

Property Rights and Economic Reform in China. Edited by JEAN C. OI AND ANDREW G. WALDER. [Stanford: Stanford University Press, 1999. xiv + 354 pp. Hard cover \$60.00, ISBN 0-8047-3456-9; paperback \$22.95, ISBN 0-8047-3788-6.]

This volume addresses a crucial issue of institutional change and economic reform. The book is a timely one as the topic of China's property rights has been clouded by confusion and contradictory reports from the field. Over the past decades, the People's Republic has shown impressive rates of economic growth. At the same time Western scholars and professionals have wondered how this could have taken place without the rigorous formalization and specification of legal property rights as advocated by neo-classical economists and the World Bank. The economic growth was to a great extent driven by the rural industry, which also explains the book's focus.

The volume brings together a diverse and balanced collection of studies on property rights in rural and (to a lesser extent) urban enterprises. Thought-provoking questions bind together the various contributions. How have property rights varied across regions and economic sectors? How have they changed over time? And what are the reasons for such variation and change? The solid introduction provides a clear framework to analyse the historical shifts in property rights. Walder and Oi distinguish a basic set of ownership arrangements located on a continuum from the traditional state enterprise to private business. It is then argued that institutional change in rural industry has generally followed two markedly different patterns: the "local corporatist" pattern whereby village and township enterprises are run as a business corporation by the local government, versus the "littoral" entrepreneur-centred development with little government intervention in marketing, investment and human resource management.

The studies by Gregory Ruf, Chih-jou Chen, Xiaolin Guo and James Kung demonstrate the great and often confounding diversity of property arrangements of township and village enterprises. Whereas Ruf and Kung's contributions are illustrative of the "local corporatist" model, Chen's study clearly shows the "littoral" pattern of family and private businesses in the coastal zone. The shareholding co-operative system is examined by Eduard Vermeer, Susan Whiting, and Nan Lin and Chih-jou Chen. They show that the ambiguous property rights structure of the shareholding co-operatives – "neither donkey nor horse" as Vermeer aptly phrased it – is partly a result of hidden and contradictory policy agendas. Vermeer and Whiting argue that the shareholding co-operative is a transitional ownership form that sprang from changes in the legal and economic environment, yet will probably not be viable in the long run. Property rights issues of urban firms are addressed in the last three chapters. Corinna Barbara Francis, and Yi-min Lin and Zhanxin Zhang focus on a little researched area: the "backyard profit centres" or "spin-off" enterprises set up since the mid-1980s by a myriad of public institutions ranging from the Ministry of Defence to Beijing University.

Because of the retrenchment of the state many of these institutions entered the market in search of profit-making activities to reinforce their strained budgets. David Wank looks into urban non-state firms in Xiamen. Both he and Francis reach the important conclusion that vaguely defined property rights have actually been conducive to China's market reforms.

For such a comprehensive volume it is a pity that there is no contribution that offers a national view. What is the national legal and political framework of property rights, what are its constraints, how did it evolve, and in what way is it debated and negotiated? Only in Vermeer's article is there a discussion of national policies on the shareholding co-operative system. To date, not much has been published about China's scholarly and political debate over the separation of ownership and management in the 1980s; the recent debate over personal and real rights (a group of Chinese jurists and policy-makers argues that lease defined as a real right instead of a personal right would make it at least as secure as private ownership); and the problem of the legal holder of collective ownership (at present deliberately left undefined in law because of the potentially explosive social and political consequences). It is also a pity that little attention is paid to land rights, one of the big ownership issues in Communist China. China's chosen path of land reform is unique in scale and ambitions among the (ex-) socialist states: a government-owned and controlled land market that prohibits private ownership and a free land market; yet, with the ideological compromise of paid lease and transfer of use rights. Guo's contribution is the sole article in this volume that is (partially) devoted to this topic.

However, these are only minor criticisms. Through well-researched articles that draw on fieldwork and ample Chinese and Western sources, this edited volume gives a good overview of the historical shifts in property rights in mainland China's enterprises. I enjoyed reading it and I believe it would make an excellent textbook for courses on modern China, institutional change, and the economics of states-in-transition.

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Economic Change in China c. 1800–1950. By PHILIP RICHARDSON. [Cambridge: Cambridge University Press, 1999. xiii + 117 pp. £7.95. ISBN 0–521–63571–3.]

This book is a balanced, lucid account of the arguments that have challenged and confounded economic historians for the past half century. Did this huge country, with a population of almost 600 million by 1950, achieve sustained economic growth and experience any structural change? How did China's labour-abundant rural economy interact with the international economy and the domestic sectors of urban industry and handicraft? And finally, did the Chinese state facilitate or inhibit economic change?