

energy-exporting countries. Efficient and effective energy pricing policies, demand management, and conservation policies are equally important for increasing energy export potential for the oil exporting countries. Also, the breadth of the topics covered in the book is wide and is at the expense of depth. One of the policy reactions of the oil importing countries of the oil shock was to increase the domestic energy supply. Investments for oil and gas exploration were increased and development activities of renewable resources were intensified. Very little attention to this aspect is given in the book. Similarly, how the energy rationalization policies were carried out in the countries studied has not been discussed in detail. This could be due to the lack of data.

Nevertheless, the book is a valuable contribution for those interested in the energy programme and policies of the oil-importing developing countries.

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***The Philippine State and the Marcos Regime: The Politics of Export.* Gary Hawes. New York: Cornell University Press, 1987. Pp. 196. US \$27.50.**

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This is a book of five chapters. Creation of the Philippine Political Economy is discussed in the first chapter. The economic and political importance of the coconut, sugar, and fruit products industries is the theme of the next three chapters. The fifth chapter is about the state and regime in the Philippines context.

To explain the particular path of economic and social progress of the Philippines, the author emphasizes three broad historical trends or turning points: the emergence of a landholding élite, the diversification of the élite after World War II, and the breakdown of élite cohesion in the 1960s.

The landholding élite emerged in the Spanish colonial era and flourished under U.S. rule during 1898–1946. The landlords, like the industrial investors of modern times, looked for stable governments so as to preserve their property interests. American rule had two major impacts: development of free trade between the United States and the Philippines, and the evolution of a democratic system of government dominated by the landholding élite at the time of independence in July 1946. World War II, however, destroyed the economy and to obtain economic assistance from the United States, the Philippines Trade Act of 1946 had to be legislated in order to promote free trade between the two countries and the flow of capital from the United States. These reconstruction measures strengthened the primary export sector of the Philippines and ensured the economic progress of the large landholders. In addition to the strong economic and political relationships, in 1947, the United States and the Philippines entered into the military bases agreement (due to expire in 1991).

By the late 1940s, however, the Philippines found itself in a new economic crisis. The Philippines leadership imposed import restrictions in 1949 and exchange controls in 1950. These and the high tariffs enacted in 1957 ushered in a decade of import-substituting industrialization. They also established new profit opportunities outside the traditional agricultural arena, and the economic élite diversified. Moreover, the central government in Manila became very powerful, with numerous controls and regulations, and several technocrats occupying important decision-making roles. The 1950s and 1960s also saw a rising wave of nationalism.

Diversification of economic élite, growth of the needs of central decision-making, and the rising nationalist sentiment contributed to a breakdown of élite cohesion in the 1960s. The economic and political scene further changed when Marcos declared martial law in 1972. Economic incentives shifted dramatically in favour of exporters and foreign investors.

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After a description of the processes of emergence, diversification and breakdown of elite cohesion, Dr Hawes provides the link between the first chapter and the next four in two key statements:

For a study of the Philippine political economy which seeks to place the Philippines in comparative perspective — one which is interested in explaining the rise and the collapse of the authoritarian rule of Ferdinand Marcos — there is no better place than the agricultural export sector on which to focus our attention (p. 46).

Marcos certainly asserted tighter personal and national control over agricultural exports, and the story of how those industries were used to strengthen and legitimize Marcos's authoritarian rule is told in the next two chapters. But the actions of the Marcos government with respect to the agricultural export industries were also important for the reconsolidation of class domination in the Philippines around a new, export-oriented version of development (p. 54).

The expansion of the Philippine coconut industry was largely the result of the United States protecting the Philippines against its competitors. Initially, copra was the main export, but over time, coconut oil took the lead with the establishment of a number of oil mills during the inter-war years. In the world coconut oil market, the Philippines share rose over time and reached 73 per cent in 1975. Most of the exporting mills, however, were not owned by Filipinos, but by Chinese and Americans.

After the declaration of martial law, the Philippine Coconut Authority (PCA) was established to become the central agency to control the coconut industry. With the commodity boom in late 1973, export and domestic prices soared. A Presidential Decree of August 1973 empowered the PCA to collect a levy of 15 pesos per 100 kilos of copra sold, raised to 60 pesos in

1974. PCA meanwhile acquired an ailing bank, and renamed it United Coconut Planters Bank. A subsequent Presidential Decree provided the funding and legal framework for acquiring coconut oil mills. By early 1980 the coconut-oil-milling industry for the most part had been acquired by the United Coconut Planters Bank. The PCA, the Bank, and the mills, along with a major hybrid coconut seednut farm and various other organs were all under the control of a few individuals, rather than the numerous landlords, farmers, tenants, and workers.

The regime under President Marcos was inefficient and corrupt, and served his and the cronies' interests. This much is quite clear from the first four chapters of Dr Hawes' book. "However, if we move from the Marcos regime and its support to what the fourteen years of authoritarianism represented at a more structural level, at the level of the state, we see a somewhat different picture emerging" (p. 131). This so-called "different picture" in Dr Hawes' discussion in Chapter 5 is woven around two key attributes of the Philippines state. First, the state was primarily a set of coercive and administrative organizations. Second, it was a class state defining the interests of the bourgeoisie as a whole, though it favoured particular segments at times. These attributes assisted two political trends. First, cronies, state enterprises, producers for local market, and producers for world market (the four class segments according to Dr Hawes) struggled to gain control over the coercive and administrative organizations of the state. Second, international actors (for example, the United States) also influenced the political system and supported those development and security policies that best suited their interests.

According to Dr Hawes, even though the regime changed in the Philippines in February 1986, not all attributes of the state changed. The cronies had gone for all practical purposes, but all other segments are very much there. It will take a lot of political and managerial skill (and some serious land reforms) to bring out the best economic performance from the diverse special

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interest groups for the benefit of the poor and downtrodden.

If the reader wants to discover more than already known facts and inside stories about coconut and sugar, about Marcos and his friends, and about the vast links between the Philippines and United States of America, the book must prove a disappointment. But a

scholar interested in various types of qualitative political economy models might find an interesting model in Dr Hawes' work.

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