

JÜRGEN RIEDEL/SIEGFRIED SCHULZ: Die Bedeutung der Bauwirtschaft für den wirtschaftlichen Wachstumsprozeß der Entwicklungsländer. (Ifo-Studien zur Entwicklungsforschung, No 3) München: Weltforum Verlag, 1978. 254 pages, DM 54.-

This is the final report of a research project financed by the West German Ministry of Economic Cooperation. The authors work in two renowned institutes specialized on economic research, the Ifo-Institute for Economic Research, Munich, and the German Institute for Economic Research, Berlin, which were jointly commissioned with the job. Their findings are based on statistical and analytical research carried out originally for the IBRD, ILO, UNIDO and UNO. This material is compiled, compared, interpreted and presented in a clear and logical manner.

The first three chapters - not including the introduction (I) - treat the building sector as part of the national economy (II), in its relation to other sectors (III), and as an instrument of national development (IV). This is done through tables of national data followed up by comments on them. Asian countries are represented in accordance with the data available. India, Indonesia, Korea, Malaysia, the Philippines and Singapore are regularly referred to, while the figures for Bangladesh, Laos, Kampuchea, Vietnam and the smaller states such as Brunei, Papua-New Guinea etc., are sparse.

The pattern of analysis changes from part 1 (chapters II-IV) to part 2 (chapters V-VII). The first part describes the building sector from outside in terms of statistical data, whereas the second part treats its internal functioning. This sector elaborates the internal structure of the sector (V), its organisational aspects (VI) and its performance including conditions and constraints (VII), followed by an inclusive list of general recommendations (VIII). The resulting model of the building sector as a piece of machinery producing super- and infrastructure is a very general one and will be of greater use to those interested in theoretical development aspects.

Admirably clear though it is, the picture comes close to being an illusion. Here only the most serious objections to each of the two parts can be mentioned: On page 93 the authors conclude from various sources that the statistics in many countries record merely 20 % of the housing production, whereas 80 % escape notice. Since housing stands roughly for 40 % of the total building sector, this means a random error of up to 30 % in the statistics. Of what value are statistics with a random factor of this size?

The model of the sector as a construction machinery turns out to be a replica of the European one, composed of user, developer, planner,

entrepreneur, banker and official. Since, according to the authors, the developing countries have not yet achieved the necessary efficiency for handling this machinery, they opt for a stricter legal framework of by-laws, specified standards and rules of execution. At this point the suspicion arises that the authors are somewhat out of touch with Third World reality. The majority of countries probably have legal frameworks of European standards on paper. In fact, what Professor Strassmann carefully left open in his ILO-reports, so as to avoid presenting a European type model, has been filtered out and papered over in order to give a more familiar picture.

The reviewer hesitates to attribute these deficiencies to the authors. Given the limits in time, money and information few would have been able to compile such a well-balanced, readable document. Deplorable, however, is the fact that the data and concepts used are misleading. The more convincing the argumentation appears, the more dangerous it is.

The German Ministry of Economic Cooperation and the commissioned institutes may perhaps be blamed for not having agreed on more fundamental research. One might consider whether this should be carried out, though in the reverse order of the book: basic research on the functioning of the sector machinery (i. e. extension of the Strassmann-research (I); a comparison between the new data and the official (II); careful interpretation of the available data in the light of the new material (III). This sort of research still has to be done.

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