

# Content

<b>List of Abbreviations .....</b>	<b>9</b>
<b>1. Introduction .....</b>	<b>11</b>
1.1 Aim and framework .....	11
1.2 Methodology and structure .....	19
<b>2. Institutions and Institutionalism .....</b>	<b>27</b>
2.1 Institutionalism as a framework for an analysis of Capitalism .....	27
2.2 Institutions: a definition .....	34
2.3 American Institutionalism .....	42
2.3.1 The methodology of American Institutionalism .....	42
2.3.2 The analytical tools of American Institutionalism .....	44
2.3.2.1 Evolutionism and holism .....	44
2.3.2.2 Pattern models .....	50
2.4 Institutional change .....	55
<b>3. Network theory .....</b>	<b>65</b>
3.1 Social network theory .....	65
3.1.1 Social capital .....	65
3.1.2 Networks .....	71
3.1.2.1 Corporate networks .....	77
3.1.2.2 Regional networks .....	79
Excursus: embeddedness and trust .....	80
3.2 Network organization .....	84
3.2.1 Flexible specialization .....	84
3.2.2 Concepts of regional networks .....	87
3.2.2.1 Neo-regionalism .....	87
3.2.2.2 Innovative milieus .....	89
3.2.2.3 Cluster .....	92
3.2.2.4 Industrial districts .....	94

<b>4. Capitalism: definition, history, typology .....</b>	<b>103</b>
4.1 Capitalism since the 19 <sup>th</sup> century – derivation and rapprochement .....	103
4.2 Max Weber’s definition of Capitalism .....	113
4.3 Werner Sombart’s approach to “Modern Capitalism” .....	122
4.4 Confucian Capitalism? .....	131
4.4.1 A brief summary of the main principles of Confucianism .....	131
4.4.2 Max Weber’s assessment of the relation between Confucianism and Capitalism .....	134
4.4.3 The significance of Confucianism for Chinese Capitalism .....	140
4.5 Varieties of Capitalism and China .....	146
4.5.1 The Varieties of Capitalism approach and China .....	146
4.5.2 Other typologies of economic systems .....	151
4.5.3 The economic style approach .....	156
<b>5. Chinese development since 1978 .....</b>	<b>161</b>
5.1 The Chinese notion of development .....	161
5.1.1 Development – a definition .....	161
5.1.2 Transformation: big bang versus gradualism .....	165
5.1.3 A brief recapitulation of the Western industrial revolution .....	168
5.1.4 History and current state of China’s economic development since 1978 .....	175
5.1.4.1 Economic reforms since 1978 .....	175
5.1.4.2 Current state of economic development .....	182
5.1.5 Reform without a theory .....	187
5.2 The role of the family for economic development in Europe .....	191
5.2.1 A short outline of the traditional household before the industrial revolution .....	191
5.2.2 The transformation from traditional household to capitalist economy .....	196
5.2.3 New institutions as precondition for economic development .....	204

5.3 The role of the family for economic development in China since 1978 .....	207
5.3.1 Chinese family structures before the Cultural Revolution: the ‘obstacle view’ .....	207
5.3.2 Chinese family structures since 1978: motor of economic development? .....	214
<b>6. Chinese Capitalism: Guanxixue .....</b>	<b>221</b>
6.1 A definition of Guanxi .....	221
6.1.1 A general definition .....	221
6.1.2 Traditional Guanxi: the rural Rénqíng gift economy .....	228
6.1.3 Guanxi as evolving institution .....	233
6.1.4 Modern type Guanxi: the urban art of Guanxi and business practice .....	239
6.2 Guanxi versus corruption .....	245
6.3 Guanxi from a gender perspective .....	248
6.4 The specificity of Guanxi networks .....	256
6.4.1 Networks and the German Mittelstand .....	256
6.4.2 The Third Italy .....	262
6.4.3 The blat of Russia .....	266
6.4.4 Guanxi networks versus Western forms of networks .....	272
<b>7. Capitalism, the private sector and Guanxi in the 20<sup>th</sup> century .....</b>	<b>277</b>
7.1 The development of the private sector since 1978 .....	277
7.1.1 The development of the Chinese private sector and the role of entrepreneurs .....	277
7.1.2 Types of Chinese enterprises .....	292
7.1.2.1 Public sector .....	292
7.1.2.2 Private sector .....	296
7.1.3 The Chinese private sector: definition and some data .....	298
7.2 Case Study: Wenzhou .....	303
7.2.1 A short summary on Wenzhou’s location and history .....	303
7.2.2 Wenzhou’s rise after 1978 .....	304
7.2.3 Wenzhou’s performance since 2008 .....	309

<b>8. Guanxi, entrepreneurs and the state .....</b>	<b>315</b>
8.1 The bourgeois entrepreneur, networks and the state .....	315
8.2 Entrepreneurs and the state in China .....	322
8.2.1 Entrepreneurs and the state .....	322
8.2.2 Role of jurisdiction in China .....	339
<b>9. Concluding remarks and main findings .....</b>	<b>347</b>
9.1 China's development process and institutional change .....	347
9.2 The Chinese notion of development: future and perspectives ....	355
9.2.1 The role of family and networks .....	355
9.2.2 The private sector and the state .....	359
9.3 A new type of Capitalism? Towards a definition of Guanxi Capitalism .....	365
<b>References .....</b>	<b>375</b>