

standard of education (most of the women have a B.A. or pursue advanced studies, often having stayed abroad) and (3) the socio-economic resources, fathers and partners of these women also having a higher standard of education as well as a higher economic status than the average Taiwanese.

The question of the pursuit of career or tradition raised in the subtitle of Diedrich's volume remains without a clear answer, since it contains but little critical discussion of women's traditional roles. Modern Chinese women in Taiwan tend to stick to a traditional way of life, and if they plan to work all their life, they are thus measured by two standards: only if they come up to the traditional expectations of society regarding household and family is professional success likely to be estimated.

Unfortunately the extensive citations in footnotes and bibliography do not include Chinese characters. It is not clear if the number of interviews justifies the conclusions drawn by the author. Although the application of (specifically) Western theories of sociology to Asian conditions remains questionable, Diedrich's study presents a useful investigation, providing illustrative data about women on their way to leading positions.

*Ricarda Daberkow*

ROBERT F. ASH AND Y.Y. KUEH (eds.), *The Chinese Economy under Deng Xiaoping*. Oxford: Clarendon Press, 1996. 288 pp. £ 13.99. ISBN 0-19-828822-0

The origins of the book lie in a workshop, jointly sponsored by the Contemporary China Institute (School of Oriental and African Studies, London), The China Quarterly and Lingnan College, Hong Kong, in September 1991. For the purpose of the present volume the articles have been up-dated and revised. Although the nature, rationale and impact of China's post-1978 economic reforms are already the subject of a considerable literature, the book tries to offer an assessment of major aspects of those reforms and to examine their implications for China's economic development in the 1990s. Each contributor has sought to review the economic achievements of the 1980s and, from the perspective of the 1990s, to speculate on the challenges and opportunities that emerge for further growth in the foreseeable future.

China's economic development in the first half of the 1990s was dominated by the impact of Deng Xiaoping's tour of southern China at the beginning of 1992. In the wake of more than two years of economic re-

trenchment, Deng used his tour to advocate renewed reform and accelerated growth. Accelerated growth characterised China's economic performance after Deng's southern tour. Indeed, in their own terms the figures highlight a dramatic contrast between the period of retrenchment (1989) and the years of renewed expansion from 1992. The GDP growth rate increased from 4.3% in 1989 to 11.8% in 1994.

China's recent macroeconomic development is addressed by K.C.Yeh. His analysis emphasizes the consequences of inflationary pressures, but also points to the implications of continuing population growth for economic advancement. The simple arithmetic of population growth demonstrates the threat to economic growth. In early 1995 China's population exceeded 1.2 billion. Population growth is unlikely to cease until the middle of the next century. Yeh's analysis of the sources of economic growth also highlights the critical roles which capital formation and factor productivity growth must continue to play for sustained development. But serious obstacles stand in the way: constraints on the capacity to generate increased domestic savings, the lagging performance of state enterprises, and the need to accommodate China's enormous, largely unskilled labour force. The persistence of such constraints during the early 1990s lends weight to Yeh's doubts that the latest plans offer solutions to these intractable problems.

As Ash suggests, the first half of the 1980s witnessed unprecedented growth in China's agricultural sector. The subsequent stagnation illustrates the challenges and dilemmas which still confront China's planners in their efforts to simultaneously accommodate the conflicting objectives of farmers and the state, and meet agriculture's development demands. After all, the conjunction of declining agricultural growth and accelerated overall expansion after 1984 suggests that agriculture has ceased to be a major constraint on the development momentum of the economy. Another point of concern are the social implications of agricultural stagnation as evidenced by unrest in the countryside. Yet peasant protest is not endemic, nor have its most serious manifestations affected more than a small proportion of provinces. Agricultural growth and rural economic diversification have brought major improvements in living standards to many peasants. The most likely source of rural economic discontent are unemployed, or underemployed farmers – especially those engaged in less profitable work in poorer parts of the country.

R. M. Field's analysis of China's recent industrial performance reveals an impressive, but erratic, pattern of growth during the 1980s. Annual industrial growth rates fluctuated wildly, though the expansionary trend

worked more consistently to the advantage of processing industries and branches producing consumer goods. The benefits of growth were also spread unevenly amongst enterprises, the principal beneficiaries being units at and below township level. The attainment of rapid industrial growth was not, however, reflected in major improvements in productivity. Field shows that in state and collective sectors, increased provision of capital during the second half of the 1980s was accompanied by significant declines in efficiency. By 1990, both the number of loss-making enterprises and the level of their losses were greater than in the early 1980s. He argues that in the absence of fundamental reforms such problems will be difficult to resolve. Even allowing for the likelihood that the targets for 1995 and 2000 are met, he expects that low levels of productivity and declining profits will exert downward pressure upon the rate of industrial growth.

T. Kambara's analysis emphasises the key role of energy in China's economic development. He finds that the disappointing output growth of oil and coal (by far still the chief sources of primary energy) was offset by "astounding" declines in energy use, thereby facilitating the attainment of basic balance between overall production and consumption throughout the 1980s. Whether or not such balance can be maintained during the 1990s, China's chronic energy deficiency is unlikely to disappear, especially given the uneven regional distribution of resources. Indeed, Kambara's postscript reveals that in 1992, domestic sources left China short of 19.14 million tonnes of primary energy. This development suggests that the author's belief that investment and technological initiatives would help overcome supply constraints may have been misplaced. But they underline his contention that the formulation of an integrated plan that allows for reform of energy prices and regulatory systems is essential if constraints are to be eliminated altogether.

China's economic achievement since 1978 owes much to the adoption of radical initiatives affecting its external economic relations. Key aspects of this open-door policy are addressed by two of the authors in this book. Y.Y. Kueh's investigation of overseas capital flows reveals that foreign direct investment increased on average by 30% yearly between 1985-90. The major beneficiaries were the coastal provinces. This rapid expansion of foreign direct investment was accompanied by a marked shift in its destination from services towards the manufacturing industry. Kueh concludes that by the beginning of the 1990s, foreign direct investment had already become a sustainable endeavour – and one whose role was likely to become even more important, as ties between Taiwan and the People's Republic of China grew closer. The evidence which Kueh presents in favour of the

positive impacts of the open door strategy is confirmed by N. Lardy's analysis of Chinese foreign trade performance. During the 1980s China's growth rate outstripped that of the rest of the world and its share of global trade expanded, though it remained relatively small. The sources of this expansion also underwent a market transformation. Initially, trade remained largely state-directed and biased towards the export of primary products. The domestic energy constraints highlighted by Kambara were one factor which increasingly made such a bias questionable. In addition, after 1985, decentralisation permitted more flexibility and encouraged a shift towards the export of labour-intensive manufactured goods. Lardy shows that between 1985 and 1991 the share of manufactured products in total Chinese exports rose from 50% to 78%. By 1993 the corresponding figure had reached 82%.

In the final chapter of the book, J. Chai's concern is with the impact of economic reform on consumption and living standards in China. If the growth of average per capita disposable income and material consumption are thought to be reliable indicators of change in welfare, there can be no doubt that China achieved significant gains during the 1980s, though at a declining rate in the second half of the decade. Consumer satisfaction also improved and the pattern of rural consumption began to approach that of urban residents. International comparisons provide a useful perspective on these changes and Chai contrasts China's pattern of consumption during the latter half of the 1980s with that of Japan and Taiwan at comparable stages of development (1955-60 and the late 1960s, respectively). His findings in this regard underline the paucity of non-staple food supplies in China and point to the excessive expenditure on housing and clothing relative to prevailing levels of per capita income.

A common theme that emerges from this book is the cautious assessment of China's post-1978 record made by most of the contributors and the reservations many of them display in estimating its future economic prospects. China's sustained economic development can only be secured through the adoption of bolder and integrated reforms in order to solve the many fundamental economic problems addressed in this book.

*Wang Hao*