

The study is a fundamentally important contribution to the clarification of the development of Marxist thinking in China before the founding of the People's Republic.

Wolfgang Lippert

JÜRGEN OSTERHAMMEL: *Britischer Imperialismus im Fernen Osten. Strukturen der Durchdringung und einheimischer Widerstand auf dem chinesischen Markt 1932-1937.* (Chinathemen Bd. 10). Bochum: Brockmeyer 1983. 631 pages, DM 64.80

A crucial problem of social scientific and economic analysis based on development theories concerns the role of foreign capital in the economic development of China in the first half of the nineteenth century. Authors whose ideas are based explicitly or implicitly on modernisation theory (Hou Chi-ming, Ramon Myers) emphasise the positive impetus given to development by foreign involvement. On the other hand, authors influenced by dependency theory and contemporary critical Chinese writers (such as Chen Han-seng), as well as current commentators in the People's Republic of China, regard foreign investment as a cause of the blocking of independent industrialisation and of the destruction of domestic handicrafts, i.e. as a factor in the development of underdevelopment (e.g. Victor D. Lippit). Both hypotheses are problematic. As regards the former position it may be argued that foreign powers and economic interest groups were able to obtain control over significant parts of the industrial and commercial sectors, and to use them in their own interests, ever since the "opening" of China. The other position overemphasises the dependency paradigm in a form which is not permissible in the case of China, where foreign penetration was, unlike in the Caribbean or Latin America, restricted in area and duration. Too little account is taken of internal societal factors which hindered modernisation.

Jürgen Osterhammel has made a valuable contribution to resolving this controversy in his thorough and empirically well-founded work. His investigation is concerned for the most part with the activities of the five major British firms operating in China: Jardine, Matheson and Co., Butterfield and Swire, Asiatic Petroleum, British-American Tobacco and Imperial Chemical Industries, in the period from 1932-37. The topic is well chosen, since Britain, in the form of these five firms, had by far the strongest position in the China market and more or less controlled production and trade in certain sectors: kerosine, cigarettes, artificial fertilisers, sugar, and cotton textiles. Moreover, this period leading up to the Sino-Japanese War was marked by a first upsurge of industrialisation, in which the Chinese central government was able to develop considerable efficiency.

The first part of the study deals with the institutional and regional framework of British activities in China, and shows that Britain was indeed able to obtain a dominant economic position compared with other foreign powers on the basis of the political and military hegemony achieved through the unequal treaties.

The second section describes and analyses the part played by British firms in the most important areas of economic penetration: import trade, distribution of commodities in the hinterland, the export of Chinese products, and in coastal and inland shipping. It is shown that British firms were generally not able to penetrate the interior via the old treaty ports (Shanghai, Hong Kong / Canton, Tientsin and Hankou), and that their business activities were generally restricted to a few mass consumption goods. Even in the thirties, the Chinese markets were not being flooded with British commodities. Only foreign trade, which was of relatively small importance for the whole economy, was outside Chinese control.

The third and fourth sections of the study deal with the causes of this relatively restricted foreign penetration. Both mass forms of resistance against the threat of foreign domination (boycotts and strikes) and official forms (legal discrimination, import restrictions, export monopolies) are described. It becomes evident that foreign penetration was limited both formally and informally despite the strong economic and legal position of the British companies, through the size of the country, lack of communications, the poverty of the rural population, nationalist feelings against foreigners, and not least through the increasingly stable National Government with its industrialisation programmes directed towards independence. These limitations of power were clear to British business leaders. This leads to the fifth and last part of the study, which shows the transition of British policies in the course of the thirties: from a policy of strength and insistence on the old treaties to a policy of concessions and cooperation with the Chinese Government, in order to maintain British positions.

Osterhammel's argument can be followed throughout, for the abundance of material dealt with never makes him lose sight of basic trends. It is conclusive, and is not likely to be seriously questioned for a long time, for he manages to combine three virtues rarely found simultaneously in research on China. His starting point is a clear theoretical concept of "penetration", but he does not forget the limits of this concept. His empirical work is thorough, being based mainly on primary sources (company archives, archives of the Board of Trade and Foreign Office, Chinese Maritime Customs Reports and other published materials); this meets the criteria of critical historical analysis. Finally, it is worth emphasising that his knowledge of Chinese is sufficient to permit use of appropriate Chinese data. The frequent hiatus in communication between Chinese scholars, historians, social scientists and economists, with their often compartmentalised academic specialisation, is effectively combatted by this study.

The only thing to be criticised is that Osterhammel does not make the most

of his own results. The explicit theoretical contribution could be greater. The limitations of the "penetration paradigm" as an explanation for the process of development in China, could have been related to the general theoretical problems of the dependency theory. At the same time, Osterhammel provides sufficient arguments to counter the assertion of modernisation theorists that foreign activities were basically positive. Finally, there is lack of explanation why, despite an initially strong position, Britain sought cooperation with the Chinese Government and finally became an essential support to it, while Japan moved from an initially much weaker position to a policy of rigid confrontation ending in open war. Reference to the political and economic decline of British imperialism, and to the parallel upsurge of Japanese imperialism would have been appropriate here.

Despite these reservations, which really concern the on-going debate, Osterhammel has presented a very readable piece of research, that is of a very high standard in many respects. He has made an important contribution to empirical and theoretical discussion on the development of China.

Ulrich Menzel

FRANZ JOSEF HEEG: *Phänomen Japan - Japanische Organisationsformen und ihre Übertragbarkeit auf deutsche Unternehmen*. Köln: Deutscher Wirtschaftsdienst, 1983. 248 pages, DM 47.-

In view of the enormous achievements the Japanese economy has made in the last 20 years - the "Japanese Phenomenon" - this book offers a survey of the social and economic circumstances of present-day Japan. To explain why Japan has been so successful the author first refers to the three phases of Japan's industrial development, highlighting the last phase (from 1945 to the present day) and the dual structure Japan's economy has today. Other important aspects are presented, such as the relation between state and economy, employment pattern, growth factors, domestic and foreign demand, educational system and the Japanese worker. In this context comparison with Western models can provide particularly valuable information. Many individual aspects seem to be - at least at first sight - applicable to Western companies. Other aspects can appear to the individual observer - depending on his point of view - either desirable or not useful, e.g. strong interlocking between state and economy ("Japan Incorporated"), large-scale financing of research and development by industry, the marked stress put on industrial education etc. Nevertheless, this book also shows the undoubted limits of such applicability, considering first of all the differences in cultural development between Europe and Japan.

An important feature in this respect is the Japanese's attitude towards his