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Mary Elizabeth Gallagher, Contagious Capitalism. Globalization and the Politics of Labor in China

Princeton, Princeton University Press, 2005, 256 p.

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NOTE DE L'ÉDITEUR

Translated from the French original by Philip Liddell

- Mary Gallagher's book has twin objectives. On the one hand, it seeks to disclose the role of Foreign Direct Investment (FDI) in the process of economic reform. On the other, it aims to challenge the thesis that economic liberalisation goes hand in hand with political democratisation. The first aim is convincingly realised. The writer asserts that foreign investors have begun by exercising competitive pressure on the regional authorities. In turn, the authorities have had to adopt reforms, particularly in terms of work legislation, to attract capital. The investors went on to build up a kind of laboratory of public policies, measures taken for the benefit of foreign investments being gradually extended to national enterprises. Lastly, they have brought about an ideological reformulation of the government, leading to the refocusing of attention on the "national property". This emergent "state-led capitalist developmentalism" (Blecher) provides the tools necessary for making connections between capitalism and the interests of (national) society. Capitalism in the service of national... revolution.
- The analysis is thorough and supported by numerous examples. The writer shows in particular how using foreign investment helps to bypass the urban bastion and prevent the formation of private enterprises of any significant size; she shows how officials' attitudes have been changing since the start of the 1990s; and the mechanisms leading

to deregulation of the labour market. Nevertheless, one may reproach the writer on two levels: firstly, for treating foreign investors as a uniform category. One might reasonably think that the consequences of investments by companies seeing China as a market would be quite different from those by companies seeing China merely as a workshop. Putting it another way, investment is not a simple flow. With it come ambitions and strategies that partly determine the future of Chinese enterprises. The second criticism is about how the writer treats certain elements. Thus, as is customary in much Anglo-Saxon research, the work is handled in a one-dimensional way. The writer sees the present situation of migrant workers to be the future for public sector workers, without seeing that we are dealing here with very different populations, linked to specific modes of exploitation and political conditions. Chapter Five explains how workers "use the law as a weapon" in their fight against the arbitrary power of the bosses. But it omits to point out that the workers involved are mainly migrants, or that city-dwellers are mainly doomed to unemployment or to reserved jobs. Similarly, the question of the contradictions within the "developmentalist ideology" leads the writer, quite amazingly, to compare the case of China to the managerial ideologies that prevail in market economies which, she says, are characterised by the "glorification of the individual and the assumption of meritocratic attainment of position". The assertion ignores the historical variations and the national specificities of "managerial ideologies".

- In reality, these criticisms are not unconnected to the very weak heuristic value of the writer's second thesis: the "necessary" contrast between economic liberalism and political authoritarianism. In both cases, a certain theoretical vagueness limits the reach of the analysis¹. Firstly, the attack on the notion that economic liberalism equals democratisation is not new and has given birth to a plentiful amount of literature that can be traced as far back as Polanyi or Braudel. Must we challenge it still and for ever? Similarly, the fact that the development of capitalism leads to a "blurring of frontiers" is not new either². There is nothing here that is specific to China.
- In fact, the statement that no private entrepreneurial class exists creates more problems than it resolves. What exactly is a private entrepreneurial class: a force completely outside the state and the governing elite? An indispensable conduit to democratisation? It is difficult to imagine its shape, when we know that in capitalism of any kind the connections between the private sphere and the public sphere, between capitalist accumulation and the state, are complex and variable. In the end, Mary Gallagher is the victim of her own critique. Wishing to show that liberalism has not led to democracy in China, she then shows that it does in general. In substance, it is the absence of a private entrepreneurial class that would prevent China from attaining democracy.

NOTES

- **1.** One can be surprised by statements of the type: "In China, where culture and business practices clashed quite frequently . . ."
- **2.** On this theme, see the introduction by Françoise Mengin and Jean-Louis Rocca (eds), *Politics in China: Blurring Frontiers*, New York, Palgrave, 2002.