Contents

List of illustrations Preface Introduction		viii xi
		1
1	Of different minds	9
	Collectivism and individualism	10
	Power and authority	12
	Harmony and hierarchy	13
	Against being blunt	15 18
	Saving face	20
	Trust and suspicion	20
	Settling disputes	20
	Negotiation	23
	Decision making	25
	Tradition and modernity	26
	Diversity	29
	Ideals and reality: a sociology of hypocrisy Confucius or Marx?	30
2	Mandarins and managers	33
	The state sector	36
	The command economy	37
	Reform	38
	Nobody's business	41
	Principals and agents	43
	The institutional framework	43
	The state banks	44
	Asset-management companies	40 40
	'Too many mothers-in-law'	5
	'Do not falsify accounts'	5
	Corporate governance	3.

• Contents

	Blending business with politics	56
	Bureaucratic entrepreneurs	58
	Paths to growth	62
	Transforming the bureau	65
3	Inside the enterprise	68
	Managerial appointments	75
	Management style	83
	The workshop manager	88
	Getting on track: formalisation	91
	The decision-making process: strategic investment	92
	Technology and the structure of the firm	96
	Breaking the iron rice bowl	97
	Trade unions and the Workers' Assembly	101
4	Taking the capitalist road	106
	The return of the entrepreneur	107
	Red hats and roundabout investment	108
	Family business	110
	Finance	113
	Subsidiaries and diversification	117
	Creditable conduct	118
	Government relations	121
	Business associations	126
5	A shift in complexion: the emergence of new	
	organisational forms	132
	Changing pockets	133
	High-technology spin-offs	137
	Learning and organisations	140
	Privatising the professions	144
	The changing balance	149
6	Managing a surprise: the township and village enterprises	152
	Comparative organisational strengths	156
	Enter the manager	160
	Contracts and collectives	161
	A helping hand	172
7	Where the twain meet	177
	Establishing the venture	178
	Interpreting the law	182
	The return of the comprador	186
	Learning and adjustment in the joint venture	188

		Contents	• vii
	Conflict and control in Chinese organisations		190
	Us and them		195
	The state of the second st		196
	Formalisation and responsibility Human resources		198
	The homecoming		203
8	Conclusions		207
U	The World Trade Organisation		209
	Continuity and change: a case study		212
Mo	tos		217
Notes R: H: h.			218
Bibliography Author index Subject index			226
			229

9 Illustrations

Boxes

1.1	On the difficulty of dealing with officials	15
1.2	Avoiding trouble	16
1.3	Having the last word	17
1.4	Face	19
1.5	Managing luck	26
1.6	Trust, contract and age	28
1.7	Through different eyes	30
2.1	Fringe benefits	35
2.2	Nobody's business	42
2.3	Loans	45
2.4	Debt for equity	47
2.5	The po-po	49
2.6	Cooking the books	52
2.7	Output targets	58
2.8	The perils of cutting output	59
2.9	Learning business	60
2.10	Regulatory agencies	62
2.11	Top down or bottom up? The case of Shanghai Petroleum	64
3.1	Forgetting one's lines	71
3.2	The Party steps in	75
3.3	Managerial appointments	77
3.4	The rise and fall of an industrial giant	78
3.5	The red chip	79
3.6	Managerial appraisal	81
3.7	Visiting the district governor	84
3.8	The factory manager	86
3.9	The little gold safe	89
3.10	The transport unit	90

Illustrations	•	ix

2 11	Dut and many floor	99
3.11	Put out more flags The trade union official	105
	Guakao – the art of getting backing	110
4.1	The White Gang and the Black Gang	114
4.2	The Tailong Credit Association	116
4.3		119
4.4	Going to court: a case study	122
4.5	The brothers A fixed line: private business and government support	123
4.6		126
4.7	'777' The small-scale business association: a case study	128
4.8	The small-scale business association, a case study	130
4.9	Building a fortune: a case study	136
5.1	Changing pockets Power struggles in the world of high-technology spin-offs	139
5.2	Privatising the surveyors: a case study	146
5.3	Tax evasion and collective enterprises	159
6.1	The rise and decline of the village as a corporation	165
6.2	The rise and decime of the vinage as a corporation	170
6.3	Raising our heads above the fields	174
6.4	Into leather Special privileges – the pitfalls	182
7.1	Special privileges – the pictures	190
7.2	On being too Chinese Using a cannon to shoot a mosquito	191
7.3		194
7.4	Meeting expectations	195
7.5	Divided loyalties	197
7.6	The failings of formality	199
7.7	Putting supporters in place	200
7.8	Building alliances	
Fig	gures	
1.1	Approaches to dispute resolution (adapted from Thomas	
1.1	1976: 900)	21
2.1	Corporate governance (adapted from Tam 1999: 100)	55
2.2		65
2.3	Construction in Shanghai: after the reform	66
3.1	Alternative forms of internal organisation: influence of	
5.,	the number of niches and their interrelatedness (adapted	
	from Gu 1999: 339)	97
3.2	- (-douted from	
2. د	Child 1994: 67)	102
5.	a 1: (Learn dom Wolder and Oi 1999)	150
٠.	7 E	

Illustrations

7.1	Modes of joint venture adjustment (adapted from Child 1994: 271–79)	188
Tab		
4.1	Private firm development 1991 to 1997	109
6.1	The performance of township and village enterprises	
	in 1998	154
6.2	Performance criteria for township leaders (Qingyunpu	
	Township, Jiangxi Province), 1993	156
7.1	Utilised foreign direct investment from 1997 to 1999	180