Co-optation through Patronage and Deterrence: The Political Weakness of Chinese Capitalists

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Olson Room (Gowen 1A)

China has been experiencing a market transition and an associated tax state transition for almost four decades. The market transition has created emerging capitalists who increasingly control economic resources and serve as important tax sources, which some democratization theories suggest should give them political power, even in an authoritarian government. This paper investigates whether China’s emerging capitalists have gained bargaining power with the party-state using a mechanism-based case study. Findings suggest that hidden bargaining, patron-clientelism, and legislature co-optation maintain the authoritarian regime and constrain capitalists' bargaining power, which has increased only minimally. The under-institutionalized taxation system has co-opted them through patronage and deterrence functions, strengthening rather than weakening patron-clientelist ties between government and business. This paper contributes substantially to our understanding of state’s infrastructural power and authoritarian resilience in China and in general.

Event Type:

- Severyns Ravenholt Seminar in Comparative Politics