academic credit points, and political commitment from the government in the form of adequate funding and promotion which depends on academic output. However, Thee realizes that an improvement in the structure of incentives is a necessary, but not sufficient condition for raising the quantity and quality of academic output in Indonesia. He acknowledges that a generous system of material incentives might even lead to a contraction in the flow of academic output.

This book is very appropriate for the readers who want to keep up with recent developments in Indonesia, although it is not really suitable for those looking for serious academic research on the topics in question. One important insight from reading this book is that the success of economic growth and long political stability, regardless of the lack of political openness, still cannot cope with the problem of quality in teaching and research in Indonesian higher education. Blaming low salaries appears reasonable but does not stand especially when compared with other Asian countries such as India, Pakistan and the Philippines where the university faculties also receive salaries that may be even lower than their Indonesian counterparts, yet provide excellent teaching and produce research that attract funding from international sources. This statement has a more serious implication when we consider the extra amount of income received by the faculty at the top universities in the most "profitable" departments such as economics, but still they are not willing to limit their lucrative non-academic activities and allocate sufficient time for academic research. The main problem is not low salaries, although it is definitely an important one, but those universities in Indonesia where bureaucratic authority is more important than academic freedom, creating a stifling environment for research and other innovative works. University is more like a branch of government bureaucracy than an independent academic institution.

Indonesia is undergoing economic liberalization that gives significant benefits for economic growth. It is the time for deregulation to be initiated at higher education as well; let universities take care of their own activities while restricting the role of government to funding allocation and supervision.

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Pacific Basin Industries in Distress: Structural Adjustment and Trade Policy in Nine Industrialized Economies. **Edited by Hugh Patrick and Larry Meissner.** New York: Columbia University Press, 1991.

In market-driven open economies, the secular rise and decline of industries due to changing patterns of locational competitiveness are common phenomena. So are temporary adjustment pressures as a result of both external shocks and internal policy mismanagement. How governments, trade unions and employers react to pressure upon declining or troubled industries, however, differs widely among countries. The reaction depends upon institutional tradition, the degree of openness, including the vulnerability against foreign retaliation, and the political power of the industries, to mention but a few of the determinants.

This volume presents nine country episodes, each discussing in a very comprehensive manner adjustment measures in various troubled industries. In detail, Peter Cornell and Paul Gorecki analyse the situation for shipbuilding, pulp, automobiles, textiles and apparel in Canada. So do Gary Hufbauer for U.S. steel, automobiles, textiles and apparel, Alan Bollard for oil refining, flour milling, meat packing, automobiles, and textiles in New Zealand, Robert Gregory for footwear, automobiles, textiles and apparel in Australia, Pang Eng Fong for shipbuilding, oil refining, textiles and apparel in Singapore, Yin-Ping Ho and Tzong-Biau Lin for plastic goods, electronics, wigs, textiles and apparel in Hong Kong, Rong-I-Wu for plywood, canned food, and automobiles in Taiwan, Ji-Hong Kim for shipbuilding, coal mining, textiles and apparel in Korea, and, finally, Sueo Sekiguchi for shipbuilding, and paper in Japan.

The country and industry studies do not follow a common methodology which perhaps could have been useful in systematizing the origin of "distress"; for instance, either more demand induced adjustment pressure (secularly declining income elasticities of demand), or foreign trade induced pressures (after liberalizing imports), or technology-induced pressures (as a result of important process innovations). However, the freedom given to the authors to explain the background of distress and the domestic adjustment policies to cope with the problems, has brought a rich harvest of facts, assessments and policy implications.

Beyond all differences in reasons for, and responses, to distress, I see two basic outcomes supported in this volume. First, resource-rich countries have been more plagued with temporary distress than resource-poor countries because of the burden of an appreciating exchange rate on the industrial sector and because of the generally higher importance of external shocks. Second, the studies show that the "Asian population" countries did not rely as much on the protection of factor income through import protection as the "non-Asian population" economies (United States, Canada, also Australia and New Zealand), and that they targeted aid for adjustment assistance more directly to the companies and workers rather than to the goods they produced. In brief, import protection through VERs and other NTBs seems to have enjoyed a stronger weight in the toolbox of the latter than the former type of countries. It is perhaps because of this more market-oriented approach that countries like Taiwan, Korea and Japan, not to speak of the city states Hong Kong and Singapore, seem to have better records in managing adjustment including wage bargaining.

Overall, despite the fact that the volume has suffered somewhat from a publication lag (the majority of the studies covers the period until 1986–87), it can be strongly recommended to all scholars working on adjustment pressures and assistance policies for industries in open economies.

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Human Resources Development in South Asia. **Edited by Sirajuddin H. Salleh and Sant B. Gurung.** Kuala Lumpur: Asian and Pacific Development Centre, 1992. Pp. 222.

Human resources development is a pre-condition for economic growth. Countries are underdeveloped because most of their people had no opportunity to expand their potential capacity in the services of society. Needless to say, economic development is essentially the result of human efforts. In a very real sense, the wealth of a nation and its potential for social, economic and political growth come from the power to develop and effectively utilize the inner potential of human beings. Human resources development, thus, is a very meaningful indicator of modernization or development. Investment in human beings does not promote continuous economic growth unless it is accompanied by investment in physical capital. But if human capital formation is insufficient, physical capital cannot be productively used. This has been well-demonstrated by Denison, Schultz and many others.

It, thus, becomes very essential to take stock of the problems of human resources development in less developed countries (LDCs). A recent attempt in this direction was made by the Asian and Pacific Development Centre of Kuala Lumpur. This book is the outcome of a comprehensive research programme on human resources development in the South Asian region. It examines in detail the human resources development problems of four South Asian countries namely, Bangladesh, India, Nepal and Sri Lanka. The study on every country presents a common thematic schema: employment and unemployment problems, stock of human