divides countries which have not suffered strong shocks such as famine, drought or war from 'all countries'. Comparing those which suffered such shocks with those which did not may not give rigorously exact results, but it is clear that adjustment programmes reduce the ability to weather the effect of shocks on GDP and gross domestic investment. While countries suffering such shocks show the least decline in per capita consumption over the period 1980-7, and better GDP growth than those with reform programmes and shocks, or with no adjustment and no shocks, and possibly even better than those with adjustment and no shocks. They also seem to have done better in terms of export volume than those with strong shocks and strong adjustment programmes, or than those without such adjustment which suffered no shocks.

The second document, **The Challenge of Hunger in Africa**, although it is subtitled **A Call to Action**, does not offer a clear course of action to ensure food security at all. It lists a wide range of possible actions, without detailed guidance on which might work in which circumstances, and comes down to admitting that food relief programmes may well be necessary during periods of 'structural adjustment'. For proof that 'adjustment' offers long term solutions, we must look elsewhere, perhaps to Africa's adjustment and growth, but we would search there in vain. On the contrary, figures now available for the OECD countries (quoted in Westlake, 1989), where there is long experience of 'adjustment', shows that those which have 'adjusted' have done less well in terms of employment, output and consumer prices.

A worrying implication of this publication is that food relief may be offered to countries in difficulties on condition that 'structural adjustment' is accepted. But if the adjustment results, as seems likely, in increasing acreage and investment given over to export crops, rapidly dropping export prices and export volumes either decreasing or not increasing to match decrease in unit prices, will the apostles of 'adjustment' continue to give food relief to these basket cases?

Reviewed by Brian MacGarry, Silveira House, Harare.

Reference

Westlake Melvyn (1989) "Economic Eye" in **South** magazine, July 1989, p 17.

Planning for Basic Needs: A Soft Option or a Solid Policy. A Basic Needs Simulation Model Applied in Kenya, Rolph van der Hoeven, Gower, Aldershot, 1988 (380pp, £25 hbk).

This book by Rolph van der Hoeven is yet another piece of important research to be published under the International Labour Organisations's (ILO) World Employment Programme (WEP) since its pathbreaking conference in 1976. The ILO Mission to Kenya had, in 1972, stated that:

> "We identify the main problem as one of employment rather than unemployment. By this we mean that in addition to people who are not earning incomes at all, there is another - and in Kenya more numerous - group of people, who we call the 'working poor'".

However, at the 1976 WEP Conference, it was realised that just the employment strategy by itself was not enough, but that (p31):

> "employment issues are intimately connected to the wider issues of poverty and inequality, and it is in this context that they need to be examined".

Van der Hoeven's intention is not to provide a defence of the BNA, but rather to show how it can be used as a basis for planning the development of a particular developing economy: Kenya. He, therefore develops a Basic Needs Simulation Model and applies it to Kenya. In order to sell the model, he has to convince people that BNA is a viable option. He therefore considers the various criticisms against BNA. He considers a serious objection to be provided by Deepak Hall (1983) who argues that basic needs policies lead to more state influence, and arrives at an erroneous conclusion that state involvement is anti economic growth. The 1976 WEP Conference Report stated that (p53):

> "A major strategic choice is that between an essentially public and an essentially private productive sector. It should be noted, however, that this has little to do with the controversy between planning and the price mechanism."

This statement in a way cushions the proponents of BNA against the neoclassical group as represented by Hall. In developing the model, Van der Hoeven separates basic needs into those provided through public services and those provided through private consumption. Basic needs like education and health are provided through public means while others like nutrition are "exclusively a matter of private expenditure." He, therefore, sees no contradiction between the creation of a 'public sector' in the national economy and the BNA, but is also clearly against the centralisation of decision-making powers in the economic sphere. On this point, there appears to exist nothing but an apparent disagreement between BNA and Hall's school. The message from the proponents of BNA is really that it is only by decentralising government actions that the needs of the poor are satisfied in the best possible way.

A major weakness of BNA is its failure to, as it were, incorporate a class analysis. As a result, the approach is concerned more with a large group called 'the poor'. This is, however, an attempt to fill an intellectual and ideological gap left by the demise of growth and employment creating strategies. It therefore attempts to integrate the growing demands for progressive transformation in countries like Kenya with the overall development requirements. For the BNA group, the growing socioeconomic problems of developing countries are caused by an incorrect organisation of economic processes, and not by the contradictions in the existing mode of production.

As a strategy of development, BNA is, however, a significant improvement on the the limited growth orthodoxy framework. As Van der Hoeven puts it, BNA is concerned more with the supply side of the problem, and can therefore contribute positively to the process of adjustment. The difficulty is, therefore, how to move from this theoretical level to a practical approach that can effectively deal with the complex socioeconomic development problems that bedevil many developing countries. In the third chapter, he brings us to the ground when he gives a useful overview of the Kenyan economy's development history.

In Chapter 4 Van der Hoeven zeros in on the input and output indicators of performance, which basically form the basic needs subsystem. To complete the system the demographic subsystem is added in Chapter 5, focusing on such variables as fertility, mortality, migration, labour force participation and population projections for different age groups. In both subsystems major basic needs variables and demographic variables are determined using both accounting and econometric approaches. Both demographic and basic needs variables do have an effect on other parts of the model. As Chapter 5 reveals, such interaction results in changes in the skill composition of the labour force, labour productivity, value added share in gross output, and changing patterns in consumption.

An equilibrium in the factors and goods market is a necessary requirement in the model. The supply of products is determined by the production function while demand is a result of factors such as government demand, private demand, exports and imports, which are expressed in an accounting identity.

Equilibrium should obtain in the goods market. But since the economy is a system, equilibrium must obtain in the forex, labour and capital markets as well. This is in conformity with the general equilibrium approach, which the author discusses in Chapter 9.

The quantitative description of income distribution (log-normal distribution) should not detract from understanding this important issue, along with social accounting and poverty determination.

The results of the model simulation is contained in Part III of the book, and seeing that any model should be tested against the empirical world, the inclusion of this section serves the purpose well. The main structure that could be levelled against the model, is its exclusion of a model of economic growth, explicitly including GDP which should reveal the effects of basic needs and demographic subsystems.

The advantage of the book is that it follows a quantitative approach whose mathematical clarity enhances understanding and possibilities of forecasting and performing sensitivity analysis.

In conclusion, the book makes interesting reading and is a must for all scientists with the development of the Third World at heart. One wishes a "structural adjustment" programme could see economic problems through the Van der Hoeven telescope.

Reviewed by K Mlambo and M Ncube, Department of Economics, University of Zimbabwe, Harare.

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Mkandawire T (1985) **The Informal Sector in the Labour Reserve Economies of Southern Africa**, ZIDS Working Paper No 1, Harare.

A Fate Worse Than Debt. A radical new analysis of the Third World debt crisis, Susan George, Pelican Original, Penguin Books, London, 1988 (290 pp, £4,50).

"Unlike most writings about debt this is fun to read". George says this about one of her own references, but it certainly also applies to her book. Connoisseurs of good rhetoric will like the book for its style and wit.

This book looks at the important international debt problem with erudition and even sometimes a premonitory tone. At the same time, there is a good dose of sarcasm, a modicum of the feminist touch and plenty of juicy anecdotes that add the needed pep and spice to this otherwise serious topic. Neat vignettes, or even many a surprise fact, are told with a fresh *'chutzpah'* making the book really enjoyable.

The script is packed and takes the reader step by step in unravelling the intricacies of the topic. The language is personal and adorned with colourful adjectives. I particularly enjoyed George's direct dialogue with the reader. The book needs to be savoured slowly, to better retain all the important information in it.

George is the queen of the fitting metaphors and one-liners in our trade. These are often humorous and related to a vast universal literature - from Churchill, "never before have so few been so wrong with such a devastating effect on so many" (referring to foreign debt), to Hemingway, "never send to know for whom the debt tolls; it tolls for thee". There are also references to the Prophet Mohammed, Hamlet, Hammurabi, Ricardo, Auden and Dante.

In the Introduction, George gives us an insight into the human dimensions and tribulations of writing a book like this one. The book is then divided into three parts -each proceeded by a convenient one page overview - and a Philosophical Afterword. I found the author's major original input to the debt problem mostly in Parts II ("The People and the Planet") and III ("Now What"). In Part I ("The Players