

corroborated similar findings of others for Canada and the United States.

What makes VER particularly pernicious are the long-term effects. Protection turns inefficient losers into inefficient profit-makers. New capital will be invested and young workers will be trained in industries that should not have had life support systems connected. New vested interests are created each day, to be sustained at the cost of the living standards of the general public in the importing country. If there is any hope, it lies in public opinion being aroused by books such as this one by Greenway and Hindley. Unfortunately, studies with formula and notes in small print do not drive people to the barricades. This excellent book is recommended to students of international trade policy and industrial organization, but especially to editorial writers, politicians, and senior civil servants.

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Singapore: Resources and Growth. Edited by Lim Chong-Yah and Peter Lloyd. Singapore: Oxford University Press, 1986. Pp. 278.

“How did Singapore do it?” is a frequent question addressed to anyone presumed knowledgeable about the spectacular progress of the city-state from a poor, riot-torn colony to the Switzerland of Asia. This book, edited by Professor Lim of the National University of Singapore and by Professor Lloyd of the University of Melbourne is a good place to look for the answers. A great location, the energies of an immigrant society, an able, determined, and pragmatic government, and a prosperous global environment are clearly the main ingredients of Singapore’s success. The manuscript for the collection of essays was completed before the end of 1984, therefore by necessity, its descrip-

tion of events, institutions, and policies excludes those arising in the course of the 1985 recession and its aftermath. Curiously, this reader found himself at no disadvantage: the first twenty-five years of what is now the Republic have their own economic story to tell.

All contributors to the volume are, or were, teaching in the Department of Economics and Statistics at the National University of Singapore. Professor Lim, the head of the Department, introduces their work in an essay combining paternal pride with surprising distance. The technical brilliance of Tsao Yuan’s paper on sources of growth is deserving of a better statistical base than she had to work with, but that may very well hold wherever she goes. Wong Kum-Poh looks with competent ease at savings and investment. Because he deals with Singapore, all rates are high in relation to the major developed countries, to ASEAN, to South Korea and Hong Kong. Chia Siow-Yue surveys direct foreign investment and industrialization, and raises questions on the opportunities open to local entrepreneurs in an environment where they have to compete for inputs and product markets with the much better established multinationals. She questions the continuing policy of permitting 100 per cent foreign ownership, because of its “low catalytic and linkage effects . . .”, and recommends, instead, joint ventures and non-equity based technology imports. It should be interesting to see the results of benefit-cost studies on her proposals.

Chew Soon Beng deals with the influence of education and of wages policy on employment and earnings. This essay, among other things, reports on the results of a survey of employers in the electronics industry. In a very valuable essay on the demographics of Singapore, Saw Swee-Hock does a workmanlike job on the long-run fundamentals, particularly by pointing to labour shortages down the road.

To the reader not too familiar with Singapore, Peter J. Lloyd and Roger J. Sandilands present a good descriptive and analytical chapter on foreign trade and commercial policy.

This contribution should make a useful addition to the reading list of Development Economics courses everywhere. The final chapter on the role of the government by Ow Chin-Hock should be of great interest to students and to foreign readers who do not really know the Singapore story.

This volume of essays is useful to students, to specialists on Southeast Asian economies, as well as to the general reader who wishes to know what is worth knowing about the economic development of Singapore between 1959 and 1984.

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New Economic Dynamo: Structures and Investment Opportunities in the Malaysian Economy.
By Fong Chan Onn. Sydney: Allen & Unwin, 1986. Pp. xvi, 191.

New Economic Dynamo is the latest book by one of Malaysia's most prolific economists, Fong Chan Onn. It is an attempt to provide a business-oriented overview of the Malaysian economy. The back cover blurb claims "this is the first book to provide a concise, broad description of the Malaysian economy and its new business and investment opportunities".

While having broader appeal, this book is clearly written for a business audience, especially in its later chapters. The nine chapters fall broadly within three sections. The first, comprising chapters 1 and 2, provide a useful review of the socio-political environment (history, constitution, the New Economic Policy), and a general review of the economy up to the early 1980s. Next, chapters 3 to 7 examine important sectors of the economy. These include (physical) infrastructure, the banking and

financial system, the labour market (including, briefly, trade unions), and the marketing system. The approach in each of these chapters is largely fact-oriented and institutional, rather than issue-oriented and analytical.

The third section of the book examines the business environment in more detail. One chapter outlines the system of business regulation, including licensing, taxation and fiscal incentives. Another canvasses investment opportunities in a range of activities from agri-business through to construction. The final chapter, "Starting a Business in Malaysia" is a business compendium of facts and figures. Five appendices provide additional business information.

As a guide to business in Malaysia this is a useful contribution. The strengths of the book are that it is well-written, informative, and comprehensive; the tables and figures (all fifty-six of them) have been put together with a good deal of care; and the author's credentials as one of the country's foremost business economists are impeccable.

This is not meant to be an academic textbook, and it is inappropriate to review it only according to academic standards. However, in future editions it might be strengthened in at least two directions. First, while the description of the business environment and institutions is very detailed, there is less information on the practical operation of the system. Are all regulations implemented with equal vigour? How important are "bureaucratic politics" in the commercial environment? What significant changes have occurred in the last decade, especially with regard to the NEP? These are, of course, complex and sensitive questions and the author could fairly reply that they are better discussed in other forums.

Secondly, the reader gets only a passing glimpse at some of Malaysia's major development issues and debates. This is perhaps not an important area for business, but these debates will condition future economic policies. One obvious issue is the viability of Malaysia's push for heavy industry, beginning in the late 1970s.