

analysis to see how income distribution inequalities change as a result of the introduction of MVs, and these results are cited as grounds for the claim that the introduction of MVs does not cause changes in degrees of inequality. The problem with this method is that it also does not take into account changes in the distribution structure of agricultural landownership caused by the introduction of MVs.

Furthermore, the present volume touches upon the economic multiplier effects on nonagricultural and non-rice sectors of the introduction of MVs, but do not present any empirical evidence to support their arguments. The authors seem to support the idea that the introduction of MVs is effective in creating employment increases in regional labor markets, but is this really true? It seems true, yes, that increasing incomes from rice farming resulting from the introduction of MVs will lead to increased demand for non-rice sector commodities, but many of the commodities with high consumption propensities are produced outside of these regions, and the effects on the increase in employment opportunities may be small within the region. As the present volume's methods of analysis have not been devised to give proper consideration to the multiplier effects on non-rice sectors, this will remain as an issue for the future. As to the policy recommendations in the last chapter they seem to be somewhat lacking in concreteness, leaving the reviewer with some dissatisfaction. In truth, however, the comments by this reviewer listed above are mere trivialities compared to the enormous amount of work that the authors put into this volume.

According to a report by the Food and Agriculture Organization, the population in Asia living below the absolute poverty level is decreasing. There remain, however, in South Asia for instance, regions where many people continue to face poverty problems and food shortages. It seems certain that the present volume will be an important work giving rationale for making the improvement and spread of MV technology a major strategy for combating problems of poverty and food shortages. (Seiichi Fukui)

*Rural China in Transition: Non-agricultural Development in Rural Jiangsu, 1978–1990* by Samuel P. S. Ho, Oxford, Clarendon Press, 1994, xvi + 352 pp.

This book examines transitions in the rural economy of Jiangsu Province between 1978 and 1990 by focusing on rural nonagricultural development through township-village enterprises (TVEs). The author looks at comparative economic development at the township (*xiang/zhen*) and village (*cun*) level, and adds to this analysis of field surveys conducted on sixteen individual TVEs between 1986 and 1988.

At present, in making micro case studies of Chinese rural TVEs, the questions of whether one can choose regions for study which conform to the analysis of the study theme and whether it is possible to carry out questionnaires are very important in carrying out the study. Given the present situation, where study themes are becoming deeper and more concrete, it is very difficult to grasp actual conditions by conducting "visit surveys" on model areas designated by the Chinese side.

In the present survey, the author selected three counties (*xian*) in Jiangsu, then chose one township in each county, then two villages in each township, and finally selected a total of sixteen TVEs within these six villages to be the subjects of his study. The three townships are Sigang, Hufu, and Haitou.<sup>1</sup> The first two townships are located in the Sunan (south Jiangsu) area, where the level of economic development is high within Jiangsu, which itself is an area where the level of TVE development is above national standards, while the third is in the Subei (north Jiangsu) area, where economic development is believed to be relatively backward. This is likely an adequate selection of areas for conducting comparative research on regions where TVEs are at different stages of development.

In the Appendix, the author gives selected economic indicators as well as basic data and interview results on the economic conditions of the TVEs, migrant workers, and households in the three townships. Much of this data could not have been obtained without conducting a field survey, and there is thus much of value contained within.

The first two chapters of the book discuss changes in rural industrialization policies on a national scale since 1949, and Chapter 3 begins by presenting the place of Jiangsu in the national economy and then goes on to an analysis of the selected areas. The fourth chapter analyzes the important role that the collective and unified management of enterprise has played in the Sunan area. In contrast to this, Chapter 6 points out that private management has been the mainstream in Subei, where development has been relatively slower. The situation in Sunan stands out in contrast to the case of Wenzhou *diji shi* (regional-level administrative city) in Zhejiang Province, where rural private enterprises have been the motive power of the economy.

Of particular interest is the analysis in Chapter 5 of the sources of capital for TVEs. For instance, the finding that TVEs in the developing area of Haitou township relied heavily on rural household savings to procure their founding capital is very interesting, particularly since this type of data is scarce (Table 5.1). This chapter also provides analysis of the occupational categories, age structure, and educational backgrounds of employees, wage systems, and the employment of people from other regions, and this last data, in particular, is very useful in understanding the migrant worker situation around the year 1987 (Table 5.11).

In addition, Chapters 4, 5, and 6 examine the relationship between TVEs and private enterprises. In particular, pages 196–200 address cases where the growth of private enterprises has been impeded by systemic regulations and the interventions of the central and local governments, and introduce instances where, due to these circumstances, private enterprises have been forced to merge into village enterprises or have been brought under the umbrella of collective and unified management enterprises. Hence, he finds that private enterprises face many difficulties in Sunan, and points out that their future development will depend in large part upon the development of the Chinese economy toward a market economy. On this point, it can be said that the present situation is developing in a direction which is advantageous to private enterprises. In other words, the rapid growth of the Chinese economy since 1992 and the partial sale, since 1994, of collective assets in Sunan to

<sup>1</sup> More concretely, Sigang township is part of Zhangjiagang County under Suzhou *diji shi* (regional-level administrative city); Hufu township is part of Yixing County under Wuxi *diji shi*; and Haitou township is part of Ganyu County under Lianyungang *diji shi*.

the private sector is giving a chance for development to these private enterprises,<sup>2</sup> and these enterprises, which once settled for a supplementary position in the economy are gradually becoming, along with foreign-affiliated companies in rural areas (which have developed rapidly in Sunan since 1990), powerful competitors to the collective- and unified-management-type TVEs. From this perspective, this work must be praised for its foresight in bringing up this issue.

Another interesting analysis is that of the relationship between township-village governments and TVEs presented in Chapter 7. Of the TVEs in Jiangsu, which are the focus of this work, those in Sunan, or the classical “*sunan* model,” are famous for the close relationship they have with township-village governments. Chapter 7 clarifies the profit taxes given by TVEs to the governments, and how the township-village governments are heavily reliant on this source of income (Tables 7.3 and 7.4). On this point, this work must be praised for having been able to conduct comparisons between the three areas, including one in Subei. In Chapter 8, the author examines the relationship between TVE development and income, and even looks at the distribution of income at the village level.

In Chapter 9, the author discusses whether the relationship between state enterprises and TVEs is competitive or complementary. He finds that in cases where the development of the market economy is backwards, the relationship between the two is fixed within a previously decided framework, and is complementary in the sense that the TVEs fill the gaps left by the state enterprises, but that as the market develops the relationship becomes increasingly competitive. In actuality, therefore, the relationship is moving toward a more competitive one, and TVEs are already surpassing state enterprises in terms of their share of industrial production. From this, the reviewer is led to believe that TVEs and foreign-affiliated companies will gain a considerable share of the Chinese economy in the future.

These quickly developing TVEs, however, do not bring only advantages to rural villages. Chapter 3, for instance, deals with the burdens imposed by the process of rural industrialization on the environment. It focuses mainly on the decrease of agricultural land brought about by industrialization and the pollution produced by industrialization. The first issue is extremely important, as it is intimately related to the widely discussed issue of China’s agricultural self-sufficiency. The second is also a serious issue that must not be overlooked, since cases of water source contamination by industrialization have occurred not just in Sunan, but are widespread in Guangdong Province as well. Since both of these issues have the potential of becoming major problems in the future, the points introduced in this book are quite important.

This book, in conclusion, is a survey report that contains much interesting information. The TVEs in the area of study experienced a first growth phase in the period 1986–88, which is the focus of the study, then experienced a shifting-out process during the recessionary period of 1989–90, and have then entered a second growth phase since 1992. The changes have not only been in growth, however. A new situation has emerged with such elements as, for instance, the participation of foreign-affiliated companies and changes in the relationship between enterprises and administrations through the introduc-

<sup>2</sup> In Sunan, since 1994, when stock evaluations of enterprises assets are conducted, small and medium collectively owned enterprises whose business conditions are poor have been sold to the private sector.

tion of stockholding systems. In closing, the reviewer would like to suggest that, as this book contains invaluable field survey data from the period 1987–88, if possible, a similar survey should be conducted to examine the situation in the same area ten years later. This will add a dynamic element to the analysis, and will make the work even more valuable.

(Kazutsugu Ōshima)