

the crisis would seem to be closely linked to *political imperatives* suggesting that the *leadership would be able to abandon them only with great difficulty*.

For the sake of the Filipino people let us hope that Mr Marcos will change the direction of economic policies if not abandon them and prove that the last prediction above has been overly pessimistic.

One area analysed in the report is the distribution of income and the people's welfare. While this background aspect of the crisis has not received as much attention from the press, both foreign and domestic, it is fundamental to the problem. The deterioration of the people's welfare, especially the urban poor, as reflected in the deterioration of the real wage rate of urban industrial workers in spite of decreed "cost of living allowances" (which are not fully implemented anyway) is central to the economic crisis in the Philippines, more than the difficulty of meeting external debt payments on time. They represent solid incontrovertible evidence that the welfare of the Filipino people has deteriorated (especially the urban and rural poor), and this constitutes the real crisis. The data presented are difficult to interpret otherwise.

Exhibiting commendable restraint, as to be expected from academic analysts, the several authors have toned down the polemics in most of the chapters in trying to be as objective as possible. More radical readers therefore might find the analysis (Chapter 3) and the resulting recommendations (Chapter 4) too conservative for their taste. For example, it does not advocate the repudiation of the external public debt. Undoubtedly many technocrats from within the Marcos government might find the analysis quite off the mark.

Compared with similar tracts, however, the present report stands out as one of the more objective and realistic; their recommendations deserve serious consideration by all concerned Filipinos, not only incumbent policy-makers. Hopefully, other parties including negotiators representing creditors, whether commercial

banks or international financial institutions (the World Bank and IMF), will also take heed.

AGUSTIN KINTANAR, JR.
Institute of Southeast Asian Studies

Economic Restructuring in Singapore. By Lim Chong Yah. Singapore: Federal Publications (S) Pte. Ltd., 1984. Pp. 117.

This book brings together a number of presentations made by the author on the subject of economic restructuring in Singapore, reflected particularly in the functioning of the National Wages Council (NWC) and the setting up of the Skills Development Fund (SDF). The author's insights into the subject are of special interest as he has been the "neutral" chairman of the NWC since its inception in 1972.

Economic restructuring, in the Singaporean context, implies "the displacement of highly labour-intensive, low value-added, low technology and low productivity economic activities with capital-intensive, high value-added, high technology and high productivity activities" (p. 95). Chapters 2 to 7 describe how the NWC plays a critical role in this restructuring process, mainly through its issuance of annual wage guidelines, taking into account factors such as productivity growth, global and domestic inflation, balance of payments, wage levels in Singapore relative to other competing countries, the general profitability of companies and the competitive position of Singapore's exports. Chapter 8 discusses the role of government in wage policy. Chapters 9 to 12 discuss the rationale and working of the SDF in strengthening the restructuring process. Chapter 13 addresses the role of the trade movement in meeting the restructuring objectives and the implementation of the necessary policy instruments.

The author hopes the book will be of interest to employers, unions, and policy-makers out-

side Singapore. However, this leads to the question of the replicability of the Singapore experience elsewhere. The author has identified the key factors facilitating Singapore's restructuring process as: an expanding economy; relatively stable price levels; high employment levels; a symbiotic relationship between the trade union leaders and the political leadership; and the voluntary nature of the principal restructuring tools. As many of the countries likely to be interested in the Singapore experience of restructuring are not generally blessed with the presence of the above facilitating factors, what can they do? Even though the author rightly points out that "the Singapore development experience . . . has no duplicate", others may still strive to duplicate some of the elements of its successful restructuring. Since a key aspect of the restructuring is to move away from highly labour-intensive and low-technology activities towards more capital-intensive and high-technology activities, it is imperative that the trade union movement must be made a part of the restructuring deliberations, particularly in deciding on the pace and extent of restructuring. Secondly, it is essential that a commitment towards skills upgrading and new skills development be seen as an integral part of the restructuring process, particularly to soothe the inevitable concerns of both the enterprise groups and the employee

groups who would find their days numbered. Thus, the *modus operandi* of Singapore's NWC and the rationale behind the setting up of the SDF deserve particular attention by any country beset with structural difficulties in its economy.

There is one point which could have been elaborated upon. While Singapore's price level changes during the restructuring period have been reasonable, the author does not explain how this has been accomplished except for mention of the increases in Central Provident Fund (CPF) contributions to reduce the potential for demand-pull inflation. It would have been useful to know the role expected of and played by businesses in Singapore, in making the restructuring process work. For example did they have to modify their short-run profit expectations? A fuller account of the employer contribution to the restructuring process would have enhanced the value of this account of Singapore's economic restructuring.

The book is well written and avoids the use of jargon. Students, as well as practitioners of public policies in both developing and developed economies, will find much food for thought in its contents.

ASIT K. SARKAR
University of Saskatchewan