

9 per cent of GNP in 1981 and for the maintenance of a public investment rate of about 5–5.5 per cent of GNP during the 1987–91 period in order to “encourage private initiative, reduce government intervention and eliminate favoritism” (p. 45). The privatization of public corporations heads the list of urgent policy concerns. Some of the important public corporations which are considered for privatization are the Philippine Airlines, the National Food Authority, the National Development Corporation, and the Philippine National Oil Company. In line with the new investment programme, there is a need to reorient expenditure priorities towards agriculture, transportation, watersupply, and telecommunications.

Chapter three points out that the agricultural and industrial sectors are the productive sectors “which will provide the real resources to supply domestic demand and to pay for import needs” (p. 47). The report recommends, in detail, various reforms in the agricultural and industrial sectors, particularly those measures which affect these sectors (and their components) directly, in order to sustain economic growth.

Finally, with respect to the appendix, the last ninety pages of the report show the painstaking effort of the mission members in carefully putting together eighty-two tables of statistics. Although not totally utilized in the main report, these data will definitely prove to be useful for further analytical studies.

The strength of the report lie in its attempt to come up with short- and medium-term prognoses of the Philippine economy, and to recommend policy strategies for sustained economic recovery. The report as it stands is certainly informative, well-written, and comprehensive in its analysis of the Philippine economy and related conditions.

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*Socio-economic Development of ASEAN: An International Perspective.* By **Habibullah Khan**. Singapore: Chopmen Publishers, 1986. Pp. iv, 104. Paperback.

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This monograph tries to make sense of development data relating to some 127 countries for the years 1970 and 1980 on 132 development indicators — 66 of which represent the “social sector”, 58 are “economic indicators”, and 8 are “indicators on agriculture” — and place the socio-economic development of the ASEAN countries in an international perspective. As one of the first of its kind on ASEAN, the book and efforts of the author deserve credit and congratulations.

Given that cluster analysis techniques are rarely applied on economic data, the author scores another first in using it to understand the variations in patterns of development and to classify countries according to various development patterns. The explanation of the methodology used is clear.

In the absence of a conceptual framework to link the variables included in the study, the analysis, however, turns out to be an exercise in rank empiricism, notwithstanding the sophistication in the statistical procedure used. The analysis is not only atheoretical but also ahistorical in the sense that it neither assesses a country's development with a historical perspective nor in the light of its resource endowments. Because of the above, meaningless statements such as the following are made: “It can be observed that Singapore made progress in all areas excepting agriculture during the past decade where her position actually deteriorated. The declining agricultural production in the country can be attributed to the fact that more and more farmland were acquired by the government for residential construction, port utilization and recreational purposes during 1970–1980” (page 58). “Singapore, for example, can considerably reduce its difference

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with western industrialized countries such Germany, Belgium, United States etc. by improving the areas reflected by the indicators such as MAIL, DOM, TELEPHONE, PAPER, TRACTORS, NEWSPRINT, EX. DIVER, and so on" (page 99). MAIL, DOM is domestic mail (received and sent) per capita and TRACTORS is "use of tractors per 1,000 hectares arable land". Such statements result from the lack of a comprehensive analytical framework to examine the complex set of variables. Increase in sophistication in statistical analysis is no substitute for such a comprehensive theoretical, historical, and contextual perspective.

Failure to start with an appropriate conceptual framework also results in further difficulties. For example, the rationale for inclusion or exclusion of several variables is not presented. An example of the latter is the non-inclusion of an indicator of leisure. As an example of the former, we can consider what the author terms social indicators. These are classified into demographic, health and nutritional educational, housing, cultural and political indicators. Among these we choose the political indicators. Under this the following variables are included: defense expenditure as a percentage of GNP, military personnel per 100 population, voting participation as a percentage of the total electorate, political stability index (average tenure of a national executive/ruling group), "death from political violence per one million population" and "ethnic and linguistic fractionalization". The index representing the last of the above is said to range from 0 to 1 and "is calculated with data for 1960-1965". (The reader is at a loss to know the method used in the calculation of the index.) The theoretical rationale for inclusion of these variables as a dimension of development is not adequately presented. To illustrate the futility of these indexes to measure development, we may use several examples. Take the case of Switzerland. The ethnic and linguistic fractionalization index would be on the very high side. Does it imply that the de-

velopment level of Switzerland would be on the low side? The political stability index for Burma would be very high for the period under consideration — does it mean that its development level would be high? Among demographic indicators are marriage rate and divorce rate. The relevance of the above for the subject matter of the study is hard to understand.

The literature review used is also inadequate in the sense that it overlooks, among other things, the "input-output" approach suggested by Hicks and Streeten (1979). According to this approach, inasmuch as development is meant to improve the quality of the life of the people, it is possible that the ranking of countries that has been achieved with the help of so many variables and a sophisticated analytical methodology could have been achieved with the following five variables alone: (1) health assessed by life expectancy at birth; (2) education indicated by literacy and primary school enrollment; (3) food indicated by calorie supply per head; (4) water supply indicated by infant mortality rate and the percentage of the population with access to potable water; and (5) sanitation indicated by infant mortality rate and the percentage of population with access to sanitary facilities. The above list, as can be noticed, leans more on the side of results than on inputs. It is suggested that this short list should be made even shorter by limiting it to only life expectancy at birth. Because life expectancy at birth itself is a

kind of weighted composite of programs in meeting physiological basic needs. It has the advantage of capturing the impact on individuals, not only of non-market factors, but also of income net of taxes, transfer payments and social services (Hicks and Streeten 1979, p. 578).

If at all one more measure is needed, then a measure of literacy would be the most appropriate. The regression analysis using "the index of basic needs fulfillment" comes close to the approach of Hicks and Streeten but fails to shed much light on the relationships because of the loss of valuable information that occurs

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when a large number of variables are combined into a single index.

The copy-editing and printing leaves a lot of room for improvement and gives an impression that the production was done in a hurry. The title for section 3.2.3 reads as follows: "INTERNATIONAL OF RESULTS (sic)". An inconsistent citation style has been followed. In some instances the full citation is given in the text within parentheses (see page 40, for example) while in most instances the conventional author-year format is used with the full citation appearing in the bibliography. The name of an "author" in page 16 is given as "The State of Food and Agriculture" and a sensible contextual guess at the author is the Food and Agricultural Organization. These are only a few examples of the errors: sloppiness abounds.

Overall, with the use of an appropriate conceptual framework, the painstaking and innovative statistical analysis carried out in great detail would have paid better dividends and resulted in more useful policy guidelines. The author, however, merits compliments for a pioneering piece of research relating to the ASEAN countries.

#### REFERENCE

Hicks, Norman and Paul Streeten. "Indicators of Development: The Search for a Basic Needs Yardstick". *World Development* 7 (1979): 567-80.

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