tion of clientele to be targeted upon is a critical element in establishing programme objectives. One of the objectives is to access the bottom poor, who have been traditionally bypassed under the more conventional programmes. This will usually involve defining the poverty line, based on criteria which are considered appropriate for the community, the region or the country as a whole, determining eligibility criteria on the basis of which the targeted clientele can be selected as project beneficiaries, and establishing selection procedures including a means test which can be quickly learned and rigorously enforced. *Third*, the overall objective of sustainable development must be built into the design of PAPs. Without an integrated or "holistic" concept of a self-reliant development process, the poor cannot expect to overcome the exploitative relationship with the existing power structures.

In conclusion, each volume is well structured, clearly written and laden with useful theoretical, empirical and policy-oriented materials. Each is appropriate to a multi-faceted readership composed of policy-makers, scholars, students and the general reading public. In fact, separately or together, each book would be a useful addition to advanced upper-division or introductory graduate courses focusing on either development economics or development studies.

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Economic Crisis and Policy Choice: The Politics of Adjustment in the Third World. **Edited by Joan Nelson.** Princeton: Princeton University Press, 1990.

The 1980s are usually called the lost decade of developing countries. This is because the decade saw the climax of solvency crises of highly indebted countries, ill-fated attempts of pure, and later on modified, stabilization programmes and often half-way aborted strategies of structural change (adjustment) in the countries concerned. It was not until the late 1980s that the view of multi-annual medium term commitments of all related parties (banks, debtor countries, creditor countries, international financial institutions) to concerted action became accepted. The Brady Initiative of 1989 was the visible indicator of this acceptance.

One of the lessons learnt by failures in the early and mid 1980s is that the open or benign neglect of socio-political factors in debtor countries impeding or stimulating adjustment programmes is inadequate. It is the merit of this volume, the result of various workshops, conferences and research programmes co-ordinated and convened by the Overseas Development Council in Washington and the Lehrman Institute in New York, to highlight the crucial importance of such factors.

Principally, the volume consists of 13 country studies on the politics of economic adjustment in Argentina, Brazil, and Mexico (Robert R. Kaufman), Chile, Peru, and Colombia (Barbara Stallings), Costa Rica, the Dominican Republic and Jamaica (Joan M. Nelson), the Philippines (Stephen Haggard), and Ghana, Zambia, and Nigeria (Thomas M. Callaghy). As different governments in the sample countries designed and implemented different adjustment programmes, one ends up with 19 adjustment "episodes" to analyse. Joan M. Nelson provides introductory and concluding papers while Miles Kahler analyses the main thrust of orthodox, neo-orthodox and heterodox approaches to structural adjustment. The period of coverage is mostly until 1988 and thus cannot not fully consider the results of economic recovery due to buoyant and sustained world economic demand.

Given the enormous heterogeneity of the sample countries, it does not come as a surprise that straightforward cookbook menus are not given. On the contrary, it is one of the deliberate intentions of this volume to convey the message that "cookbook menus are futile, inadequate and contraproductive" to the reader. This is excellently done without sacrificing the view that opening up protected markets is not the end of adjustment but letting them remain closed definitely is. The critical question is when and why do governments accept that there is no other choice than opening up markets and how they proceed then.

The book gives a large number of reasons why such response differs widely among different types of governments (authoritarian, military, single party, transitional democracies, and established democracies).

But what reasons do the authors find as generally common? First, time preference rates of governments are high. Short-term views and electoral cycles matter and can delay necessary adjustment programmes.

Second, external agencies are somewhat less important than domestic political forces in determining the timing and the scope of adjustment decisions (p. 330). When postponing adjustment threatened the erosion of access to domestic resources (and thus political power), then governments reacted to pressures of the agencies but in the absence of such threat, external agencies had much less leverage to induce governments to initiate and implement market reforms.

Third, the level of development and the size of domestic markets have an influence on the content of adjustment programmes. Small countries strongly integrated into world markets as well as countries at low levels of development were found to have less options for heterodox programmes than larger and more advanced countries. Simply, degrees of freedom to deviate from orthodox programmes of monetary discipline coupled with removing barriers to goods and capital transactions were curtailed by strong exposure to world markets and by lack of analytic capacity.

Fourth, implementation has been found to be influenced by the quality of the economic team (preferably not split), by executive autonomy (being largely unconstrained by legislatures or party councils) and by the ability of the government to sustain confidence in the public. To achieve the latter, some relief from economic hardship has been felt necessary.

Fifth, heterodox programmes breaking with mainstream policy advice had short-term positive results (for example cutting inflation rates) but failed to sustain it because they lacked credibility and government guidance. To put it differently, orthodox programmes rely on market forces and thus take time as market signals are never understood by all economic agents at the same time. Heterodox programmes, on the other hand, need government control and competence to be successful. In the few cases where such programmes were implemented, this competence was lacking.

Sixth, vested interests of labour unions and rural groups were often subordinated to vested interests of the state class (bureaucrats, parliamentary representatives, government members) and its electorate, the urban class. Where programmes favoured the rural sector, as in the neo-orthodox programmes of getting relative prices right, response from the beneficiaries remained weak because of lack of access to information and collective bargaining potential.

Finally, the process of learning by failure was not yet over when the 1980s ended. Here, I found the conclusions less impressive as it is not helpful to overly underline the peculiarities of each economy and the amount of ignorance. Uncertainty always exists and the lesson from full or partial uncertainty over the effects of programmes is clear, that is introducing measures which do not create irreversible results (a piecemeal approach). Even with much more insight into the interactions between politics and economics, it would be an illusion to believe that a workable programme tailor-made for each economy could be designed by planners and politicians. In the end, there is no alternative to putting the right price tag to each good and service produced in the domestic markets.

In the individual chapters I would have liked to see more on the "moral hazard" argument saying that ready external support weakens the implementation of programmes. Furthermore, the recently discussed argument that bilateral external support to credible adjustment programmes has been far less flexible than support provided by the international financial organizations and that total external support was thus limited and quantitatively inadequate, was unconsidered.

Apart from such minor issues, I found the volume very informative and comprehensive, especially as a companion piece to World Bank studies on the same adjustment "episodes".

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***Technology and Culture in a European Context.* By J. Orstrom Moller.** Copenhagen: Handelshojskolens Forlag, 1991. Pp. 60.

The author is a graduate in economics from the University of Copenhagen and currently permanent Undersecretary of State for Foreign Economics Affairs in the Royal Danish Ministry of Foreign Affairs.

His essay is a very European assessment of the changes in the economy, society and culture currently taking place in Europe, which is followed by an optimistic conclusion on the future of the old continent. The greater part of the book contains an analysis on the changing fabric of the forming information society in contrast to the sunsetting industrial society.

The author draws the following picture of the future information age. The new epoch will give birth to new sociological groups each composed of individuals with the same lifestyles, leisure activities and educational background, but not necessarily with similar jobs or pay. These groups will count for more than the formerly industrially defined classes. The latter, such as the unions, as well as their underlying ideologies will ultimately disappear. More than the productive apparatus, the employed technology and the quality of human capital will be relevant for the competitiveness of firms and whole economies.

Consequently, the establishment of the information society will require many changes in the European economies and societies: the old industrial sectors will have to shrink and will be marked by concentration. However, new industries, especially in the tertiary sector, will grow vigorously. The traditional balance of power and burden sharing between business, the unions and the public sector of the old nation state will no longer be a sustainable basis for the future. For instance, the social security system will have to be adapted to the changing needs of the new society, as the long-established definition of the generation treaty and the formerly clear cut separation of work and leisure can no longer be maintained.

Mr Moller does not stop with describing the upcoming challenge to the social fabric in Europe; he also focuses on the political and economic geography of the year 2000. In his view the old European nation state, which once fitted the old industrial structure, will wither away under the pressure of economic internationalization and cultural decentralization. Both the technological and cultural change of the new information society and the internationalization of the world economy make the old nation state appear too small as the basis for industrial enterprises. In Europe more and more issues will be transferred to supra-national bodies and multilaterally handled by the European Community (EC). But the nation state will lose sovereignty not only to the EC but also to its regions. The big European nation states, such as Germany, France, Italy and the United Kingdom, which are composed of different people, languages, religions and customs, will cease to provide the suitable cultural framework for its inhabitants. The regions will demand more cultural and also economic autonomy. Information technology will supply the tools for a growing independence from the capitals. In the end the big enterprises will offer a culture and a corps d'esprit in competition with the regions for the identity of their staff.

The European Community will also face new challenges: the EC will have to undergo a set of institutional reforms and simultaneously expand its membership. Subsequently the unified Europe must also be careful enough to properly consider its ethnic minorities.

This dichotomy, growing economic internationalization and multilateralization in the face of cultural decentralization, may be amalgamated