
Stewart Glegg, Karen Wang, Mike Berrell, *Business Networks and Strategic Alliances in China*. Cheltenham: Edward Elgar Publishing Limited, 2007, xv, 330pp, bibliography, index. ISBN 978 1 84542 306 3.

This volume provides the readers with a sophisticated framework based on empirical, comparative, historical and theoretical approaches so as to make the reader capable of understanding the complex nature of contemporary business networks and strategy making in China. This is spelled out in 13 chapters that constitute the basis of this book. These chapters are organised into two interrelated main sections under the headings of knowledge transfer and Chinese business relations. The volume is based on a premise that takes its point of departure in a fast changing global economic. Previously in world history, it is stated, where an economic power became pre-eminent in major areas of, say, manufacturing and distribution, the impetus was almost always from a core economy in the world system towards a periphery and/or semi-periphery. Today such fixed power structures are gradually being undermined and replaced by a much more fluid global economic system, where more or less fixed geo-economic centres and peripheries are replaced by moving centres and peripheries that might even change place, that is, where a periphery becomes a centre and vice versa. This is, according to the editors, the case of contemporary China. Here the dominant development has been that investment has flown inwards and the dominant vehicle for economic development has been international joint ventures between Chinese manufactures and overseas enterprises. This development has thus made China both a periphery and a centre at the same time!

Do these changes in the global economy also mean that regional and local players in this new world system, to use an Immanuel Wallerstein idiom, do not have an impact on the way in which more localised economies are or can be run? Do we here have an equivalent to Francis Fukuyama's End of the History prophecy, this time in terms of economic development, meaning that economic transactions, regardless of where they take place, is of the same kind carrying the same meaning? According to this study, no, this is definitely not the case. Regardless of how globalised the economy or an economy becomes, local specificities have a huge impact on the way in which actual business is carried out. This to such an extent that a huge section within academic economic literature has build up ideational constructions of 'the other', in this particular case between Western and Eastern modes of doing business. Of majors contributors to this literature one finds Hofstede, Gesteland, Nisbeth,

Redding, Hamilton, Luo, etc. One of the outcomes of this discourse is the creation of socio-economic stereotypes based on cultural representation, ethnicity and other types of societal specific manifestations. One of the main goals of this volume, it seem to the reviewer, is to debunk such stereotypical perceptions of and within the global economy exactly because the economy is global and therefore omnipotent. The global and the local are thus thought of as being heavily intertwined. This has made some authors to coin this development as being 'glocalised' thereby stressing that a distinction between the global and local are both outdated and useless in case one wants to understand the workings of contemporary economics.

Even though the contemporary Chinese economy is a good example of an economy that is both globalising and globalised at the same time when it comes to actual business practice, one of the most important aspect when doing business in China is, however, interpersonal relationships framed in the well-known concept of *guanxi*. This is not to replace one stereotype with another. No, this to replace a notion of a 'big cultural tradition' (regional based cultural stereotypes) with a 'small cultural tradition' (localised notions of culture). This means that culture do matter when doing business, not only in China but in most other countries, but the way in which culture is used is more in the form of strategic planning that fits into a specific context. For example, the notion of *guanxi* in Chinese business practices is not the same in all parts of the Chinese market. In the central and western part of the Chinese market *guanxi* has a real impact on economic practice. It furthermore functions as a strategic asset in the hands of Chinese businessmen in their dealings with, say, their Western counterparts. This use of *guanxi* is due to a mixture of local modes of doing business with global market mechanisms. In the eastern and most developed parts of the Chinese market *guanxi* has been reduced to an option in business transactions that can be characterised as being more 'deal oriented', which, according to prevailing regional based economic cultural stereotypes, are reserved for Western business practices!

Taking these complex business transactions into account is one of the biggest assets of the present volume. Without using the word 'the little cultural tradition' when doing business in contemporary China, the contributors to this volume stresses time and again that in terms of knowledge transfer and understanding actual Chinese business relations, it is imperative for a foreign businessman to take these culture representations into account, regardless of whether they are real or are being used as strategic assets!

If the reviewer is to voice a critical comment to this otherwise well written and well structured volume it must be on the rather weak application of institutional theory in relation to Chinese business practices. There are many references to the important relationship between a firm specific and institutional approach to Chinese business studies, but demonstrating this very important relationship is not done in a systematic way. In relation to both knowledge transfer and more general Chinese business practices the emphasis is perhaps too strong on achieving social capital that is to be used as a broker in solving problems in trans-cultural business transactions. According to the reviewer institutional frameworks are of equal importance, as they define the outer boundaries for how to perceive the Chinese market per se thus stressing the impact of the endogenous and exogenous forces that shape the room in which economic transactions take place. Some pertinent examples of studies in this connection can be found in M. Carney (2005) and M.W. Peng and Zhou, J.Q. (2005). A combination of an understanding of the subtle cultural specific impacts on business transactions with an understanding of how markets are changing in a local cum global context really stresses the globalised nature of the contemporary, in this case, Chinese market.

Having this critique in mind the present volume on business networks and strategic alliances in China represents a major step forward in understanding the human aspect behind business transactions. As such it goes against that part of the business literature that objectifies business people so as to be able to position them into various stereotypical categories that interestingly enough fit into the equally objectifying economic models employed when investigation what entry mode to chose when entering, for example, the Chinese market. Such attempts of objectifying actual business practices are blurring the analytical optique, when approaching an emerging/ transitional market like the Chinese. The present volume goes against this mode of viewing business practices thus introducing the notion of 'the little tradition of culture' into a globalised approach to current business studies. I can only give my warmest recommendations to this volume. It really puts the human aspect in business transactions into focus thus negating a culturalist reading of same.

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