

fortunately does not lead to any new insights. The explanation is simple enough, because the authors who have most treated the economic history of Asia between 1400 and 1800 - like M. A. P. Meilink-Roelofs and N. Steensgaard - are not members of the "neoclassical" school. That is why all the arguments and explanations which M. Dunn incorporates in his three categorical systems are already to be found in older works.

Uwe Granzow

WERNER PFENNIG / MARK M. B. SUH (eds.): *Aspects of ASEAN*. (Schriftenreihe Internationales Asienforum, Band 2). München, Köln, London: Weltforum-Verlag, 1984. 395 pages, DM 59.-

The previous years witnessed a rapidly increasing academic interest in the Association of Southeast Asian Nations (ASEAN), which was formed by Indonesia, Malaysia, the Philippines, Singapore and Thailand in 1967 and extended to a community of six by the admission of Brunei in 1984. The growing attention given to ASEAN is no accident as the ASEAN economies have expanded rapidly and gained political stature in conflicts affecting the region. The latter was made evident by the prominent role the Association plays in the search for a solution to the Kampuchean problem, Southeast Asia's security threat number one, and skilful negotiating when major interests of the Association as a whole or one or several of its member countries were at stake.

Despite these, at a first glance, impressive performances, the picture of ASEAN drawn in the literature is a rather controversial one. While for some observers, ASEAN is a successful model of late development and regional integration, a manifestation of dynamic growth, others point to the political and social costs of ASEAN development: authoritarianism, widening social and spatial inequalities and a loss of indigenous cultural identities and traditions.

It is one of the major merits of this reader that it does not discuss ASEAN merely along such polarized lines which are often clouded by ideological stereotypes. Instead, the editors and their contributors, all of whom are well-known scholars from different disciplines with a long working experience in ASEAN affairs, have provided a well-balanced assessment of the way and the extent to which the creation of ASEAN has enhanced regional cooperation and thereby promoted the national goals and interests of the member countries.

The reader can be subdivided into three major themes: political and security-related aspects of ASEAN, social and economic aspects and, thirdly, ASEAN-Japanese and ASEAN-EEC relations. While the political and security-related articles (by Mark B. M. Suh, Estrella D. Solidum and Thakur Phanit)

have to compete with a vast body of literature already published elsewhere (e.g. in various issues of the Asian Survey) and thus, although well researched, do not on the whole go beyond what is already known among area specialists, the part dealing with the social and economic aspects is one of the great assets of the book. Wong/Wong, Limqueco and especially Reiter and von Kirchbach are in the fortunate position of being able to draw from the vast data basis of their most recent research undertakings on ASEAN. The findings of their articles can be summarized in four major points:

1. ASEAN's rapid economic growth (with the exception of the Philippines, at least lately, it must be added) has been achieved without corresponding social progress. Only in Singapore have economic growth and broader social objectives been reconciled in a satisfactory manner. In the other countries, widening social disparities as well as regional and urban-rural imbalances have been a concomitant of economic growth. The lesson to be learned from these observations, however, has been accepted only hesitantly so far by the technocratic elites of the six countries: i.e. growth alone does not guarantee the achievement of social goals; there is no built-in mechanism of an automatic "trickle down" of economic growth. The ASEAN development strategy - again with the sole exception of Singapore - is not a balanced one, but inherently biased toward growth performance.
2. ASEAN's economic cooperation is not as successful as its cooperation in the political sphere. Intra-ASEAN trade, cooperation in basic commodities and industrial development, despite promising potentials, is still weak and/or stagnating.
3. ASEAN's development model is one of inherent contradictions. There is, compared to other developing countries, a fairly rapid rate of industrialization, but industrialization without sufficient capacities to absorb the and unskilled rural labor force. There is an increasing integration into the world economy, but it is accompanied by growing dependency on developed market industries, and rising foreign debt. And, finally, there is an increase in productivity, but a decline in real wages and hence a deterioration of living conditions for a growing number of people.
4. In the seventies there was a marked influx of TNCs into the ASEAN economies, the investment motives of which differed according to their country of origin. For Japanese TNCs, the ASEAN region serves as a basis for raw materials and as host for those Japanese domestic-market oriented investments which are no longer profitable in Japan. American investment has concentrated on the mineral (i.e. primarily petroleum) sector, and used ASEAN increasingly as a low-wage export platform (electronics), while European TNCs tend to operate in the tertiary sector and in local-market oriented manufacturing industries. With the exception of Singapore, where TNCs have been fairly successfully integrated into the economy, their impact on employment was relatively weak, more substantial, however, in terms of tax contribution. More recently, TNCs went increasingly into joint-ventures and non-equity forms of investment (licensing, technology



contracts) and considerably expanded their role in the tertiary sector (tourism, advertisement, banking etc.).

Even though the book makes no claim to completeness two aspects which have not at all, or only hesitantly, been addressed in the volume should nevertheless be mentioned. One is the structural change that is under way in the manufacturing sector of industrialized countries with an increasing trend towards automatization of production, thus threatening the low wage comparative advantage of ASEAN countries. It would definitely have enhanced the prognostic value of the reader if some remarks had been made on which strategies are being developed by ASEAN economic planners in order to counter this trend. Secondly, only scattered remarks have been made on the relationship between authoritarian forms of government and their development potentials. As the ASEAN countries are to varying degrees ruled by authoritarian, or at least semi-authoritarian, forms of government, a more systematic elaboration of this question could have brought valuable theoretical insights into the long debated relationship between political and economic development.

To sum up: by covering most relevant issues concerning ASEAN and its member countries, its problem-orientedness and the generally high level of analysis, the reader is a fine enrichment to ASEAN research. The book offers an in-depth and comprehensive examination of cooperation among ASEAN countries. Numerous tables and a selection of documents make the volume a valuable reference work.

Jürgen Rüländ

KILIAN SIHOTANG: Private ausländische Direktinvestitionen in Indonesien: 1870 bis 1980. Rahmenbedingungen, Struktur und Entwicklungseffekte. (Bochumer Materialien zur Entwicklungsforschung und Entwicklungspolitik, 26). Stuttgart: Edition Erdmann in K. Thienemanns Verlag, 1983. 415 pages, DM 59.- (with English summary)

The major conclusion Kilian Sihotang draws from his analysis of private foreign direct investment (FDI) and its effects on development in Indonesia is this: "In general terms the policy of attracting direct private foreign investment has paid off." (p.375) But rather than just repeating the by now well-known arguments of the highly ambiguous and controversial evaluation of FDI both in theoretical disputes and political debates, Kilian Sihotang's view is based on a strictly empirical basis. To this end, the author carefully examines the implications of changing (political and economic) conditions for and structural changes of FDI in Indonesia over a period of 110 years (1870 to 1980).