

*Kilian Sihotang*

**Private ausländische Direktinvestitionen in Indonesien:  
1870–1980, Rahmenbedingungen, Struktur und Entwicklungseffekte**

Bochumer Materialien zur Entwicklungsforschung und Entwicklungspolitik, Institut für Entwicklungsforschung und Entwicklungspolitik, Ruhr-Universität Bochum, Band 26, Edition Erdmann in K. Thienemanns Verlag, Stuttgart 1983, 415 pp.

Foreign investment in developing South-east and East Asia has been a popular subject in development economics. In many ways, this region has come to be the third post-war economic success story after the economic rise of the Federal Republic of Germany and Japan. The rather unique and comparatively pragmatic policy approach toward foreign investment, pursued by most countries in the region, makes an examination of the large amount of foreign investment to the region particularly interesting. The political and scientific controversy on the development effects of foreign investment adds to the popularity of the subject. Yet, many studies in this field have been rather meatless and recapitulated only already existing knowledge. This has been a particular problem in Indonesia, where data sources on foreign investment have been scarce. In 1980, for instance, a working paper of the Joint CTC/ESCAP Unit on Transnational Corporations of the United Nations Economic and Social Commission for Asia and the Pacific concluded that »the present basic structure of foreign investment in Indonesia is not well understood (and that) there is practically no data on TNCs' (transnational corporations') value added, imports and exports, balance-of-payments effects or tax contributions«.<sup>1</sup> Against this background, Kilian Sihotang's study »Private foreign direct investment in Indonesia from 1870 to 1980« stands out as a very important contribution. The study traces in great detail the structures and economic effects of foreign investment in Indonesia since the liberalization of the Dutch colonial policy in 1870. It pays particular attention to the interdependence of patterns of, and economic policies towards foreign investment. While conceptual framework and methodology are conventional, the analysis distinguishes itself from other studies in the same field by at least three strong points:

1. The historical dimension brings out clearly the long-term repercussions of foreign investment inflows and reveals the continuity of the ambivalence of the political class towards foreign investment, underlying the abrupt turn-about in Indonesia's foreign investment policy.
2. The study covers not only the comparatively well-researched manufacturing sector but also the all-important oil and gas sector as well as the plantation sector, banking and insurance and trade.
3. Throughout the study, Kilian Sihotang has been able to extend the scope of empirical knowledge on the role of foreign investment in Indonesia. This, in fact, appears to be

1 Economic and Social Commission for Asia and the Pacific, Joint CTC/ESCAP Unit on Transnational Corporations, Annotated bibliography on transnational corporations in the ASEAN region, working paper No. 10, Bangkok, July 1980, p. 18.

the most important contribution of the study. Drawing on so far unpublished official papers and evaluating normally inaccessible primary data from various government sources, the author presents a number of new indicators and estimations regarding the performance and effects of foreign investment in Indonesia. Foreign direct investment (incl. oil), for instance, is found to have contributed 17.8 per cent of gross domestic capital formation between 1969 and 1980, 71 per cent of government's domestic revenue in 1981 and at least two thirds of Indonesian exports over the 1970s.<sup>2</sup> In the second half of the 1970s, the net resource effect (inflows of capital minus outflow of capital and profits and dividends) has been negative and may further increase in the future.<sup>3</sup>

Kilian Sihotang's study is presently the most comprehensive macroeconomic evaluation of foreign investment in Indonesia. It should be useful reading for anyone interested in economic development in Indonesia. Unfortunately, the potential readership is greatly limited, as the study is published in German. As far as this series of publications is concerned, it is not understandable why the Institut für Entwicklungsforschung und Entwicklungspolitik in Bochum does not encourage its PhD candidates to submit their dissertations in English or any other language, which would permit a better realization of their intrinsic value.

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**Politics in Mexico**

London–Sidney–Dover, 1985, 223 S., 19.95 £.

Dieser Band umfaßt 13 Vorträge einer im Juni 1984 in London gehaltenen Tagung der British-Mexican-Society, so daß zunächst die große Aktualität wohltuend auffällt. Ihr wird Rechnung getragen mit den Beiträgen von William Chislett zur Finanzkrise Mexikos, S. 1–13, zur Wirtschaft, Barbara Wijngaard, S. 86–96, zur Bankenverstaatlichung, Diane Steward, S. 137–157, zur Ernährungskrise, John Heath, S. 97–136, sowie zur Agrarfrage, Lourdes Arizpe, S. 206–220. Zu diesen ökonomischen Themen gehört auch das der mexikanischen Wanderarbeiter, David W. Walker, S. 171–193 mit ausführlichen Nachweisen.

Hier von größerem Interesse ist der Artikel von Norman E. Cox, Changes in the Mexican Political System, S. 15–53, ergänzt durch Georg Philip, Mexican Politics under Stress; Austerity and After, S. 54–78. Cox geht auf das politische Programm de la Madrids für ein wahres municipio libre ein und weist auf die Gefährdung des PRI im kom-

<sup>2</sup> See pp. 295, 324 and 340–346.

<sup>3</sup> p. 333.