Más allá de la maquila. Contribución de la subcontratación internacional al desarrollo de China
(Beyond the Maquila. The Contribution of International Outsourcing to China's Development)
Monica Gambrill
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Mexico City, 2016, 192 pp.

Today the People's Republic of China is one of the levers of economic power spurring trade and investment worldwide. For this reason, many countries have become more interested in establishing economic and trade ties to China, using different strategies for international insertion. Its economic opening and modernization began in the 1980s and have made it an economic power. But, what have been the development policies its government has used to join the international economy? How has it diversified its exported goods and services? What has its successful industrial strategy been? The objective of this book is to analyze how China "has utilized international outsourcing to accelerate its development through a strategy both for trade and for industry, through which it has promoted its economic opening as well as the country's incorporation into global productive chains" (p. 9).

International outsourcing has not only brought economic and industrial development; it has also had an impact on the development of research centers, higher qualification of the work force, and better, though regionally diversified, wages. This way of producing involves a sub-contractor and the outsourcing company located in different countries. The outsourcing company maintains control of the productive process and stipulates the specifications to the sub-contractor in the contract. On occasion, the outsourcer provides the machinery and inputs to the sub-contractor and acquires the goods it produces. If those goods are for final consumption, it resells them under its own brand, but when they are components, they are used to assemble a different good in global productive chains, which in turn may be outsourced. In services, the outsourcer uses the services to save on costs or hire labor with higher technical skills that give it greater productivity.

The central government of the People's Republic of China established basic goals for development that continue to be valid today, although they have adapted along the way to new requirements. According to Gambrill, the aim of this strategy is to create an incentive for "the trade opening and industrial modernization through subsidies to promote the absorption of foreign direct investment; technology transfer; in-country research and technology development; as well as the expansion of international outsourcing to developed regions in the country's central area and West" (pp. 83-84).

Throughout the book, the author develops the components of the general hypothesis guiding her work, whose corollary is the central government's development strategy, that is, that China "has taken advantage of international outsourcing to promote internal industrial and social development because, in contrast with other developing countries, it has oriented it more inwardly than outwardly, using it to begin the reconversion of local companies into suppliers to the sub-contractors, increasing more and more the value added to exports" (p. 10).

This is the main difference between the way international outsourcing operates in the People's Republic and the way it is done in most of the underdeveloped world. That is, in the latter, focus has been on assembling and re-exporting traditional goods using low-skilled labor, without incorporating industrial scaling or local inputs, adding little value. In the People's Republic of China, industry has been scaled up to the assembly of high-tech products, introducing contracts to supply foreign and local companies; this necessitates the training of more qualified labor as well as greater investments in science and technology and in industrial development.

Gambrill's book is divided into three sections, each one of which stands alone. However, I suggest following the author's order because it allows the reader to understand the important of customs regimes for the "old" and "new" types of development zones, which have the participation of the central, provincial, and local governments as well as foreign and national capital. The first chapter, "Customs Regimes and Their Contribution to the Development of the People's Republic of China," proposes a typology of the zones, clearly defining their functions: regimes for processing and assembly, processing with imported materials, for logistical goods by special control customs area, for customs warehouse commerce, for imported equipment or material as investment for foreign-owned companies, for equipment imported to be processed, and for assembly and equipment imported into the special controlled customs area.

In the second chapter, "Types of Development Zones and Their Contribution to the Development of the Southeast," Monica Gambrill bases her ideas on the customs regimes explained in the first chapter to document the development zones' patterns of evolution. She analyzes the zones the central government created for the first experiments in economic opening and industrial reconversion in the 1980s, as well as the newer ones, more closely linked to private capital. To do so, she narrates how the Southeast developed, specifically the provinces of Guandong, Fijuan, and Hainan.

China has seven types of development zones: free trade zones (FTZ), export processing zones (EPZ), economic and technological development zones (ETDA), high tech and new technology development zones (HTNTDZ), logistical parks (LP), business parks (BP), and private industrial zones (PIZ).

In the Southeast, there are general patterns in the distribution of these types of zones. Of these, 201 135 (67.2 percent) are economic and technological development zones (ETDZs); 88 percent are supplied by local investment and 16 percent by national investment. Nine are export processing zones (EPZs) and twelve are free trade zones (FTZs). The enormous number of ETDZs shows their importance for provincial and city governments, in accordance with the central government's opening and modernization objectives.

Since the provincial governments were in charge of expanding the ETDZs in the 1990s, the central government had its hands free to create incentives for high-tech activities through foreign direct investment to promote change for the manufacturing industry's technological scale up. To do this, they used the high and new technology development zones and, later, the business parks, which have acted as incubators for companies with private national capital, together with the logistical parks and the private industrial zones. The objective was to promote exports orienting their development inward, not outward, given that the strategic objective continues to be the modernization of China's economy.

In the third chapter, "Development Zones and Their Contribution to the Development of the Other Regions," Gambrill analyzes the rest of the zones, showing the differences and similarities *vis-à-vis* what happened in the Southeast. Undoubtedly, one of the book's biggest contributions is that it emphasizes the importance of the customs regimes for considering international outsourcing as one of the instruments that the central government used dynamically to create incentives for economic development, industrial scale-up, and the transfer of technology and research in the People's Republic of China.

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This review is an homage to my beloved advisor, Dr. Monica Gambrill. Like any academic, when she did research and published it, she did it to help people understand the object of study. This book achieves that and more and can be considered a reference point for understanding how China has managed to insert itself into the international economy by developing its own economy through international outsourcing. Thanks to this research, it is possible to make a comparative analysis with other emerging and developing countries like Mexico. I transcribe here the dedication the author wrote in my copy, extending it to all potential readers of this research: "I share the book with you in the hope that it will be useful in your work about China." VM

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