

the opening up of raw material sources (p. 194). Here two strategic points of departure are usual: mining investment is made by first exporting the machines for working the mines, the cost of which is covered by the materials produced. Investments of this type are acceptable even to nationalistic developing countries, since they involve "no transference of rights of ownership or prospecting rights" (p. 194). Apart from this, Japanese investors finance the development of minerals intended for direct import to Japan. According to T. Shimano this method is necessary since, with the exception of oil, most of the important raw materials are controlled by American or European capital. As their production has, in reality, already been monopolized, this way can be seen as "the second best solution to the raw material problem" (p. 195).

In the case of the manufacturing industries, Shimano sees the reason for the concentration of Japanese direct investment in the developing countries as the need "to ensure export markets". As many developing countries impose import restrictions in order to protect their own industries, Japan finds herself forced to secure her export market by direct investment, i.e. by production within those countries (p. 199).

Shimano explains the heavy concentration of Japanese direct investment in South East Asia in terms of structural as well as conjunctural policy. Partly it is a result of the activity of the labour intensive textile industry and partly a result of the relative turn away from the highly inflationary Central- and South American economies. Not least, it was the result of the Vietnam war, which had led to high growth rates in the neighbouring countries. In general, however, Shimano confirms an imbalance between the international competitiveness of Japanese industrial products and the level of Japanese direct investment abroad; Japan, he believes, still lags behind the Western industrial nations in management, know-how and creativity (p. 200).

When one reads the first book in this new series, several questions arise in connection with the potentially high communicative significance of a series of this sort for theory and practice. The question as to whether it will help to achieve the aims cited above, should in all fairness be left to a later date and to the evaluation of the further volumes. However, a true cooperation between Asian and European (German) scholars should be one basic precondition of the second aim. As to the translation, the quality with which the semantic hurdles were taken by the various translators is very varied. A closer final editing is sadly lacking. This will be important for the future of the series, in order to avoid not only the simplest printing errors, but also the verbiage, ambiguities and other lingual curiosities.

Udo Ernst Simonis

M. Rasu l Schams, die Bedeutung der kompensatorischen Finanzierung für die Entwicklungsländer. Eine Untersuchung am Beispiel von Indien, Ceylon und Ghana. (Veröffentlichungen des HWWA-Institut für Wirtschaftsforschung. Hamburg). Hamburg: Verlag Weltarchiv GmbH, 1974. 265 pages, DM 34,—.

Since the mid-fifties numerous plans have been discussed to reduce, or compensate, the instability of the foreign exchange earnings of developing countries as caused primarily by the wide fluctuations of world commodity prices. One of the few plans actually translated into reality, the concept of compensatory finance, is the object of Schams' most interesting study.

Compensatory finance, whose basic aim is to give developing countries financial aid in the event of major fluctuations of their export prices, export earnings, or terms of trade, was introduced by the IMF in 1963, and extended in 1966. So far, 19 developing countries have made use of it. Selecting the three countries best suited for a comprehensive analysis, India, Ceylon, and Ghana, the author critically evaluates the merits of this system. In particular, he analyses meticulously to what extent the major objectives of compensatory finance have been achieved in reality, i.e.

- the stabilization of foreign exchange 'earnings' (including compensatory payments),
- the prevention of balance of payments crises,
- the prevention of decelerations in real national growth, and
- the stabilization of incomes in the export sector and thus in the economy as a whole.

On the basis of a careful and detailed empirical analysis, the author comes to the conclusion that compensatory finance, in particular in the IMF form, is not an adequate means of achieving these targets. He shows that its stabilizing effect on the total availability of foreign exchange is generally very weak (and was even negative in the case of Ceylon) since compensatory payments are inadequate relative to the wide fluctuations of export earnings, are made too late, and have to be paid back too early.

As the empirical analysis amply demonstrates, the goal of preventing balance of payments crises and severe cuts in imports is hardly furthered by compensatory payments as long as the latter are linked with the fluctuations of export earnings only, while other components of the balance of payments like capital movements, are subject to widely autonomous fluctuations — which may considerably strengthen, weaken, or even change the direction of, the impact of export fluctuations on the availability of foreign exchange. It is further argued that the balance of payments problem of developing countries is generally one of too low a level of export earnings rather than of short-term fluctuations in these earnings.

Regarding the stabilizing effects of compensatory payments on the growth performance of developing countries, the author is equally doubtful: even if the influence of export earnings on the volume of imports were much stronger than it really is, lower imports need not hamper growth provided the level of imported capital goods is maintained. Schams thus implies that a drastic change in the composition of imports (away from consumer goods) will not affect the allocation of resources for domestic production (towards consumer goods), and will thus make it possible to prevent a decrease in the absolute level of investment — a hypothesis which is not altogether indisputable. Be that as it may, the author shows that in the case of India, Ceylon, and Ghana, no significant correlation between the fluctuations of imports and those of the national product can be observed, thereby confirming similar earlier studies by other authors.

As Schams rightly points out, compensatory finance hardly serves the stabilization of incomes either. As this objective is not given particular priority in developing countries, compensatory payments cannot be expected to be used to initiate policies aimed at preventing or neutralizing the undesired fluctuations of incomes, prices, and employment, resulting from fluctuations of export earnings.

This study is a most convincing, thorough and rewarding piece of research, both empirically and theoretically. It is well-conceived, well-argued and well-presented, and as such most exciting to read.

Heinz Ahrens

Sigrid Westphal-Hellbusch und Heinz Westphal, *Hinduistische Viehzüchter im nord-westlichen Indien, I. Die Rabari. Forschungen zur Ethnologie und Soziologie*, Bd. 8. Berlin: Duncker & Humblot, 1974. 358 pages, DM 86,—.

Financed by the German Research Association (DFG) Sigrid Westphal-Hellbusch and her husband carried out ethnological fieldwork among the cattle-growing communities of the Bharvad, Charan and Rabari in 1968/69. This volume presents material concerning the Rabari only and has been published in such detail to serve a double purpose: on the hand semi-nomadic styles of life are changing fast on the subcontinent so that a minute account of present conditions is a laudable undertaking in itself. On the other hand it is true that Indian development authorities are more or less un-/aware of the special problems which cattle-growing communities are facing now that almost all their traditional grazing-grounds have come under the individual ownership of permanent settlers.

Six subgroups of the Rabari, each with its own mythology of descent, are distinguished: the "Kutchi" in the western part of Kutch, the "Dheberya" in the eastern part of Kutch, the "Sorathia" of the Barda-Hills, the "Sorathia" of the Gir-Forest, the "Gujerati" and the "Raberi" of Rajsthan. It is estimated that these six subgroups have in all some 500,000 members.

The historical narrative, settlement areas and traditional way of life are given for each of the subgroups, as are their sub-subgroups and problems of social cohesion, marriage-patterns, communal life and heroes of worship. Special details of ethnographic interest