

volume is especially strong in terms of its coverage of international linkages, both political and economic. David Shambaugh looks at the security dimension, offer a rather bleak assessment of a realist China reluctant to accept international norms for great power behaviour. Michael Yahuda offers a lucid summary of China's evolving relationship with the Koreans and with Japan. Anne Booth provides an excellent summary of China's growing engagement with the ASEAN countries, as well as a discussion of China's (uncertain) motivation in entering into these free trade relations. There also two chapters on the China–Taiwan connection, and Ramon Myers's discussion – which looks at both economic and political issues – is perhaps the best chapter in the book. Nor are Hong Kong and Macau neglected, the two being as they are the focus of separate chapters by Brian Hook and Rick Edmonds respectively.

In one respect, however, the Festschrift is premature. Although Bob Ash has reduced some of his teaching commitments, he is very far from putting down his pen. Indeed 2011 has seen him embark upon a new challenge, that of re-invigorating the study of China by reviving the Contemporary China Institute at SOAS. I am delighted that his enthusiasm remains undimmed, and both SOAS and Chinese studies in the UK will be all the better for it.

CHRIS BRAMALL

*China's Cotton Industry: Economic Transformation and State Capacity*

BJÖRN ALPERMANN

London and New York: Routledge, 2010

xiv + 258 pp. £76.00; \$130.00

ISBN 978-0-415-55237-0 doi:10.1017/S0305741012000057

*China's Cotton Industry* is a richly textured, rigorously argued, and revealing analysis of state capacity, relations among the various levels of the state, and state–society relations from the 1980s the present. Björn Alpermann makes copious, meticulous use of the vast theoretical and substantive literatures as well as his own impressive field research to flesh out the detailed tapestry of the political economy of marketization in one of the last bastions of China's state-controlled economy.

The book opens with the question of why and how the first two rounds of reform were undertaken and then came to grief in 1985 and 1992. In both cases, the primary motivation was the economic pressure facing the supply and marketing cooperatives, which, as agents of the state's monopsony, were forced to purchase the glut of cotton production. When farmers responded to declining market prices by curtailing production, cotton suddenly became scarce, provoking trade wars. Those in turn prompted the state to re-impose mandatory quotas. In neither round did central policy makers pay significant attention to potential political pressures from the farmers who lost out both when the reforms were made and revoked. Thus, Alpermann argues that the central state was operating with considerable autonomy, and that in doing so it was responding primarily to economic rather than social or political pressures. Moreover, little policy learning took place between the two cycles.

The third round of reform starting in 1999 evinced a similar pattern of precipitously declining production. But this time the central policy élites “[stuck] to their guns” because of their concern with WTO accession and despite a drumbeat of dissenting advice from “policy advisers and economic experts” (p. 55). Yet again, the

story here is one of considerable central state capacity, which, as the author notes, is consistent with broader findings that globalization actually enhances state capacity rather than undermining it.

*China's Cotton Industry* then moves from national policy making to local politics in order to tease out the political relationships among farmers, local governments and the central state through a finely crafted comparison of Xiajin County in Shandong and Tianmen County in Hebei. Xiajin's government began by combining entrepreneurial and developmental approaches, but after some of its own enterprises failed, it settled on a more exclusively developmental pathway. For example, it constructed a large cotton trading centre that rationalized and promoted a burgeoning private sector, and picked winners and losers. In many instances it went ahead without consulting the central government, whose policies it was actually contravening. But its successes in promoting the cotton industry, and the popularity of its measures with local cotton entrepreneurs, helped insulate it from criticism and countermeasures by the centre. The Tianmen County Government also began with a combination of entrepreneurial and developmental measures. The rise of a large private conglomerate in the mid-1990s created an opportunity for a more predominant developmentalism until a new crop of county leaders succumbed to predation instead, which did significant damage to the local cotton sector. Alpermann chalks up the differences between the two counties to the character of local leadership and provincial political contexts. He also concludes that the cases demonstrate the increasing limits to central state capacity under the reforming political economy. In an apt metaphor, he likens its capacity to holding a string, which could be pulled to restrict reform in the 1980s and 1990s but subsequently could not be pushed to promote reform, the success of which depended much more on local governments.

The book's next section pushes onward to the question of institutional change in commerce and finance. The centre's goal in the 1990s of creating a "managed market" of large private firms was thwarted by local political resistance, which also varied with regional contextual factors. For just one example, small firms in Xiajin banded together formally into one large one to meet registration requirements, but in fact continued to operate independently anyway, with the local, developmentally-oriented county government looking the other way. The more entrepreneurially inclined Tianmen government, by contrast, restricted the development of the large private firms to protect its own operations. Likewise, the centre's wish to use financial levers to reshape the cotton industry in the reformed environment of the 1990s was significantly limited by the ready availability of non-state channels of credit. Moreover, more developmental Xiajin made more significant efforts to help its local private enterprises obtain credit – e.g., by establishing new financial guarantee institutions – than did more entrepreneurial Tianmen.

Alpermann completes the journey by returning to the national level to examine the results of the reform of the cotton sector in general. Here he finds impressive economic results alongside more mixed ones in the state's efforts to build a regulatory apparatus.

*China's Cotton Industry* is a model of just how much can be learned about large questions by painstaking research on policy, local politics, and economic data, all situated within a comprehensive, nuanced set of theoretical frameworks. Readers will come away from it with a sure feel for the complexities as well as the overall directions and tensions of structural economic reform.

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