

they arise in such an institutional void as characterized the Chinese market economy in the early transition years? This is a strong orientation and it places the book squarely in the wheelhouse of sociological inquiry. Unlike the economic orientation of Nee's earlier work, which seemed to assume the magic of the invisible hand and freedom, this book actually directs its attention to the mechanisms that construct these institutions. And, as the book's title telegraphs, Nee and Opper see these institutions as coming primarily from society – "from below" – as opposed to coming from the heavy hand of the state. It is social networks and social norms – in essence from the fabric of social structure and social life – that build market institutions. "Network ties and bottom-up institutional arrangements" (p. 259), according to Nee and Opper, were a necessary precursor to the state action that eventually legitimized the market economy.

Empirically, the book is based on a survey of 711 entrepreneurial firms in the Yangtze delta. The survey is carefully done and even includes a foray into experimental research design (rare in organizational survey research) in the survey's second wave. This original survey is complemented by in-depth interviews with 111 entrepreneurs, government bureaucrats and scholars in the area, and also two waves of the World Bank's Investment Climate Survey. This is organizational field research at its best, and nobody can question the empirical work that has gone on here.

As impressed as I am with the work, I am not sure I completely agree with the theoretical leap that emerges from the findings. The argument here is that economic incentives lead to entrepreneurial innovation, and these emergent institutions spread across the social system in a social movement-like fashion. Eventually, politicians "respond to bottom-up innovations by changing formal rules to accommodate and regulate emerging economic realities" (p. 21). But this view seems to miss the extent to which encouraging experimentation with economic institutions at local levels has long been a specific strategy *of the state*. Many of the economic institutions in China that are in place today – from labour laws and employment contracts to financial institutions to distribution systems – resulted from the state setting in motion a process of experimentation at local levels. The brilliance of China's reforms is the dynamic interplay between the state and the innovation at local levels (which come from both local governments and the entrepreneurial class that Nee and Opper are studying). To make a claim that one side has primacy over the other simply seems strange. Further, it should be noted that the region where they gathered their data is China's hotbed of entrepreneurship, so the deck is probably a little bit stacked in favour of their theoretical point of view.

Nevertheless, these quibbles do not diminish the immense amount of work and forceful arguments that have been marshalled in this excellent book.

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*The Political Economy of the Chinese Coal Industry: Black Gold and Blood-Stained Coal*

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Tim Wright examines China's coal industry to shed some light on broader issues in China's political economy during the transition from socialism to capitalism. The

big questions this volume touches on include: to what extent do different levels of government undermine the capacity of the central government to achieve its objectives? Is the state predatory or developmental? Is the state advancing at the expense of the private sector? Have workers been winners or losers in the reform era?

Although some readers may question the extent to which the experiences of one industry can be generalized to the Chinese political economy as a whole, the coal industry is an excellent choice for a single case study for several reasons. First, coal powers China's economy, accounting for about 70 per cent of China's energy mix. Second, the coal industry is an important source of employment, providing jobs for millions of people. Third, China's heavy coal use is a major source of widespread environmental degradation in China, which threatens to undermine the achievement of the country's longer-term economic goals, and China's carbon dioxide emissions, which are the largest in the world. Fourth, coal is a source of conflict between the central and local governments, the state and the private sector and different industries.

Wright's analysis of issues ranging from rent seeking to mine safety paint a detailed picture of how China's political economy operates. For example, chapter five illustrates the limits of state capacity by chronicling the difficulties the central government faced in its efforts to close township and village mines (TVMs) in a bid to reduce the social and environmental costs of rural mining. The central government's objective of reducing the role of TVMs in the coal sector encountered widespread opposition from mine owners bent on maintaining their property rights, workers determined to hold onto their jobs, and local officials intent on maintaining the government revenue and opportunities for personal enrichment provided by the TVMs. Consequently, neither the first nor second rounds of mine closures (in 1999–2001 and after 2005) were entirely successful, although Wright argues that the central government's achievements were greater the second time around.

The breadth of the material covered in this volume make it a one-stop shop for readers interested in learning more about the issues discussed in media stories about China's coal industry. Case in point: the brownouts suffered by 17 provinces in January 2008. Chinese officials were quick to offer up the weather as a scapegoat, arguing that a blizzard prevented rail deliveries of coal to power plants. However, the widespread power outages had their roots in the struggle between coal producers and power plants over the price of coal used in electricity generation, discussed by Wright in chapter two. Unable to pass the full cost of coal onto their customers, many power stations maintained dangerously low coal stocks, which they depleted before the arrival of the snow-delayed replenishments. Similarly, while China is often viewed as the poster child for mining disasters, with Chinese fatalities making headlines around the world, Wright explains how and why China's coal safety record has dramatically improved over the past decade in chapters seven and eight.

This volume, which draws on Wright's long experience as a chronicler of China's coal industry, should be of value to readers interested not only in the evolution of China's coal industry but also the development of the Chinese political economy. *The Political Economy of the Chinese Coal Industry* is exhaustively researched and extensively utilizes the English- and Chinese-language literatures on coal in China. Indeed, it is Chinese language materials that are the source of many of the short anecdotes that add texture to Wright's writing. He introduces us to 40 bachelors in a village in Hebei Province who were too poor to get married until the establishment of a coal mine provided them with jobs (p. 106). Similarly, Wright tells us about a mine owner in Shanxi Province who tried to conceal the deaths of 36 workers by transporting their corpses to Inner Mongolia (p. 162). Wright also does his readers a service by

discussing China's coal industry not only in a Chinese historical context but also in an international context, with the United Kingdom often serving as the point of comparison. For example, in his discussion of the negative impact of coal mining and coal use on China's environment, he cites research by Thomas Rawski that "although Chinese levels of air pollution are higher than those in developed countries today, they are far from exceptional when compared with the same countries during early industrialization" (p. 40). In sum, Wright's study should be a "go to" book for readers interested in a nuanced analysis of the evolution of China's coal industry and the insights it provides into China's political economy.

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*Roots of the State: Neighborhood Organization and Social Networks in Beijing and Taipei*

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In *Roots of the State*, Benjamin Read provides an in-depth and cross-sectional analysis of neighbourhood organizations, which he regards as a form of "administrative grassroots engagement." The social networks built upon the neighbourhood organization and informal everyday services provided at the neighbourhood level, according to the author, form the "roots of the state." Read goes beyond the state-society dichotomy and zooms in on local urban spaces to reveal the foundation of state governance. His work is an impressive extension of our understanding of neighbourhood lives and state governance in socialist mainland China as described by Whyte, Parish and Walder.

The comparisons of Beijing and Taipei, as well as other cities in East and South-East Asia, are particularly fascinating as through comparison the study discovers a new dimension of governance models. These cases are compared through the degree of internal democracy and the administrative tasks taken from the state. An interesting finding is that, despite remarkable differences between "democratic electoral procedures of Taipei and the tightly controlled pseudo-election of Beijing," the citizens of these two cities perceive these institutions very similarly (p. 91). In the context of recent efforts by the state to strengthen "community building" in mainland China, this study provides a timely contribution to how the grassroots administration works.

As a political scientist, Read adopts a rigorous research method which is described in the book's first appendix. The qualitative interview data were collected through multiple visits to these neighbourhoods in the study, which are detailed in the introductory chapter. The quantitative data are drawn from two questionnaire surveys in these two cities. The Beijing survey was conducted through in-home visits and the Taipei survey used random sampled telephone interviews, which respectively generated 1,018 and 1,140 sampled interviewees in these two cities. In addition, the author has also visited other cities in the mainland to set the study in context.

The book begins with an introduction to the conceptual framework behind his interfacing of state and society in neighbourhoods. The specificity of neighbourhood organizations in East and South-East Asia is stressed – in contrast to forms of self-contained, small-scale neighbourhood activities in the United States. These neighbourhood organizations form a "dense network of standardized cells, with state-