

redistribution of land according to demographic changes, and rural people see this as appropriate and fitting. Rather than impeding economic growth, institutional ambiguity in property rights becomes a pressure valve for relieving social conflicts arising from land disputes. And despite the seemingly negative incentives to personal investment, it has resulted in successful decollectivization and increased production under the Household Responsibility System. On the other hand, the institutional ambiguity of property rights pertaining to forestlands (whereby lands are deemed to be state-owned unless proven otherwise) has stirred up latent conflicts over what constitutes "collective ownership". The conflict of "state" vs. "collective" stirs up animosity between the various parties and often sets the unwitting forest-cultivator in the middle of the argument.

Highlighting the lack of a clear understanding of what constitutes "collective ownership" and of which level of government/organization represents the basic level of collective ownership is Ho's most significant contribution. He addresses the important question of "why has collective land ownership become unclear even though Party regulations stipulated that land is owned by the lowest collective level, that is, the production team?" (p. 44) He argues that, despite the conventional understanding of the "village" as the basic level of collective unit, the "village" has no power to assert its rights over land because of the lack of a coherent legal framework and the rule of law, the fact that no formal land cadastre has ever been conducted, and the lack of recognition of historical and customary land rights. "Institutional ambiguity" is not simply a governmental tool to avert social conflicts resulting from land disputes but a consequence of the unresolved debate about what constitutes "collective ownership".

Ho's research uses materials not studied before and makes an important contribution to the studies of rural land ownership and its wider institutional arrangements. It elucidates dynamics in the processes and procedures relevant to rural land ownership, and moves beyond looking purely at property rights and ownership as legal rights. Furthermore, it raises a question pertinent to China's transition from a socialist system of organization—namely, how can institutional change proceed without creating massive social conflicts?

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Modernizing China's Industries: Lessons from Wool and Wool Textiles, by Colin G. Brown, Scott A. Waldron and John W. Longworth. Cheltenham: Edward Elgar, 2005. xvi + 237 pp. £59.95/\$100.00 (hardcover).

As the authors admit, "the wool industry may seem a rather obscure choice" (p. 23). Yet this is a book of interest to a much wider readership than agrobusiness specialists. It provides a meticulous case-study of one industry which illuminates a number of broader issues currently under discussion in the China studies field. The authors' central argument is that while China is well

advanced in macro-level, administrative and ownership reforms as well as in technological upgrading, a third essential dimension of economic transition has so far received too little attention, namely management reforms at the micro-level. If China is to progress, operational reforms need to be tackled: supply chain management is needed to improve industry-wide coordination, and professional tools for risk and information management are needed at the company level. Without this “management fix” the “ownership fix” and “technological fix” will prove insufficient to compete in an industry as globalized as wool and wool textiles (pp. 207-8). This general argument is substantiated throughout the text.

The first part of the study addresses the macro-level. The first chapter lays out the authors' case and describes some mega-trends in China's economic reform. The second gives an overview of the sector under scrutiny, including a useful primer on wool processing to enable the heretofore uninitiated to understand the complexities of the industry. In particular, the authors introduce a distinction between the fine wool used for high-quality products (mostly apparel) and the coarse wool used for less demanding textiles. Although wool makes up only a small part of the Chinese textiles sector, China is the world's largest producer of wool and wool textiles. Domestic production, however, is concentrated in the lower-quality segment, necessitating high imports (predominantly fine wool) which total 55 per cent of all wool used in Chinese textile mills (p. 37). Chapter 3 delineates administrative reforms pertaining to the wool and wool textiles sector. The authors chart the gradual demise of specialized economic bureaucracies and their partial transformation into industry service institutions. They highlight how the fragmented nature of former administrative structures is still discernible in present governance structures, resulting in inappropriate quality standards and reduplication of testing. More specifically, they show that, with the breakdown of the Supply and Marketing Cooperative network, quality testing suffered. Incipient industry associations have so far been unable to fill this institutional gap. This gap further hampers the adoption of more sophisticated quality management practices and product differentiation.

Chapters 4 through 8 follow the supply chain backwards and thus weave together perspectives of industry participants with sector-wide analysis. The authors begin with the marketing of wool textiles, where they observe a drive towards brand-building which, however, appears a viable strategy only for larger producers and mainly in the home market. Chinese garment-makers still face considerable internal and external obstacles in developing their own marketing and brands overseas. Chinese textile mills, one step back in the supply chain, have undergone profound changes during the reform era including the rise of township and village enterprises and large-scale programs to cut back capacity in unprofitable state-owned enterprises. Although more recently these different ownership types are now converging as enterprise group structures, the authors demonstrate convincingly that ownership reforms have exhausted their potential to drive industry development. In fact, macro-level institutional reforms and micro-level

operational reforms are disjunct, and further reform in the first area will probably not translate into progress in the second. This is a finding with considerable bearing on debates concerning the role of property rights in China's economic reform.

The following two chapters investigate international and domestic sources of input for wool mills. Although these sources are basically complementary (fine vs. coarse wool), lack of both sophisticated management instruments and trade incentives has had adverse impacts on the ability of mills to source their inputs strategically. Additionally, strict timelines for delivery set by garment-makers mean that mills have to make do with inputs readily available and thus cannot achieve product differentiation. Again, this obstructs industry development. To serve domestic supplies in the domestic wool market, larger mills attempt to cut their supply chain short by purchasing directly from producers. Although this holds the potential to increase industry coordination through the use of "dragon head enterprises", these organizations are descendents of former Supply and Marketing Cooperatives and their viability needs to be tested. In any case, as the chapter on wool production demonstrates, direct marketing is an efficient option only for fine wools. An emerging, though still chaotic, network of small private traders will handle the bulk of coarse wool more efficiently. Raising the proportion of fine wool in domestic production, despite decades of effort, remains elusive, as relative prices make "dual-purpose sheep" (those that produce coarse wool plus mutton) more profitable for herding households. In short, central and local state actors as well as industry associations have a limited capacity to steer development of the sector.

This is a rather technical book, but the authors do an excellent job in guiding the non-specialist reader. The book's rigorous organization and the use of flow charts enhance the clarity of its arguments. A downside of organizing the book along the supply chain is that actors involved in more than one stage of the industry are dealt with at several points throughout the text. However, frequent cross-references minimize this inconvenience. The book contains considerable interview data, but is not well documented. Similarly, the use of Chinese language sources is parsimonious.

That said, this volume provides not only an in-depth case-study of one sector, but numerous starting points for comparison as well. In a similar vein, the same group of authors published *Rural Development in China—Insights from the Beef Industry* (Aldershot: Ashgate, 2003). As the Chinese economy becomes more variegated, economists and political scientists trying to understand the Chinese economic reform experience will increasingly have to rely on such studies. They bring out the intricacies of this process and help us to move from across-the-board generalizations on property rights reform to more nuanced analyses of economic transition.

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