

On the whole, therefore, the last chapter is mainly a repetition of former statements.

To sum up: Jürgen Rüländ fails in his study to derive his findings from their historical, ethnical and cultural background. He makes no comparison between the situation of Manila and other metropolises, e.g. in neighbouring Southeast Asian countries. Therefore, this book is less highly recommended to readers only generally interested in the problems of developing countries or Southeast Asia. On the other hand, the strong point of this study is its very detailed and politically engaged analysis. It can thus be recommended to experts who have to deal with specific administrative problems in Metro Manila. Jürgen Rüländ's failure to examine possible alternatives which would help combat the defects analysed in his study remains, nevertheless, regrettable.

Rüdiger Kulke

THEODOR DAMS and KUNIHIRO JOJIMA (eds.): Aktuelle Probleme der Sozialpolitik in Japan und in der Bundesrepublik Deutschland. (Schriften zu Regional- und Verkehrsproblemen in Industrie- und Entwicklungsländern, Bd. 33). Berlin: Duncker and Humblot, 1982. X, 296 pages, DM 58.-

It is often believed that one of the reasons for Japan's competitiveness is that its social security expenditures are much lower than in the West. While poor working conditions and low wages have led some critics in the past to talk of 'social dumping', attention has for some time now focused on the inadequateness of Japan's social security system. Surprisingly enough, one finds little scholarly literature on the subject in western languages and must therefore welcome the presentation of the papers of a joint seminar on current social policy problems in Japan and the Federal Republic of Germany (FRG) held in 1980 by economists from both Nagoya University (Japan) and Freiburg University (FRG).

The thirteen essays in this book are grouped under five headings. The first part deals with the socio-political consequences of the changing family structures in Japan and the FRG. In the face of the decline of the German population since the early 1970s Gerold Blümle and Betty Rauchwerger give a critical assessment of the effects and effectiveness of family policy in the FRG. They believe that in view of rising unemployment and deteriorating state finances, cheap housing and education loans will have more positive effects on generative behavior and secure greater equality of opportunities for large families. Since the mid 1950s Japanese society has experienced a continuous trend toward the nuclear family and - in the largest cities - an increase of one-person-households. Although the number of aged people is bound to increase in a

few years social security expenditures can hardly follow suit. Kunihiro Jojima's argument is that only a reprivatization of social costs backed by taxation measures which favor traditional family structures and discriminate nuclear families will make the increasing burdens bearable.

The development trends and financial problems in the social security system are the theme of the second and main part of this book with altogether five essays. Hatsuo Tsutsumi and J. Heinz Müller each give us an overview of the history of modern social policy in Japan and the FRG. The above-mentioned reasons and a multitude of pension plans (the National Pension and the Welfare Pension are discussed in some detail) demand a comprehensive reorganization of the old age pension system for which Tsutsumi proposes the introduction of a flat-rate pension. The German social welfare system also faces serious financial difficulties, especially in old age, health and unemployment insurance. To underscore the necessity of adjustments and reorganization in both countries, Masaichi Mizuno and Alois Oberhauser follow up with essays on the problems of the reorganization of the Japanese state finances with reference to the social welfare expenditures and on the intermediate and long-term financial problems of the old age insurance in the FRG. Mizuno stresses the urgency of consolidating the structural budget deficit in particular as it severely restricts anti-cyclical fiscal and monetary policies and recommends a combination of expenditure cuts and tax increases. In fact the late Prime Minister Ohira incurred the anger of the Japanese tax payer in 1979 when he tried to apply this remedy. The following cabinets have, therefore, decided on consolidating the budget without increasing taxes. - The intermediate financial difficulties of the German old age insurance are cyclically determined (unfortunately surplus reserves were used to increase benefit levels in 1972) while long-term difficulties must be expected in view of the shrinking and aging population. Oberhauser proposes to tax old age benefits leaving a fairly high tax exemption limit and to consider lowering the general benefit level. Bernhard Külpe's essay on the German unemployment insurance rounds off this section. He believes that the majority of the unemployed - i.e. except those who are unemployed due to their own fault and those who have not yet had a job - is sufficiently provided for. He could also find no indications that unemployment insurance has any negative effects on levels of unemployment. Moreover, measures to stabilize or improve the employment situation are thought to have had some success. An example of a case where a comparison between German and Japanese practices would have been of great interest is where Külpe criticizes the ineffectiveness of the German vocational training and re-education programs (cf. Angelika Ernst, *Japans Unvollkommene Beschäftigung. Beschäftigungsprobleme und Beschäftigungspolitik*, Hamburg, 1980, pp. 398 ff.).

Two essays by Takashi Matsugi and Theodor Dams in the third section of this volume deal with the problems of social security and social policy in the agricultural sector. While German farmers are insured against the different risks

of life through their own social security system, Japanese farmers are integrated into the National Pension scheme. Since 1971, however, the latter can join an additional old age insurance which primarily serves structural policy aims. The German system, on the other hand, should really serve to satisfy social needs but is also 'misused' for structural policy aims. Already the social security policy of the agricultural sector is an enormous burden for the agricultural budget and should therefore take the actual income of each farmer into account and orient itself along the guidelines of the general system.

The fourth section takes up the subject of company welfare policies. In a comparison between non-statutory social welfare benefits in Japan and the countries of the European Community (EC) Kazuo Koike tries to refute the often heard thesis that the imbalance of trade between Japan and the West stems from low social expenditure levels. While he admits that statutory social security benefits in Japan are lower, he argues that fringe benefits of Japanese workers (and employees) in large companies correspond to those of employees in the EC. This fits well into his well known 'white-collarization' thesis but his graphs are not fully convincing and he tends to generalize his results a bit too readily. - Hans-Josef Brink and Michael Reiß tell us that while social welfare benefits have become increasingly regulated by laws or determined by collective bargaining agreements - this being one of the reasons for the decline of fringe benefits since the mid 1960s - company welfare policies are today, nonetheless, an integral part of a social labor management. In order to make the investive character of these measures more apparent they recommend that the traditional cost accounting system be supplemented by social accounting methods.

The last section of the book deals with the necessity and chances of index-linked securities in Japan and with socio-political needs in the context of quantitative social indicators. After the oil shock of 1973/74 Japanese investors suffered interest losses on cash deposits and/or securities due to strictly regulated interest rates. This led to an undesired property transfer from the creditors to the borrowers. Since a further liberalization of interest rates in the near future seems unlikely Jun-ichi Senda urges the state to introduce index-linked cash deposits and securities. - In view of the importance of social policy for the majority of its citizens and its significance for the economic development, the modern welfare state must be able to find out exactly the effects of its social policy measures and discern the social needs of its citizens. Siegfried Hauser argues that these requirements are better met by a system of social indicators than by customary concepts such as the social budget or the social expenditure ratio. Therefore economists should take the lead in developing such an indicator system.

Social policy problems always have a political dimension and one can thus say that most of the papers presented here take a rather conservative approach to the crisis of the welfare state. The authors state their case well, namely that

cuts and reforms are necessary to preserve the social security system, but proposals such as those voiced by Kunihiro Jojima rather resemble those made by proponents of dismantling the welfare state, thus proving those right who talk of the so-called 'Sozialstaatsillusion'. What is needed now is a fair distribution of costs and benefits as a sign of the solidarity of the insured.

This book has some flaws: the editors admit the difficulties finding binding definitions and a common reference frame. The reviewer would have welcomed a closer coordination of subjects to make the essays really comparative and an introduction revealing the authors' theoretical approach, their aims and a short evaluation of the subjects treated. Furthermore the volume would have been greatly enhanced by a basic bibliography for further reading. Finally, the reader will find himself irritated by the rather hodge-podge way some of the authors document their sources, by the poor language of one or two of the translated papers and quite a number of orthographical mistakes. But all in all the book does give a good amount of solid information on current social policy problems in Japan and the FRG and can be seen as a basis for further comparative studies and a good example for the cooperation of Japanese and German scientists.

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