
Wu’s study of the Chinese business networks is a longitudinal analysis of the interplay of Chinese businessmen with their Malay, Indian, British, and Siamese counterparts as well as state officers in an ever-changing environment in the Penang and Kedah region in northern Malaya. The study which adopts a structure-and-agency approach, is a complex yet careful analysis of the interactions of various actors at the micro-level located within the context of the state and the regional economy at the macro-level. Working within this framework, Wu discusses how Chinese business activities and networks were transformed as a consequence of accommodating to the dynamics of British-Siamese-Malay political contests and the changing market economy.

Wu uses the family as his entry point into an investigation of the well-established Chinese business networks engaged in revenue farming, rice trading, shipping, and pawnbroking business activities. Wu’s volume draws my attention to five major themes. First, Wu draws upon historical evidence to trace the development of Chinese business which first accumulated capital through its monopoly of opium farming and trade, and then diversified its investments into shipping, plantation agriculture, and other commercial activities. The trend in Chinese business of adapting to the changing environment and diversifying is one of the themes emphasized in Wu’s study.

Second, Wu shows that Chinese businessmen not only networked with Chinese but with other ethnic groups and the state officialdom as well. In other words, the so-called “Chinese business networks” involved non-Chinese too. In so doing he contests the popular thesis that reifies the business culture of Chinese entrepreneurs in Asia and Southeast Asia, namely, intra-ethnic Chinese business networks is the reason for Chinese success in business. Wu reveals the role of the Malay royal family in providing land and collecting rent, and that of the Indian Chettiar in providing loans to Chinese businesses. Wu’s analysis of Chinese business networks is a complex one. He shows that the strength of the networks depended not only on relations within the Chinese business community but also on the networks’ influence over secret societies, revenue farmers, and Chinese laborers.

Third, and following the earlier point, Chinese business networks were involved not only in relations with non-Chinese counterparts — apart from relations within the Chinese business community — but also with state officers, in other words, politics. The resultant mix of political business is discussed in
related works by authors such as Terence Gomez (1999), who in studying Chinese business activities in the post-NEP era, has highlighted such business-politics linkages. In Wu's study, there is the discussion of some prominent Chinese businessmen's close personal relationship with the Sultan of Kedah. It resembled a patron-client relationship in which the Sultan depended heavily on the Chinese for revenue and investment, and as a source of capital to develop Kedah, while the Chinese received monopoly grants from the Sultan to operate the opium and gambling farms. However, the situation changed when the British entered the picture and began to displace the Malay rulers and take control over the state administration. And as the Kedah economy took on the features of a colonial economy, Chinese dominance in the farming system came to an end. Wu clearly shows the marginalization of the Chinese as a colonial Malaya run by a politico-legal coalition of British and Malay elite replaced the earlier Malay kingdom. Wu's conclusion here is that business relations based on patron-client ties is not sustainable over the long term.

Fourth, Wu provides us with a picture of Chinese business networks which is not at all tightly-knit or stable as claimed by those who resort to a culturalist perspective of Chinese capitalism. He discusses cases of personal conflicts which ended in legal suits involving close business partners and even relatives and family members. Wu's finding in this aspect is similar to Gomez's (1999) and Jesudason's (1997) arguments in their studies of contemporary Chinese business practices in Malaysia. However, the specific types of conflict engaged in by the two generations of Chinese businesspeople are necessarily different, owing to the different political and socio-economic contexts.

Fifth, Wu's study highlights the resilience of Chinese business in a foreign land. Chinese businesses that accommodated well to the changing political and socio-economic environment continued to prosper. Despite losing its initial monopoly over opium farming and trade, Chinese businesses survived and prevailed by venturing into other areas — rice milling and plantation agriculture. Moreover, by controlling the economic activities, the Chinese also played a role in shaping British-Malay-Siamese political relationships as well. That said, Wu also clarifies by saying that some examples of Chinese business which were slow to adapt to changing circumstances slowly disappeared from the scene.

Over all, Wu's volume makes a valuable contribution to one's understanding of the history of the nature and workings of Chinese business networks not only in the Kedah-Penang region but also elsewhere in colonial Malaya. Indeed, the book provides thought-provoking lessons for those studying such business networks today. By highlighting the networks' ties with non-Chinese, the linkage of business to politics, the accommodation to changing circumstances in order to survive, and the unstable nature, indeed conflicts, within such Chinese business networks, Wu, in fact, challenges those who have studied Chinese businesses by focusing