This is an ambitious project that deals with a big issue in present-day development studies: why do Asian countries perform on the whole so much better than African countries? The choice of countries here is particularly apt as these countries are similar in so many respects: both are big, populous countries; both have a large Muslim and a large Christian population; both have a history of military government; both are oil producers and both are perceived as problematic with respect to good governance. Indonesia is at place 143 and Nigeria at 147 in the Corruption Perception Index of Transparency International. Yet, as the most striking chapter in this book – Chapter 6: Comparing Economic Performance - shows: Indonesia’s economy grew much faster than Nigeria’s. In 1965 Indonesia’s per capita GDP was lower than Nigeria’s, whereas in 2000 Indonesia’s per capita GDP was five times as high as Nigeria’s. Indonesia’s exports had diversified to a large degree from oil, whereas Nigeria was extremely dependent upon oil for export revenue. Similar comparisons are made for many variables, including many social indictors that show particularly shocking comparisons with respect to the health situation. This chapter deserves to figure prominently in reading lists for development studies courses, albeit that this chapter does not take a particular prominent place in the structure of the argument.

The book is primarily a comparative historical account sandwiched between theoretical chapters that stress the importance of institutions. It is impossible to summarise the theoretical conclusions in a review, but a crucial sentence is: “The comparison of Indonesia and Nigeria highlights the importance of developmental leadership in shifting the equilibrium of developing economies towards productive accumulation. The stability of Soeharto’s regime and his relatively consistent commitments to growth reveal a marked contrast to the sporadic tenure of Nigerian leaders and their strategies of clientalism, distributional politics, and economic predation” (p.278/279). Elite co-ordination and growth coalitions are key words in explaining the Indonesian success. This is then in contrast to: “In Nigeria, the polarization of political elites and the weakness of central institutions gave rise to a more fragmented, competitive and anarchic realm of rent allocation and corruption” (p.285).

Progressing through the book, I was reminded more and more of the structural-functional analyses of the 1960s. Development depends upon modernising elites that aggregate conflicting demands. This modernist perspective is reinforced by the stress on the importance of technocrats: the so-called Berkeley mafia of economists had influence in Indonesia whereas the influence of economists in Nigeria was stifled by predatory demands when they tried to structure the Nigerian economy along economically sound lines during Babangida’s regime. These sound lines correspond to the neo-liberal agenda of macro-economic stability: a small state that intervenes as little as possible in economic life and keeps the economy open to the international environment.
Yet, the idea is not entertained that the forces militating against this may be responsible for Indonesia’s economic success as well. Lewis laments, for example, that the Asian crisis of 1997 did not lead to a proper restructuring of the economy by weeding out bankrupt enterprises. For instance: “Substantial assets appeared to have been shuffled among state-managed accounts rather than transferred to private buyers, and in several instances the former owners of insolvent banks apparently maintained their interest even after they were supposedly divested” (p.225). It may seem highly rational to have a proper bankruptcy law and rely on such procedures in rationalising the economy. However, that may have been much more disruptive of economic activity and harmful to productive assets than the highly particularistic practices that left much disputed ownership intact. It may explain the short and seemingly miraculous recovery of Indonesia from the Asian crisis. That recovery is not explained here.

Nationalism is another factor that seems to be relegated to the irrational. For example, state efforts to establish an industrial base in Nigeria get short shrift. However, during a recent visit to Nigeria I found strong convictions among professional economists who had been part of the reform in the Babangida period that protection of infant industry should not be a thing of the past, and even a defence of import licensing to protect nascent industries could be heard. It may be that the technocrats had more complicated sentiments than the carrying out of a neo-liberal agenda.

The historical trajectories of these countries are presented in a straightforward manner that does not dwell on complications. Soeharto’s ruthless dealing with the PKI is mentioned in one paragraph on p.69. Is it a mere incident in the story of the New Order or is it an essential element? In the Nigerian story, some attention is given to agriculture, but the remarkable rebound of this sector since the incomplete economic reforms in the mid-1980s is mentioned in passing. Again, is this an incident or also an integral part of the Nigerian story? The problem is that there is a temptation in this kind of work to fit facts into an ex-post explanatory framework. Courageous intellectual efforts as found in this book need continuous confrontation with high quality, detailed contemporary political and economic history. The book left me with an urgent need for more of the latter. Needless to say, wide note needs to be taken of a book that gives rise to such challenging queries.

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