

SUSHILA GOSALIA, *Indien im südasiatischen Wirtschaftsraum, Chancen der Entwicklung zu einem regionalen Gravitationszentrum*. (Mitteilungen des Instituts für Asienkunde, 203). Hamburg: Institut für Asienkunde 1992. 192 pages, DM 28.-.

Drastic changes in the world economy in the past which are reflected in changes in the international division of labour led to the growing importance of newly industrialising countries in the Asian-Pacific region. This also had an influence on world trade flows and relationships and the emergence of new and dynamic regional trading blocs with large numbers of potential consumers on their internal markets. Against this background it is an interesting question whether India can develop into a regional economic gravity centre and growth pole in South Asia with widespread effects on the economies of neighbouring countries. Hitherto there are no obvious signs of the development of a dynamic trade bloc in South Asia gaining a larger share in the world market. It is thus of great interest to analyse the potential and constraints of the Indian economy to develop as regional gravity centre through concentrated industrial development, thereby giving a strong economic impetus to other South Asian countries and to the regional integration process as a whole.

After briefly sketching theories of economic gravity centres and outlining criteria for a country's development as a multipolar system of functional economic interactions, Sushila Gosalia examines India's economic, social and political resources. She illustrates that India has established a diversified, strong industrialisation base and possesses almost all the pre-conditions for becoming an economic gravity centre, but the regional integration process has not yet evolved sufficiently. India cannot give a strong impetus to the economies of neighbouring countries within its geo-economic sphere.

In the third chapter, the author identifies and analyses the socio-economic and political constraints preventing India from becoming an economic gravity centre. She shows that because of various internal problems India could not fully take advantage of its huge production and demand potential on its domestic market, nor could it hitherto develop as economic power centre in the South Asian region. She also argues that India's interests in military presence and security in this region have been the decisive factor in her relationships to the neighbouring countries. Economic co-operation has thus been neglected so far.

The economic strength and deficits of India and its prospects of becoming an economic as well as a political gravity centre in South Asia

are only briefly discussed in the final chapter. The author concludes that in spite of considerable economic progress in the past the Indian economy is not yet strong enough to become a regional gravity centre until India has solved its own internal socio-economic and political problems.

Sushila Gosalia provides a great deal of detailed information and figures to illustrate the potential and constraints of the Indian economy to promote the South Asian regional integration process. She describes India's resource endowment, the degree of industrialisation and the pattern and dynamics of the industrialising process, taking into account the regional differences in the Indian context. She likewise analyses problems and constraints in the economic development of India and in the progress of socio-economic integration within the Indian economy itself.

As outlined in the first chapter, the concept of economic gravity centre combines internal socio-economic development with the pattern of external economic trade co-operation. Sushila Gosalia, however, emphasises the internal constraints, not examining in depth the nature of India's economic relations with neighbouring countries. Thus, the analysis ignores important aspects of trade flows and co-operation between India as a potential growth pole and those countries within her economic geo-sphere. It remains limited to the question whether India possesses the pre-conditions for developing into an economic gravity centre. It is, however, not clear, if and how the Indian domestic market can become the economic centre for the neighbouring countries. There is no evidence that a growth centre with substantial impact on the other economies in the South Asian region can emerge through concentrated industrial development and massive increases in the purchasing power of the bulk of the Indian population alone. This also depends on the potential of the South Asian economies and the nature of their trade relations to India.

Nevertheless, although no light is shed on the international aspects of the possible emergence of a new multipolar economic system with India as economic gravity centre, this book can be recommended to all with an interest in the Indian economy, its potentials, problems and deficits.

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