

zusätzliche Arbeitskräfte. Dieses Ergebnis widerspricht allen bisher vorliegenden Aussagen. Es wurde allerdings auch auf der Grundlage einer vorhandenen und sich ausweitenden Marktallokation von Arbeitskräften erzielt; eventuell noch bestehende "some institutional restrictions" werden in einem Nebensatz ausgeklammert.

Problematisch erscheint auch, dass sich alle Schlussfolgerungen auf unterschiedliche Zeiträume beziehen, da die vorhandenen und für die Analysen genutzten Surveys nicht zeitgleich entstanden sind. So gelten die Schlussfolgerungen für die Lohnbildung in TVEs z.B. für die Zeit vor 1985, die Lohnbildung in städtischen Unternehmen wird für 1981 und 1987 verglichen.

Mit den Untersuchungen zur Land-Stadt-Migration behandelt Meng einen für die Zukunft der Arbeitsmarktreformen wesentlichen Aspekt, zeigt sich doch hier am deutlichsten die weiter bestehende Teilung des Marktes. Auch nach ihrer Aufnahme in den städtischen Arbeitsmarkt bleiben die Migranten klar von den städtischen Beschäftigten getrennt. Letztere haben Anspruch auf bessere Arbeitsplätze, bessere Entlohnung und soziale Absicherung. Migranten dagegen werden schlechter bezahlt, erhalten kürzer befristete Anstellungen und keine Zulagen. Vor allem aber sind sie nicht zu einer Beschäftigung im formalen Sektor berechtigt. Auch die Auswirkungen auf die wirtschaftliche Entwicklung sind daher anders als in anderen Ländern. So kann Meng deutlich zeigen, dass die Migranten nicht für die städtische Arbeitslosigkeit verantwortlich gemacht werden können. Er fragt sich weiter, warum sie nicht vor allem in die Städte wandern, die die höchsten Löhne bieten. Ursächlich dafür ist die Art der Jobfindung, die vor allem über persönliche Informationen und Kontakte erfolgt. Entweder werden Anstellungen im Voraus vermittelt oder aber es besteht aufgrund persönlicher Beziehungen berechnete Aussicht auf einen Arbeitsplatz; privaten oder staatlichen Vermittlern wird nicht getraut. Meng nennt dies einen Mangel an spezifischen Arbeitsmarktinformationen und geht davon aus, dass dieser ebenso behoben werden müsste wie die Zweiteilung des städtischen Arbeitsmarktes. Dann könnten die Migranten einen wesentlich größeren Nutzen für die Wirtschaft erbringen. Die Furcht, dass dann auch die Arbeitslosigkeit zunehmen würde, hält er aufgrund von Erfahrungen in Hongkong für unbegründet. Zwar würde der Arbeitskräfteüberschuss der Staatsbetriebe weiter abgebaut, aber durch die wirtschaftliche Entwicklung würden auch neue Arbeitsplätze entstehen.

Insgesamt ist Mengs Buch ein interessanter und durch die umfassende Darstellung nützlicher Beitrag zur Arbeitsmarktliteratur. Seine Untersuchungen bieten, soweit sie nicht originell sind, zumindest eine Illustration und Ergänzung vorhandener Erkenntnisse.

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Supachai Panitchpakdi/Mark L Clifford: China and the WTO

Singapore: John Wiley & Sons (Asia) 2002, 251 p.

This book is a joint venture of Mr Panitchpakdi, the incoming Thai Director General of the WTO, and of Mark Clifford, for many years the Hong Kong based Asian editor of Business Week. The result of this happy marriage of WTO expertise and journalistic China hand experience is a remarkably informative book which is both readable and technically accurate.

The outline of the book is fairly straightforward. It starts out by reviewing China's economic development with all its mishaps and policy failures over the past 150 years, covers the prospects and obligations of her WTO membership, recounts China's cumbersome accession process of the last 15 years, and spells out costs and benefits which China's WTO membership will entail for her Asian neighbours. There is also useful detail on the economic reform requirements, including the annexed outlines of the special bilateral concessions that China had negotiated with the US and the EU, to which China has committed herself in the accession treaty. Finally the book also sketches some thoughts on how the WTO system should be reformed in order to gain more effectiveness and legitimacy, notably in view of vocal globalisation critics addressing the predicaments of the least developed countries.

China's current problems to become competitive are manifold. China is painfully aware that during the 19th and 20th century it squandered its assets as a historical civilisation in falling behind Western technological and economic development. Its centralized mandarin class was adverse to change and permitted no renaissance with its urban freedom and individualism as preconditions for progress (p. 8). The Communist victory of 1949 with its massacres and expulsion of the business and landlord class, its famines, terror, and misallocations made matters worse. Only very gradually could Deng Xiaoping, since 1986, introduce reforms aiming at decollectivisation, village and town enterprises and at the reintroduction of private property and small businesses (p. 158). Pursuing China's WTO membership in more than 15 years of controversial negotiations, and often against vested interests within the Communist Party, means, according to the authors, that the current leadership is serious about further structural reforms which would allow China to regain its due place in the world economy (p. 6).

Yet China is still in the middle of its transformation. Its economy is still dominated by uncompetitive state industries suffering from overcapacities and unproductive labour. Twenty-five million out of 85 million state employed workers could quickly swell the ranks of China's 170 million unemployed (p. 4). Many of these workers in public or municipal companies in single-industry towns with little employment alternatives remain unpaid for months (p. 26).

The few leading state banks – like in all early transition countries – under political instructions lent massively to the state sector. Non-performing loans are said to amount to 75% of GDP (p. 172). In lending to powerful local party bosses the banks are also in the centre of China's endemic corruption problem (p. 169). It is perhaps only the imperfections of accounting, auditing, and of bankruptcy enforcement which have prevented a major banking crisis so far. Serious attempts at banking reform and sustainable rehabilitation are not in sight (p. 172). Her low productivity agriculture provides China's farmers, which still make up 50% of her population, with only stagnant incomes. Still they are administratively discouraged from producing more profitable cash crops. Equally the absence of land titles gives little incentives to invest in land improvements (p. 29).

Hence large segments of the Chinese economy – state industries, financial services, and agriculture – are uncompetitive and fear the impact of liberalised market access as stipulated by WTO membership. Next to economic liberalisation, the reform of China's legal system appears imperative. Rather than acting as an impartial arbiter, its function so far has been to transmit state directives and to discipline citizens by meting out arbitrary

justice ("Rule by law" rather than "rule of law", p. 147). WTO obligations, at least in the field of commercial law, require a different approach: relevant trade laws and regulations will no longer be secret, but need to be published, with recourse at central level possible against arbitrary official decisions (p. 33). In the long run legal certainty will motivate more responsible entrepreneurs. It is uncertainty which breeds competition and the search for short-cuts to get rich very quickly (p. 29).

Also the Chinese way of doing business will need to change according to the authors. Like with the overseas Chinese, private businesses on the Communist mainland are set up by charismatic founders as family enterprises with little regard to formal management structures or accounting (p. 161). They typically relied on a culture of personal connections (*guanxi*), which often also resulted in local protection against foreign imports or national competitors. This is obviously difficult to reconcile with WTO law.

With China's practice of local protectionism and discrimination against foreign firms her lack of intellectual property protection, intransparent rules, and endemic corruption led to the wide spread suspicion among her trading partners that for good and bad reasons China would follow Japan's and Korea's free riding mercantilist development policies once she joined the WTO. This suspicion explains the multitude of requests for water-tight bilateral concessions (later to be consolidated *erga omnes* into the accession agreement (p. 74)), which took the better part of the 15 years of accession negotiations. The annex of the volume usefully summarizes the agreements concluded in June 2001 with the U.S. (p. 221) and with the EU (p. 231), on issues of their particular interest.

China's WTO membership will have the strongest impact on her East Asian neighbours, in particular those who equally compete in the same low technology labour-intensive product range. While Singapore moves up the technology and service ladder, the same will be difficult for Burma and Indo-China (p. 105). Corporate outsourcing to South East Asia, which mainly through Japanese subsidiaries created the region's industrial base in the 1970's and 1980's, has dried up. With her cheaper and better trained work force foreign direct investments now all move into China (p. 111). Increasingly foreign investment in China moves from export production towards domestic market development.

A final chapter argues eloquently, if somewhat repetitively, for WTO reform and international labour and environmental standards to prevent a "race to the bottom" in global competition (p. 203). Least developed countries, which participate little in world trade, should receive an associate WTO status and technical assistance to comply with its rules. The book finally argues, without going into much detail, for reforming and simplifying the WTO's consensus oriented structure (p. 215).

All in all, this is a timely and highly readable volume which clearly spells out the major consequences of China's forthcoming full integration into the world economy. On occasion however the reader cannot help the feeling that WTO membership is seen as too determinate for the course of China's ongoing reform process. It argues, for instance, it "will ensure that China does not follow the more autarkic policies that Japan and Korea pursued" (p. 35). In fact Japan, followed by Korea, pursued these policies with impunity during the full length of her 45-year long GATT membership.

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