

to a new model which has the potential to become the forerunner of the culture and civilization leading the world into the next century. This is Mr Moller's main thesis.

In this excellently written essay, the author presents a rosy scenario for Europe's path towards the year 2000. Such optimistic views are not uncommon in Europe today, and are increasingly replacing the prevailing Europessimism of the early 1980s. They show, contrary to popular opinion in the Asia-Pacific region, that Europe is willing to carry out the structural change needed for the coming information age. When discussing the future, however, a writer is faced with a dilemma: if he is too specific, he can be proved wrong by subsequent details, which differ from the original forecast. If he sticks to generalities, however, the statement will be too vague to have any relevance. In this dilemma, Mr Moller steers a middle course. He is specific enough to make real forecasts on Europe's future, and indeed he expresses ideas which have the potential to develop into something like a European consensus.

However, considering the details, the careful reader will sometimes miss empirical evidence and analytical depth. Instead, a tendency to dogmatic reasoning and superficial arguing might be observed. This can be shown by three examples. Mr Moller predicts that an increasing trend of concentration in Europe's industrial structure will take place, eventually squeezing out Europe's small and medium sized enterprises. Considering that such concentration trends have often been erroneously forecast in the past, because the vitality of small and medium businesses has not been duly considered, this assessment should be taken with a grain of salt. Granted the formation of a single European market by 1993 will lead to a concentration process in some sectors. In some industries, even less concentration might be conceivable.

The author's view that economic theory is not adequate for a discussion of the economic problems in the coming information age will be challenged by the economic profession. Theoretical pattern like the theory of property rights, the evaluations of risk and uncertainty and even pure

economic theory might well form a basic framework for economic analysis not only in the industrial society, but in the information society as well.

When the author compares the developmental potential of Europe with the United States, Japan and East Asia, the reader from the Asia-Pacific region might detect a symptomatic Eurocentric understanding of the process of Asia-Pacific cooperation. Mr Moller is sceptical of East Asia's potential because of the lack of a real, maybe EC-like integration process. However, the outward looking development process, the central role of market forces and the private sector, the rapidity of structural change and economic growth are common features of most Asian economies and do constitute the necessary ingredients for a *de facto* integration of the Pacific region. Whether this development is sustainable in the long run and is able to form an alternative model is of course debatable, but a thorough discussion of this would have been helpful.

HANNIS GÜNTHER HILPERT

*IFO Institute for Economic Research, Munich*

---

***Indonesia: Sustainable Development of Forests, Lands, and Water.*** A World Bank Country Study. Washington, D.C., 1990. Pp. xi, 190.

---

This book, written by a team of World Bank staff, is a country study of Indonesia. Like other developing countries, Indonesia faces a number of environmental problems. The authors focus on four of the most important: deforestation, land degradation, water shortages, and water pollution. The book contains six chapters but the heart of this book is its executive summary. The executive summary not only discusses Indonesia's most important environmental problems but outlines the steps that should be taken to improve forest, land and water management. The authors conclude,

... the major theme in this report is that many resource conflicts can be resolved by increasing

---

the potential of existing resources through intensification and greater efficiency in resource use. The tools for improved efficiency include proper pricing and improved management. The utility of these tools can be seen in the analysis of forest, land and water resource management (p. xxxv).

The authors acknowledge the need to achieve a better balance between environment and development, and cogently argue for sustainable development.

Chapter 1 stresses the fact that Indonesia's forest area is being rapidly reduced and that the country urgently needs to improve its forest management. There is a need, in particular, to introduce ambitious forest management schemes for the outer islands. Management of forest resources in the outer islands is largely in the hands of private concessionaires. Currently, there are few incentives for concessionaires to manage their holdings sustainably.

Chapter 2 expands the analysis by introducing a discussion of land resource management. Recognizing the problem presented by population pressures and poverty, the Indonesian Government must promote a variety of agricultural development programmes in the outer islands.

Chapter 3 provides an outline for upland and watershed management in Java. Most watersheds in Java are potentially subject to serious erosion. The authors suggest that there is a need to reorient investments away from off-site programmes towards the protection of farm land and through improved farming practices.

Chapters 4 and 5 deal with water quality in Java. These two chapters are particularly well written. Readers are provided with very detailed information on the causes of water pollution in Java, as well as an elegant exposition of water resource management in Java. The authors suggest that,

- (a) Efficiency can be improved through water pricing to reduce waste and to provide funds for operation and maintenance.
- (b) Water resource management can be improved by strengthening institutions

involved in water control and by improving cross-sectoral coordination.

- (c) New mechanisms such as integrated river basin planning and management agencies can be introduced.
- (d) Dams can be built to increase storage capacity (p. 93).

The final chapter discusses institutional and policy changes that might be implemented to foster sustainable development, such as strengthening the Ministry for Population and Environment. The authors illustrate the implications of various policy approaches to forest, land and water resource management. This chapter highlights the significance of attaining sustainable development of forests, land, and water resources. In particular, the authors stress the need to move away from the traditional economic growth model to the paradigm of sustainable development. In defining the concept of sustainable development, the authors state,

... the concept of sustainable development also recognizes that forest, land and water resources have important ecological functions which can be measured only partly in economic terms, and it suggests that new knowledge may significantly increase their future economic value. It therefore encourages the commitment of manpower and friends to protect these resources and preserve future options (p. 136).

This book makes a valuable contribution to an understanding of sustainable development of forests, land, and water, and should be of interest to economists, public policy makers, and academics alike. Those who are interested in environmental issues, particularly in relation to developing countries, would benefit from the substantive contents and the pressing environmental and development issues addressed in this book.

CHURAI TAPVONG  
*Sukhothai Thammathirat Open University*  
*Nonthaburi, Thailand*  
*and*  
*Institute of Southeast Asian Studies, Singapore*