

differences. Instead, the extent the countries had to reduce their absorption, the behaviour of the real exchange rate and fiscal discipline appear to be the key factors. We may note, however, that these results are for the short run and are not necessarily sufficient for explaining the *long run* differences in growth rates. (Besides, the three latter variables are not likely to be independent of the "traditional" explanations.) Cooper addresses the long run, too, but the from a somewhat different point of view in that he observes possible relations between growth and inflation. This is, of course, the more traditional interpretation of the term, "stabilization", which is not really what the rest of the book is all about.

The author wraps up by summarizing possible lessons to be learnt from the experiences of the eighteen countries in the study: Firstly, it appears highly desirable to maintain a stable real rate of exchange. This should preferably be taken care of without resorting to large devaluations which may have several undesirable consequences. Secondly, large international shocks are very difficult to handle without external assistance. In the absence of such assistance governments are forced to cut down absorption suddenly and heavily, which reduces the possibility of a sensible restructuring of the economy. Thirdly, flexibility and adaptability are emphasized, characteristics perhaps easier to point out than to bring about. Specific problems with *positive* shocks are also commented on. A useful technical appendix concludes the book.

All in all, Cooper's book, despite its small format and despite the fact that it does not go into every aspect of stabilization policy, is loaded with information and analysis on the stabilization (that is, adjustment) problem. It deserves to be read by everybody with an interest in macroeconomic policy in the context of developing countries.

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***Nusa Tenggara Timur: The Challenges of Development.*** Political and Social Change Monograph No. 12. Edited by Colin Barlow, Alex Bellis and Kate Andrews. Canberra: Australian National University, Research School of Pacific Studies, Department of Political and Social Change, 1991. Pp. xix, 294. Appendix tables, bibliography, and index.

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The papers in this collection were presented at two seminars held in Canberra, Australia, and Kupang, Nusa Tenggara Timur (NTT), in September and November 1989. The participants were mostly from Australian National University (ANU), the Mercu Buana University, Jakarta, or the NTT provincial government, most of whom had worked together as a team during 1988–89 to identify key issues and propose solutions to the main socio-economic problems of NTT. This province comprises the islands of Flores, Sumba, and West Timor (but does not include East Timor), and is ranked as one of the poorest in Indonesia. A report on the team's findings and recommendations has also been issued by the sponsoring agency, AIDAB (the Australian International Development Assistance Bureau), as *International Development Issues No. 13, Development in Eastern Indonesia: The Case of Nusa Tenggara Timur*, edited by Colin Barlow, R. Gondowarsito, A.T. Birowo and S.K.W. Jayasuriya (1990).

After an introduction by Colin Barlow, and an opening address by the Governor of NTT (H. Fernandez), the book is organized into three parts. In Part 1, Barlow and Ria Gondowarsito highlight key socio-economic features and the general development potential of NTT, Kate Duggan describes the land and environment, and Lorraine Corner outlines the status of health, education, and social services. Part 2 focuses on regional development issues, with Manuwoto critiquing the top-down (Jakarta-based) planning approach, and Harun Zain providing a contrasting case study from West Sumatra, followed by six special topic chapters on livestock (Robert Ayre-Smith), forage technologies (Colin Piggin), food crops (Pellokila,

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Simon Field and E.O. Momuat), industry (Konrad Purba), tourism (Umbu Peku Djawang), and marketing (Anthony Forge). Part 3 then addresses a range of planning experiences in NTT, including selected donor-assisted programmes (Piet Djemrut), NGO community development activities (M.S.O. Fernando), an Australian and a World Bank integrated area development project (Don Moffat), and a critique of AIDAB's approach to assisting NTT development (Peter Charlton). In two final chapters, Hendrik Ataupah suggests some "tentative routes towards development of NTT", and Barlow provides a summary of conclusions. Two Appendices provide 20 tables of statistics and a list of the main recommendations, drawn from individual chapters.

The papers provide descriptive analyses of a region for which few other studies are available (especially in English). The papers are short (around 10 pages or less), with most focusing on relatively narrow assignments. In consequence, they appear at times quite selective regarding the key issues and pertinent facts, and somewhat categorical about what needs be done. Overall, however, the list of recommendations appears comprehensive and well-reasoned, albeit at times seeming rather obvious or overly cautious. NTT's very arid conditions make water management projects an obvious priority, along with improvements to most other types of socio-economic infrastructure. The Australians, in particular, show great sensitivity in the role of foreign advisers, no doubt conscious of the need to tread carefully to offset the tensions and acrimony that have characterized Australia-Indonesia relations in recent years. (The seminars fortunately took place prior to the notorious November 1991 Dili incident in East Timor.) Such sensitivity is shown, for

example, in the fact that, while ethnic differences and potential conflicts are noted at various points, it is the geographic diversity that is mostly emphasized in making the case for more devolution of planning authority and greater reliance on grass-roots initiatives in identifying and solving problems.

Most authors are quite critical of past foreign assistance efforts, and stress the need for public and private agencies to be more imaginative, to devise more diversified approaches, and to undertake more extensive and localized research and development (R&D) to identify and exploit agricultural, aquatic and other types of natural resource potential. It is, however, mostly taken for granted that substantial latent development potential exists, and that NTT is genuinely "under-developed", rather than being an "over-developed", "poorly endowed", or "permanently impoverished" region. The budget required to finance the entire bill of goods arising from this report would take many millions of dollars in both national and international assistance, both of which are increasingly hard to find and justify. Being a regionally focused study, the experts were not called upon to consider whether the increased outlays might be at the expense of development proposals elsewhere, or whether the local or national benefits to be expected from their list of NTT projects would be likely to exceed these opportunity costs. The additional outlays called for would thus seem to be motivated (and would need to be justified) more by political than by national economic considerations.

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