

underlined. Two main approaches are discussed. First, the authors analyze multicultural citizenship, with reference to the US and Australia. Second, they examine the development and meaning of European citizenship as a form of supranational membership. They find it useful to extend the analysis to non-Western societies, and therefore examine the development of citizenship in the Asia-Pacific region, and the lack of such a development in Africa and Latin America.

This book by Castles and Davidson is a convincing synthesis of some of the main theoretical and policy issues in the field of migration and citizenship today. They again provide a remarkable theoretical solidity, as well as empirically grounded reflection which transcends both geographical and disciplinary boundaries. For these reasons, it is a must read for all students in the area of migration, globalization, ethnicity and citizenship. This confirms Castles' position as one of the leading transnational researchers in the field of migration.

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Doug Guthrie, *Dragon in a Three-Piece Suit: The Emergence of Capitalism in China*. Princeton, NJ and Oxford: Princeton University Press, 1999, 320 pp. £13.95, ISBN 0691095191.

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Studies on the sociology of economic transition in the People's Republic of China (PRC) have tended either to adopt a rationalist and efficiency theory of organizational action which assumes that organizations adopt strategies and structures in the headlong pursuit of market efficiency, or to stress the particularistic nature of Chinese culture. Guthrie, in an important study of the management of industrial firms in the contemporary PRC, adopts a counter-'institutionalist' approach, arguing that organizations are as 'likely to act according to social norms and mandates of the institutional and cultural environments in which they are embedded as they are to act according to the nebulous push of the market's invisible hand' (p. 9). He concludes by suggesting that 'Chinese firms mimic the structures and practices of foreign organisational forms to appear legitimate and market savvy' (p. 204). He does, however, add a rider: these new practices, he says, do have substantive consequences.

To identify these consequences, Guthrie spent 1995 examining the decisions and practices adopted by firms in four industrial sectors (chemical, electronics, food, garments) in China's leading industrial city, Shanghai. This is best done, he suggests, through direct observation of how economic actors are dealing with the

institutional reforms occurring at the state level. The focus of the study is on the industrial work unit (*danwei*). Its core is based on in-depth interviews with factory managers in a stratified random sample of 81 firms. The interviews were based on a standardized, pretested questionnaire in which all the questions were open-ended. In other words, the data were gathered using a combination of quantitative and qualitative methods.

The evidence gathered suggests that the traditional 'institutionalized clientism' that characterized the firm is being eroded, and a formal rational bureaucratic system is emerging at firm level. This new system consists of written organizational rules, job descriptions, grievance-filing procedures, mediation committees, workers' representative committees, promotion tests and formal hiring procedures. For the first time in the history of the PRC, employers can legally dismiss someone for economic reasons, while employees have the right to resign. Neither was legitimate or practical under the old regime, for employers could exact a heavy cost from individuals wanting to transfer out of the firm by such tactics as holding on to their personnel records or taking back housing. These changes are underpinned by institutionalizing the employment contract throughout employee ranks, effectively ending lifetime employment for all workers in the firm.

But the patron-client relationships of the old system have not simply been 'swept away'. Guthrie records that

Managers spoke of fairness, rewarding workers' commitment to the firm . . . In some cases, they also spoke in defiance of the idea that they should accept the government mandate to incorporate these market-oriented institutional changes and thereby disavow the relationships that were forged over many years before the economic reforms. (p. 100)

This process of continuity and change is best illustrated through the fascinating chapter on the declining significance of *guanxi* or connections. China watchers are obsessed with the notion that the Chinese system is fundamentally built on connections and corruption. Guthrie suggests a more nuanced approach by distinguishing between two types of *guanxi*: establishing good business relations, or what is more commonly described as networking, which is quite universal and is not in conflict with the rational-legal system emerging at the state level, and backdoor practices, which are increasingly taboo for large urban industrial firms.

Guthrie makes a persuasive case for his argument that managers in Chinese firms are not simply the 'rational profit maximizers' that neoclassical economic theories have posited. As one manager remarked: 'I don't do profits. My goal is to raise the living standards of my employees as much as possible' (p. 204). But this does not mean that relationships in the firm have not been radically transformed since economic reform began in the mid-1980s. This is best illustrated through the shift in focus in the *danwei* from being the backbone of the social security system, to the factors that are praiseworthy in markets. Furthermore, increasingly the state has removed itself from the economic and administrative responsibilities of individual organizations and, instead, has become an auditor and regulator of organizational practices. Above all, the state-market relationship has changed significantly. Currently, the state is engaged in the project of constructing market institutions.

Guthrie has written a work of substantial scholarship that raises two problems, one methodological and the other to do with the policy implications of the findings. First, to rely almost exclusively on managers (of the 155 people interviewed, only one is listed as a worker) as informants on workplace change is dangerously one-sided, especially when the author claims to be researching 'the everyday experiences of Chinese workers' (p. 210). Interviews with the Workers' Representative Committee members would have helped overcome this bias, especially since 98 percent, or 79 out of 81 organizations in the sample, have them (p. 49). Although trade unions are weak in China, they are slowly gaining some say in representing workers' interests. I was surprised that no mention was made of collective bargaining or trade unions.

Second, the author makes a powerful case that radical changes are emerging at the factory level. This leads him to argue for *engagement* and the importance of foreign investment. Foreign investors, he says, are interested 'in stable, long-term investments' (p. 211). Indeed he goes further, and argues that 'economic relations and China's human rights record should not be linked . . . The best hope for transition is to continue allowing the local-level negotiations between Chinese citizens and foreign companies to occur in Chinese markets' (p. 214).

I was reminded of an earlier, equally contentious, debate in the 1960s and 1970s over the effects of industrialization on race relations. The conventional view at the time was that industrialization leads to 'ascribed' statuses like those associated with ethnic and racial identity vanishing as factors which structure social relations; the premium placed on rational decisions will relegate racial prejudice and discrimination to the periphery of the social structure. In an important article Herbert Blumer challenged this conventional view, arguing that industrialization in a racially ordered society accommodates to the 'racial mould' and continues to operate effectively within it. 'Changes', he concluded, 'do not arise from inner considerations of industrial efficiency. Instead they arise from outside pressures, chiefly political pressures' (Blumer, 1965: 247). History was to prove Blumer right. Racial integration was forced on the southern states of the US by the federal government, and apartheid in South Africa was only removed by a combination of popular resistance inside the country and pressure outside through sanctions and armed struggle. While the situations are not of course identical, these examples suggest that economic growth *on its own* will not improve human rights (in particular freedom of association and the right to collective bargaining) at work in China.

Reference

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