is even more problematic. Until just recently, kinship ties were offered as an explanation of obstacles to capitalist development in China, which at the least should make us wary of monocausal explanations based on kinship. A problem that is less frequently discussed is what an equation between kinship ties and economic development implies for the nature of kinship itself: its reduction to an economic phenomenon, so that kinship values appear increasingly in their instrumentality in achieving economic goals.

I would like to note here one final characteristic that has received attention as a feature of the Chinese spirit of capitalism: networking based on kinship, place of origin, whatever. Gary Hamilton, et. al. have written that business networks assume particular configurations in different social, economic and political contexts. Networking, however, does not seem to be restricted to any social and cultural context, but appears as one strategy among others, especially when dealing with unfamiliar environments, such as among immigrant communities, or under circumstances of legal or political uncertainty which make it difficult to rely on legal market norms in economic activity.[13] Business networking, moreover, may be a transitional strategy more pertinent to some forms or phases of economic development than to others. Redding, who has been insistent on networking as a characteristic of Chinese capitalism, acknowledges nevertheless that there are significant differences among Chinese entrepreneurs in Hong Kong, with personal network relations more predominant among the Cantonese, with small-scale businesses, than among the Shanghai'ese with larger scale, complex business organizations (Redding, 1993: 111). Likewise, Ambrose King has suggested that 'in the modernizing Chinese societies where market rationality and law are becoming the predominant value, the scope of *kuan-hsi* practices has been narrowed and circumscribed and its strategy subtly transformed'. In the People's Republic of China where, by contrast, 'during this rapid transition stage when the socialist universalistic values are cast into doubt and

[13] Hamilton, Zeile and Kim, 1990: 105–129. For an example of the use of Scottish ethnicity, and kinship relations, in economic activity in Asia, see Jones, 1987: 131–170.

the market is not yet fully opened, *kuan-hsi* blossoms to play a new instrumental role for people to achieve what is usually denied them through normal channels'.[14]

Whether we look at business orientation, diligence and thrift, education, kinship values, or networking – all values that have been associated with Chineseness and Chinese business success – there is sufficient evidence to indicate that these values are products of particular social and historical circumstances, which casts strong doubt on culturalist claims that represent them as essential, exclusive and unchanging Chinese values.[15] The point is not that there was no business culture in China in the past; it is possible, as Yu Ying-shih has argued, that in their preoccupation with the Confucian bureaucratic elite, historians of China have overlooked the importance of business culture in the past (Yu Ying-shih, 1987). The point is that a new tradition has been invented now to explain Chinese behavior, that matches earlier essentializations of Chinese culture in its obliviousness to historical and social complexity. The origins of the contemporary Chinese business ethic are located somewhere in the interactions of Chinese with others, and with alien environments, in recent history, and the success of Chinese business may have required the foregrounding of certain 'traditions' over others; in other words, the reinvention of tradition. As Lynn Pan writes, commonsensically:

'In a society ordered by Confucian values, the ability to profit from trading was never admired, and this put rather a damper on a universal flowering of Chinese entrepreneurship. If the Thais believed that entering the civil service was the surest way of getting on in the world, so did the majority of the Chinese; and for every Chinese who prospered from trading, there were hundreds who held themselves aloof from commerce. If there is such a thing as a tradition of enterprise among the Chinese, it is only to be found among the coastal Chinese and the diaspora.

Those enthusiastic Hokkien traders who sailed to Nanyang were not heirs to a mercantile tradition; if anything, they were people who, by emigrating, were able to leave their inherited cultural inhibitions behind' (Pan, 1994: 243).

Wang Gungwu also writes, less unequivocally, that 'I am not convinced that Confucianism itself contributed to entrepreneurship. . .While Confucian values make us what we are, what makes a good entrepreneur depends on many factors which are not peculiar to Chinese entrepreneurs'.[16]

The problem with 'Chineseness' based ex-

[14] King, 1991: 80. According to Lee Kuan Yew himself, Overseas Chinese use *guanxi* in China 'to make up for the lack of the rule of law and transparency in rules and regulations. Quoted in 'The Overseas Chinese: Lessons from the World's Most Dynamic Capitalists', *Fortune*, 31 October 1994: 91–114, especially 102–106. This article also gives an example of how *guanxi* is created in the search for subcontracting sites, which is motivated by economic considerations (I am grateful to my colleague Prof. Nan Lin for bringing this item to my attention). Finally, Godwin Chu and Yanan Ju (1993: 150–153) suggest that younger Chinese (under thirty) in the PRC place a greater premium on *guanxi* than the older generation, which may indicate a response to the breakdown of the older regime of socialist regulation, but most certainly calls into question arguments based on the persistence of tradition.

[15] While I have not dealt with education above, there is reason to think that education, too, may have something to do with immigrant status. There is also a social angle. Most discussions of 'model minorities' in the US, which stress the educational achievements of Asian immigrants, ignore nevertheless that this is largely a post-1965 phenomenon, and may have something to do with the fact that the new immigration law of 1995 encouraged the immigration of educated professionals from Asia. On the other hand, we have the evidence of commentators in the People's Republic of China who bemoan that, once business began to flourish, education lost many of its attractions to students and professors alike.

[16] *South China Morning Post*, 23 November 1993, Bus., 1. Quoted in Aihwa Ong (1995).

planations of Chinese capitalism is that it suppresses the structural context within which this capitalism has arisen. Whatever resemblances it may have in particulars to past practises, this capitalism has acquired an identity of its own only in the very recent past, with the success of East and Southeast Asian societies, which has empowered the projection of this newfound identity upon the past, and its assertion against others, in particular Euro-American capitalism but not just the latter.

We need not deny creativity to, or the increasing autonomy of, Chinese capitalism to recognize nevertheless that economically speaking, the structural context for its success resides in a Global Capitalism in which the United States and Japan have been the key players. A product of such a Global Capitalism, so-called Chinese capitalism is dependent of the functioning of the global economy, remains dependent on it, and has been shaped largely by its requirements.[17] The political context for development has been the prevalence of repressive authoritarian regimes, which now do not hesitate to export the ideology of authoritarianism as a key to development.[18] Finally, a significant social structural context is indeed the Chinese diaspora, which has enabled Chinese to take advantage of their strategic positioning around the Pacific as the Asia-Pacific economies have flourished.

The culturalist 'Chineseness' argument not only ignores this structural context, but also suppresses the contradictions that are quite evidently visible in the discussions on Chinese capitalism. Like all ethnic essentializations, the discourse on Chinese capitalism, suppresses the class and gender differentiations, and even ethnic differences, among the people encompassed within it. Chinese exploiting the surplus labor of other Chinese by taking advantage of oppressive labor regulations (as in the special economic zones of the People's Republic of China) or the vulnerability of illegal immigrants (as in Chinatowns, USA) is dissolved into the discourse on Chinese capitalism through the vocabulary of cultural traditions. So is the exploitation of young women who make up the majority of the labor force in special economic zones, whose bodies contribute significantly to the accumulation of capital through oppressive conditions of factory production, or flourishing 'entertainment' and 'tourist industries' In the meantime, the aborigine theme park in Shenzhen displays smiling nationality faces that cover up seething ethnic tensions in the People's Republic.[19]

Also covered up, in its appropriation as a Chinese (or more broadly, Asian) cultural characteristic is the question of authoritarianism, at both the political and social levels. This is a problematic issue, and I will comment on it further below. Suffice it to say here that the culture argument has been utilized in recent years to justify continued authoritarianism at all levels; from the state to the factory to the family. In 1993, Lee Kuan Yew and Mohamad Mahathir joined in with the leadership in Beijing to denounce the United Nations deliberations on human rights as an unwarranted intrusion in the affairs of Asian societies, with their different 'cultural traditions'. On the eve of the Asia Pacific Economic Community meeting in Indonesia last Fall, Lee Kuan Yew was particularly active in his denunciations of an excessive preoccupation with democracy. Lee has also expressed regret on various occasions that he had ear-

[17] For an important analysis of this structural context, see Cumings, 1984. For the US role, see Augustine H.H. Tan, 1988.

[18] For the functions of repression in relation to economic development under Global Capitalism, see Nonini, 1994 and 1995. For a recent comprehensive discussion of political regimes in the region, see Hewison, et.al., 1993. Leaders such as Lee Kuan Yew of Singapore and Mohamad Mahathir of Malaysia have emerged in recent years as advocates of developmentalism against democracy. See below.

[19] According to a report, during his visit in 1992 that was to launch the new phase of development in China, Deng Xiaoping picked the mock-up of the Potala in the theme park in Shenzhen for a picture with local dignitaries. See Zhonggong Shenzhen shiwei xuanzhuanbu, ed., 1992: 27.

lier promoted the education of women. The Confucian revival in general has celebrated loyalty and obedience as keys to the stability of the East Asian family, as well as the East Asian workplace. Patriarchy in the family, and patrimonialism in the workplace and the state, appear in the discourse on Chinese capitalism as distinguishing features of Chineseness.[20]

The defense of these traditions are justified quite frequently in terms of their contributions to development; development, conversely, has become a justification for the perpetuation of these 'traditions'. In an interview in Summer 1993, Prime Minister Mahathir of Malaysia observed that 'nobody cares about human rights so long as you can register annual growth rates of 8.5 per cent'. In 1992, Lee Kuan Yew observed to an audience in Manila that, 'contrary to what American commentators say, I do not believe that democracy necessarily leads to development. I believe that what a country needs to develop is discipline more than democracy. The exuberance of democracy leads to undisciplined and disorderly conditions which are inimical to development'.[21] More recently, he has criticized the Philippines for being too preoccupied with democracy when it did not have a decent telephone system.

Needless to say, such arguments have not gone unnoticed in the People's Republic of China, where since Deng's southern trip in early 1992, 'developmentalism' has come to be equated with 'socialism with Chinese characteristics' under direct 'southern capitalism' inspiration. Aihwa Ong quotes one Shenzhen official as saying, 'Let them (young people) have their desires! If they have money, they can do what they want. Just no more Tiananmens!' (Ong, 1995). If hedonism may be preferable to political involvement, Chinese capitalism of the kind associated with Singapore also showed the way to controlling the socially degenerative consequences of capitalist development. In his talks in Shenzhen in 1992, Deng Xiaoping noted that through 'strict management', Singapore had succeeded in preserving 'social order' while developing rapidly. He thought that China could borrow from the Singapore experience to do even better'.[22]

Authoritarianism may or may not be consistent with Asian 'traditions' The question is what it explains. In the past, a tradition of authoritarianism has been utilized to explain why China went Communist. In our day, it is utilized to explain Chinese capitalism. The problem with these explanations is that they do not address the complexities of authoritarianism, and its relationship to social change in general. There is some evidence that the authoritarian tradition argument is used presently to counteract significant changes in Chinese societies. As Deng's statement suggests, authoritarianism is invoked to contain the socially disruptive effects of capitalist development. The authorities in Beijing joined in calls for a 'Confucian Renaissance' last Fall, admitting that since socialism no longer provided norms for social behavior, a new value system was necessary to guarantee social order. Scholars

[20] For a critical discussion of patriarchy in family business, see Greenhalgh, 1994. I am grateful to Prof. Greenhalgh for sharing with me this sharply analytical paper.

[21] *Far Eastern Economic Review*, 10 December 1992. Quoted in Aihwa Ong, 1995. The Mahathir statement was quoted in the published interview in *Third World Resurgence*, August 1993. The Singapore/ Malaysia resonances may soon echo in global ideology. According to Dr. Suryadinata of the National University of Singapore, Tu Wei-ming was invited to Malaysia recently to help out with a synthesis between Islam and Confucianism.

[22] Zhonggong Shenzenshiwei Xuanzhuanbu, ed., 1992: 9. Deng's comments prompted the sending of a high level delegation to Singapore in July 1992 to investigate the secrets of social order there. See, Zhongguo fu Xinjiapo jingshen wenming kaocha tuan, 1993. The volume contains reports on housing, labor unions, opposition parties, ideological propaganda, etc., as well as an account of a conversation with Lee Kuan Yew, who seated his guests on 'two sofas arraigned around a bust of Confucius', and lectured them that 'it was not necessary to 'desinify' (*fei Zhongguohua*) in order to achieve modernization' (ibid., 19).

from Singapore have observed that when Lee Kuan Yew initiated a Confucian revival in the late seventies, it was in order to counteract 'unhealthy' tendencies in Singaporean society that had emerged with development. While Lee has described these 'unhealthy' tendencies in terms of Western, especially American, influence, it is clear that the tendencies included also a weakening of labor discipline as well as increasingly independent behavior on the part of women. Authoritarianism instrumentalized in the cause of a capitalist regime of discipline, to contain the very disruptive consequences of capitalist development, may hardly be ascribed to the persistence of 'tradition' Rather, it points to the use of tradition to control a social situation that is no longer subject to the hold of traditional values.[23]

The discourse on Chinese capitalism reinventories traces from the past and the present to produce its object a Chinese identity consistent with a contemporary Global Capitalism. It is plausible to the extent that the 'traces' included in this inventory are identifiable with contemporary Chinese, and fit in with a coherent whole, even though their origins may be quite obscure. The discourse, however, also erases other traces, or relegates them to marginality. In identifying contemporary Chinese as 'Confucian', Tu Wei-ming leaves out of his inventory what he describes as 'the dark side' of Confucianism. Those who would create an imaginary diasporic Chinese sharing in the same cultural characteristics erase the localized Chinese societies that have been produced by the diaspora. In either case, insistence on essentialized Chinese characteristics erases the historicity of being Chinese in order to produce a Chinese identity that is resistant to differences of time and space, to the reworking of Chineseness by different economic, social, political and cultural circumstances.

Fundamental to the production of this new Chinese identity is the rewriting of Chinese modernity by erasing its central event: the socialist revolution. A Chinese identity defined in terms of a 'natural' tendency to capitalism erases the history of one of the greatest revolutions against capitalism in the twentieth century, which now appears as a historical aberration inconsistent with the most basic values of Chineseness. And Chinese and non-Chinese collude in this undertaking, as is visible in Edward Friedman's recent article with the revealing title, 'Reconstructing China's National Identity: A Southern Alternative to Mao-Era Anti-Imperialist Nationalism' (Friedman, 1994). As Maoists earlier constructed a Chinese identity that was 'naturally' revolutionary and anti-imperialist, Southern Chinese capitalism now provides an anti-revolutionary regime with the ingredients to construct a Chinese identity that is 'naturally' capitalist.

Identity conceived as construction draws attention to who is doing the constructing and to what end. Tu Wei-ming's project of a 'cultural China' offers a clue here. Cultural China, according to Tu, consists of three 'symbolic Universes': China and predominantly Chinese societies (Hong Kong, Taiwan, Singapore), diasporic Chinese, and the scholars and intellectuals who study China (including non-Chinese scholars and intellectuals); Hong Kong, Taiwan and Singapore, Tu notes, are really part of the diaspora, which leaves territorial Chinese mainland as the 'core' Chinese identity has been defined for long from a North China core; now it is to be redefined from the periphery (Tu Wei-ming, 1994).

What Tu neglects to say is that the periphery in this scheme is the capitalist periphery, while the center is the location for the revolution in the twentieth century. We may note also that, from a global perspective, what appears as the Chinese periphery is located in the capitalist core, while the Chinese core belongs in the periphery of global capitalism; something Tu hints at in describing the People's Republic as 'marginal' in power. The reconstruction of Chinese identity from the periphery entails also, we may conclude, the remaking of China in the image of capital-

[23] For further discussion of such uses of authority, see Dirlik, 1995a and Aihwa Ong, 1995.

ism, in which southern Chinese capitalism has a major part to play.

Where Chineseness and Chinese values come into this reconstruction is quite problematic, because Chineseness in this very scheme is already a Chineseness that has been worked over thoroughly by the location of the periphery in the capitalist core. While I do not wish to trivialize the quest for Chineseness in our day, it is nevertheless unavoidable to observe that the very quest for identity is the subject of much political manipulation. Lynn Pan observes of Lee Kuan Yew that 'his Chineseness. . .has been an instrument of policy, to be exploited this way or that as circumstances demand' (Pan, 1994: 271).[24] Likewise, the leadership in Beijing seems to have no qualms about calling on 'Chinese compatriots' when it serves its political goals. If the latter uphold Chinese capitalism of the South as a paradigm of development, it may be because of its success rather than because of its Chineseness; or, stated differently, because of an identification of Chineseness with a productionist ideology, which has been made into a fetish of 'socialism with Chinese characteristics' since Deng's visit to Shenzhen in 1992. A Hong Kong paper wrote in April 1992:

'A Northern delegate to the National People's Congress says: 'We have worried too much about Guangdong these past few years'. Worried about what? Nothing other than Guangdong embarking upon that criminal 'capitalist road'. But Guangdong'ese were not worried, because they did not have to worry, nor did they have time to worry; reform and opening are the nation's policy, and what the people want, they must be pursued relentlessly without looking back, without having their feet bound by whether what they do is to be called 'socialist' or 'capitalist'.[25]

While in its productionism Chinese capitalism may have come to be shared widely as a paradigm, it is necessary to note here that it has not erased the differences that come to divide Chinese populations. The discourse on Chinese capitalism, while it presupposes a transnational Chinese ethnicity, remains as a site of contestation among Chinese who are still defined by different national identifications and local identities. Perhaps because the 'Chineseness' card is played by all sides in the contest, there is a keen awareness of the conflicting interests involved. A Chinese scholar from the People's Republic stated at a recent conference that:

'From the national perspective, we reject the concept of Greater China. From the legal perspective, we cannot mix up different nationals [simply] because of their having the same culture and language as we do. . .[But] Taiwan likes this view of the Greater China. It is a business concept to capitalize on China's development. Western scholars see a stronger China and project their own model of a larger China by exaggerating data on overseas Chinese development. This issue must be seen at the level of government-to-government relations. We see things as a purely business matter. Overseas Chinese come not because they are patriotic but because of investment benefits. We need to clearly differentiate among different kinds of Chinese, those who are nationals, and those who are from overseas'.[26]

Overseas Chinese, especially in Southeast China, seem to be equally apprehensive about a People's Republic growing econom-

[24] Economic gain never seems to be far from Lee's mind when he discusses questions of culture. Aihwa Ong quotes Lee referring, on another occasion, to the 'economic value of multiculturalism'. In the discourse on Chinese capitalism, the exchange value of Confucian values seems to lie just beneath the surface of the discussions. For a blatantly explicit discussion, see, Michael Harris Bond and Geert Hofstede, 'The Cash Value of Confucian Values', in Clegg and Redding, 1990. The title speaks for itself.

[25] From Hong Kong *Wenhui bao*, 1 April 1992. Cited in Zhonggong Shenzhen shiwei xuanzhuanbu, 1992: 110.

[26] Professor Huang Kunzhang of Jinan University at the 1994 Shantou Conference on the Overseas Chinese economy. Quoted in Aihwa Ong, 1995.

ically stronger. As the above statement suggests, moreover, economic motivations loom large in their considerations of investment in China. In 1993, when Lee Kuan Yew went looking for locations in China for Singaporean investment, he made his decision not on the basis of homeplace ties but, like any good capitalist, on the basis of advantages offered by different localities competing to attract foreign investment.

I will conclude here with a brief commentary on a question that I raised above: how to evaluate the claims made for Chinese capitalism, when those claims are made on the basis of cultural difference. In other words, is it possible to criticize such things as the repudiation of human rights, and the affirmations of patriarchy and authority in the discourse on Chinese capitalism without falling back on a Eurocentric cultural hegemony, which that discourse seeks to dislodge?

In pointing to the opportunistic uses of 'Chineseness' in the discourse on Chinese capitalism I do not mean to imply that the discourse as such is opportunistic. Tu Weiming has suggested that the Confucian revival represents a Chinese self-assertion against more than a century of Euro-American hegemony, which is not to be denied. Confucianism, whatever we may mean by it, was never dead, but was declared dead for long by comparisons against Euro-American ideologies. Now a newfound Chinese strength reactivates it as a marker of a Chinese identity against this earlier hegemony. The question is phrased with convincing pathos by an official of the Singapore government:

'It is difficult for a European or North American to understand the momentousness of the psychological revolution in East Asia because they cannot step into East Asian minds. Their minds have never been wrapped in colonialism. They have never struggled with the subconscious assumption that perhaps they were second-rate human beings, never good enough to be number one. The growing realization of East Asians that they can do anything as well as, if not better than, other cultures has led to an explosion of confidence' (Mahbubani, 1995: 103).

While I have no difficulty sympathizing with these sentiments, it is important to ask nevertheless if this anti-hegemonic Chinese or Asian self-reassertion is itself free of instrumentalization in the establishment of new hegemonies, directed both at native populations and others. The discourse on Chinese capitalism may challenge the hegemony of Eurocentric notions of capitalism, but it represents itself as another alternative within capitalism – as a better, more orderly capitalism – rather than an alternative to capitalism. As such, it partakes of the various hegemonies characteristic of capitalism elsewhere; as a more efficient means to realizing the hegemony of the state and of capital over labor, women, the citizenry, whatever. It is in this regard, I suggest, that it has exerted considerable appeal to Euro-American speakers for capital (such as Herman Kahn), who see in Chinese capitalism a means to re-activating hegemonies that have been called into question in the birthplace of capitalism.

An equally important consideration concerns the nature of the representation itself. The discourse on Chinese capitalism appropriates values of quite uncertain origin, and renders them into essentialized characteristics of Chineseness. In its intellectual procedures, it is quite reminiscent of earlier Orientalist conceptualizations of China and of Asia, which denied history to the peoples of Asia, substituting for historical temporalities and spatialities dehistoricized and desocialized cultural characteristics. A preoccupation with a transnational Chinese ethnic identity leads to similar dehistoricized and desocialized notions of Chineseness in what may be described as a procedure of 'self-Orientalization'. Indeed, ironically, the preoccupation with Chineseness, while it formally questions Eurocentrism, may at a more profound epistemological level indicate the assimilation of Eurocentric hegemony (Dirlik, 1995).

Further evidence of the persistence of

Orientalism in the discourse on Chinese capitalism is to be found in the relationship between Chineseness and Asia in this discourse. Cristina Szanton Blanc observes that the discourse not only asserts Chineseness against a Euro-American hegemony, but also projects Chinese characteristics upon Asia as a whole, rendering Chinese into the paradigmatic Asian. Other Asians who do not live up to this idea – in other words, the less successful Asians – are represented in the discourse in the same terms as an earlier Euro-American Orientalism represented the Chinese themselves: as the Chinese are diligent, frugal, etc., less successful Asians such as the Filipinos become marked as lazy spendthrifts preoccupied with what they cannot achieve (Szanton Blanc, 1995). As the statement above from Lynn Pan suggests, even those Chinese who have not made it in the world of capitalism are somehow not quite as Chinese as those who have.

Conclusion

The discourse on Chinese capitalism, I have suggested above, is not to be comprehended without reference to the structure of a Global Capitalism that is its conditions. It is arguable, conversely, that contemporary capitalism is not to be comprehended without reference to a Chinese, or more broadly Asian, capitalism, since the latter has played such a significant part in both the practise and ideology of contemporary capitalism.

What is important here is that Chinese capitalism partakes of the instabilities of Global Capitalism. To represent it in terms of unchanging values associated with an abstract Chineseness disguises the fluidity of this contemporary situation, when the cores of the world economy seem to be in a constant state of motion in response to the flows of capital. It also disguises the new hegemonies in formation. What may be most significant is that it is part of an ethnicization in our understanding of the world, at a time when divisions among peoples, nations, ethnicities have become less tenable than ever before with the globalization of capital.[27] A critical research agenda must incorporate this apparent contradiction as an integral part of the problem of capitalism at the present. To return to what I suggested in the introduction, it must face Chinese capitalism as an invention of a contemporary Global Capitalism, and not just as something outside of and against the latter, which does more to obscure than to explain contemporary social, political and ideological processes, especially in East and Southeast Asia. Important as scholarly considerations are, the implications of such research agenda go beyond abstract scholarship at a time when ethnicity once again has emerged to the forefront of the vocabulary of conflict globally.

Duke University

[27] An eloquent, and worrisome, example of this ethnicization is the article by Samuel P. Huntington, 1993.