

source of information on Japanese *sogo shosha*. The statistical data contained within it would alone justify purchasing the work, but the level of qualitative analysis is also high. *Sogo shosha* come alive in these pages as real business institutions, facing a real, complex, and changing environment. Although business historians will inevitably be particularly interested in this book, others concerned with both contemporary business and economic development will find much of value in its pages. (Geoffrey Jones)

*The Oil Boom and After: Indonesian Economic Policy and Performance in the Soeharto Era* edited by Anne Booth, South-East Asian Social Science Monographs, Singapore, Oxford University Press, 1992, xxvi+448 pp.

This book provides the first comprehensive analysis of the transformation process of the Indonesian economy during the 1980s when the economy changed from one driven by a government-led import substitutive industrialization policy heavily dependent on oil revenues to one driven by a private-sector-led export oriented industrialization policy dependent on NONMIGAS (non-oil and gas) exports.

In addition to the high standard of analyses carried out largely by the Research School of Pacific Studies, Australian National University, the book has two other merits for the general reader. First, it provides various secondary statistics which have been carefully compiled from both published and unpublished data. Second, the description of institutional reform is very informative, including information directly obtained from the policymakers.

The "Introduction" by Anne Booth outlines economic performance and structural change under the Soeharto regime placing special emphasis on the economic liberalization process. In assessing the economic performance of Indonesia's oil dependent economy, she has correctly pointed out the importance of the terms of trade effects brought about by the drastic change in oil prices and applied the concept of Gross Domestic Income (GDY) instead of the conventional GDP concept. However a more thorough explanation of the concept of GDY should have been added since the concept has a number of definitions and to some extent can be arbitrary. Policy proposals on future problems are also given; these are: promotion of regional economic autonomy to mitigate widening regional disparity; the importance of vocational education over higher education; enforcement of economic liberalization both to avoid excessive industrial concentration and to foster entrepreneurship.

The following chapters are arranged into three parts. The four chapters in Part I cover macroeconomic policymaking. The book's fiscal analysis highlights the highly centralized nature of the fiscal system and proposes fiscal decentralization. But efficiency of resource allocation should have been analyzed before drawing any conclusion. Financial and monetary analyses show the importance of the regulatory structure for the sound development of the capital market and nurturing the bond market in order to increase the controllability of the money supply. The chapter on the monetary system gives a good illustration of the actual management of the money supply under a system without foreign exchange controls. The last chapter in Part I discusses the macroeconomic impact of oil prices in relation to the "Dutch Disease" phenomenon.

The theoretical models, however, need more careful explanation of the presumptions and definitions of some variables.

Part II provides sectoral analyses of agriculture, manufacturing, transport and communications, and services. In the chapter on manufacturing, Hal Hill discusses Indonesia's long-term industrialization strategy using the well accepted trade regime approach. He correctly emphasizes the importance of a cautious and flexible macroeconomic management regime and the efficient provision of public goods in consideration that most of the manufacturing industries are still in the infant stage. Hill discovered, contrary to general belief, that small firms have not suffered from the industrialization process. The chapter on services gives a good institutional analysis of the wholesale and retail trade network, which consequently provides a good deal of insight on the "informal sector."

Part III on human resource development is composed of three chapters. The chapter on "Income Distribution and Poverty," based on careful analyses of data, concludes that the regional disparity has now reached a critical level although the disparity among income classes and the state of poverty have improved. The other chapters cover labor force and employment, and population and health policy. Unfortunately, the important issue of employment creation is left almost untouched.

Although this book concentrates on analyzing the past performance of the Indonesian economy, it also takes up two other important issues. One is the country's worsening regional disparity. The authors propose giving local governments more economic autonomy such as tax raising power and decision-making power over local expenditures. This point is well taken, but the proposal may not prove effective because of the government's emphasis on fiscal austerity and the low expected tax revenues available to the local governments in the outer-Java regions. Upgrading the planning capability of local governments and improving the transportation network, including direct access from local ports to foreign ports, may be a prerequisite for attracting private investments.

The other important issue is the continuous enforcement of the liberalization process to improve productivity, to protect future entrepreneurs, and to prevent excessive monopoly power. On this matter, Anne Booth states, in modest Javanese style, that policy-makers in the Ministry of Finance, the Bank Indonesia, and the National Development Planning Agency "have been able to operate with relative freedom over the past decade, avoiding 'capture' by special interest groups, it can not be taken for granted that this will continue" (p. 35). This is truly something to worry about. From the standpoint of economic policy, the liberalization policies under the aegis of the IMF-World Bank should be reexamined carefully at a certain point of industrial development if Indonesia wants to strengthen the international competitiveness of the more capital and technology intensive sectors and upgrade its industrial structure.

Finally, if the editor is pursuing "completeness in one book," this book lacks two chapters. One is an analysis of the petroleum and natural gas sector which occupies about 40 per cent of Indonesia's exports and one third of the government's routine revenues. The sector is still one of the main engines of growth, and the future trend in the domestic supply and demand of energy will be a crucial economic factor. The other is a chapter on policy coherence. All the macro policies and the country's industrial policy are discussed separately in this book, even though they are closely related to each other and have an impact on the economy as a policy-mix. The introductory chapter touches slightly upon the problem but not enough. Assessment of the past policy-mix and discussion on the future policy-mix, both from the point of view of the short-term stabilization policy and the long-term development strategy, is important.

Explicit treatment of debt management, foreign direct investment policy, and privatisation policy is also needed.

In sum, this book is without question one of the "musts" for those who study the Indonesian economy, and all readers will be anxiously awaiting the publication of the revised edition which should include a full assessment of recent foreign direct investment and the NONMIGAS export boom. (Hiroshi Osada)

*Toward an Alternative Land Reform Paradigm: A Philippine Perspective* by Yujiro Hayami, Ma. Agnes R. Quisumbing, and Lourdes S. Adriano, Manila, Ateneo de Manila University Press, 1990, xiv+209 pp.

In 1988 the Aquino government proclaimed a Comprehensive Agrarian Reform Law. This law has aimed at a far more comprehensive reform than previous efforts in that it covers all farmland including plantation areas, and even landless agricultural laborers have expected to benefit. It is widely known however, that the reform has been poorly implemented and has disappointed peasants and landless agricultural laborers.

In this strained situation in Philippine agriculture, the purpose of this timely work is to bring about a feasible land reform program which will solve both problems of efficiency and equity. It is a fascinating and monumental work produced by an international project consisting of Professor Dr. Yujiro Hayami, an authority on agricultural economics, and a group of young and enthusiastic Pilipino scholars. The work is logical in its analysis and explanation well grounded in historical studies and field research.

Chapter 1 (Promoting Equity with Efficiency) poses the theme of this book and outlines an alternative land reform program which the authors advocate. The starting point of their argument is why past land reforms in the Philippines have failed. One reason according to the authors is that past land reforms were based on the traditional Asian model. When considering non-Communist land reforms, two models need to be distinguished, the Asian model and the Latin American model. The Asian model aims at the redistribution of rights over land from landlords to tenants, in the Latin American model the main problem is a class conflict between estate owners and laborers. Land reform in the Philippines should be a mixture of the Asian and Latin American models, since the tenant system and plantation system coexist in the Philippines and a large number of landless agricultural laborers exist in the tenant system. Although successful land reforms in noncommunist Asia can be found in Japan, the Republic of Korea, and Taiwan, it is far from appropriate to apply these experiences directly to the Philippines. Other reasons for land reform failure in the Philippines are the lack of a well-disciplined bureaucracy, the lack of accurate data on landownership and tenancy relations and the lack of cooperativism and unionization. Thus compared with the successful land reform experiences in East Asia, the initial conditions in the Philippines are completely different.

Based on the above discussion, the authors lay out an alternative land reform program for the Philippines: (1) land held by landowners in excess of a ceiling imposed should be sold directly to small holders with the help of preferential long-term credit; (2) a progressive land tax should be set to fund the operation of reform programs and