But Hal Hill is also a realist. He admits that the social achievements of the New Order regime have not been as impressive as the economic ones but still remain 'satisfactory' (p.7). Apart from the fact that surely not all commentators on contemporary Indonesia would agree with such a judgement, it also appears a bit difficult to reconcile with Hill's own opinion that 'much more could have been done' in terms of poverty eradication (p.29). In the vein of foreign assessment of Indonesian performance, Hill also subtly links Indonesian preference for foreign aid from Japan to the fact that such aid tends to lack, as he puts it, 'pontifications on human rights and economic reforms' (p.92).

The analysis is authoritative and penetrating but never loses sight of the key issues involved. Two of the latter deserve special emphasis. The first one is the dramatic restructuring of the Indonesian economy in recent years, away from supplying world markets with primary products and the dependency on oil reserves towards export-oriented manufacturing, so that Indonesia is today considered an industrializing country. The second one is the fundamental reorientation in spatial terms, away from Western Europe (including the colonial heritage) and the United States towards East Asia. Both have been mentioned before in the literature but neither has been elaborated so well or argued so convincingly on previous occasions.

Macro-economic analysis implies discussing interrelated variables. A strictly thematic approach, as the one adopted here, easily and perhaps inevitably poses some problems of composition. In Hill's book that is especially the case with the international dimensions. The external balance and debt, exchange rate management, foreign direct investment, foreign aid and export restructuring are all squeezed into one single and rather amorphous chapter (Chapter 5). Some of these 'international dimensions' also pop up elsewhere with for instance foreign direct investment serving as an illustration of economic policy under Soeharto (Chapter 6) or the promotion of non-oil exports as an integral part of industrial restructuring (Chapter 8). There is also a regional side to the 'international dimensions', referring to changing trade patterns in East and Southeast Asia, but here 'region' obviously does not mean the same as in the highly informative digression on regional disparities within Indonesia (Chapter 11).

Hill is relatively brief on controversial matters such as ecology, conglomerates and corruption. Yet these matters are mentioned which makes the coverage of this synthesis quite complete. Together with the clear argumentation and lucid style of writing, this makes Hill's book a very commendable work that should not be missing on the bookshelf of any serious student of the economy of contemporary Indonesia. The only noteworthy shortcoming concerns the presentation of the figures. Apparently something went wrong with the printing of the graphs so that a separate erratum had to be inserted at the end of the book containing the text which should have been on the axes in the diagrams. That is a regrettable blot on a book on a remarkable achievement that is itself a remarkable one.

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**Accounting for Economic Development and Social Change**. By Steven J. Keuning. *Amsterdam: IOS Press,* 1996. Pp.x + 233. £39. ISBN 90 5199 282 3

The research reported in this volume illustrates the potential of large multi-sector models. Despite there being only some 120 pages of text, it is not a quick read; the book includes 63 tables in the text and a further 41 tables in the appendices. Moreover, the tables contain large amounts of information. Excluding the short introduction, there are four chapters which can be divided into two pairs: the second and third chapters are concerned with Social Accounting Matrices (SAM), while the fourth and fifth concentrate on the System of Economic and Social Accounting Matrices and Extensions (SESAME). Throughout the book the empirical illustrations relate to Indonesia in 1975 and 1980.

The second chapter provides a standard explanation of a SAM. The main exception is the focus on income generation and proposed treatment of capital which starts from the 'actual (or expected) *cost* of capital inputs' (p.19). As with all discussions about capital the potential for confusion is great. The ideas presented here have merit, but the argument is not easy to follow, a fact not helped by the lack of practical illustration. It is also noteworthy that the discussion relates to SAMs which contain 'supply and use' tables, rather than an input–output table, whereas the Indonesian SAMs have diagonal domestic supply matrices: some comment on the implications of an absence of secondary production might have been useful for readers.

The third chapter concentrates on the information that can be gleaned from pairs of constant priced SAMs: in effect this is an extension of Leontief's index of structural change. The information content of such an analysis is large, and provides useful insights into the development of an economy. While the stages in the production of a constant price SAM are outlined in an Appendix (pp.71–7), the complex matter of the derivation of the price indices is given scant attention. Those who have worked with constant price multi-sector data may be concerned about the reliability of the indices.

The final chapter is probably the most disappointing. A description of SESAME prior to an analysis based on SESAME would arguably have been appropriate; instead it follows a study of Indonesia in Chapter 4. While hard and fast rules on the construction of a SAM, and also it would appear a SESAME, are scarely appropriate; 'guidelines on the construction of a SESAME' similar to the author's previous work [Keuning and de Ruitjer, 1988] would have been appreciated. Nevertheless the idea behind SESAME is appealing. A SAM leaves substantial gaps in the quantitative representation of an economic system; by appending modules of additional data to a SAM, the SESAME concept exploits both the benefits and discipline of a SAM while filling some of the data gaps. The extra insights this can provide into an economic system are explored in Chapter 4 by reference to Indonesia, and make a persuasive case for SESAME.

The main empirical conclusions from this study are the suggestions that Indonesia benefited from the oil boom, but that *'increases in the quantity and quality of labour are not the driving forces behind the prosperous economic development in this period'* (p.88). The former conclusion is hardly surprising, the latter should have sounded a warning. During the 1980s, the Indonesian government was forced to reform its policies, particularly with respect to taxation. The need for extensive reforms suggests the previous policies were open to substantial criticism; criticism which was scarcely forthcoming in this volume. An extension of the database to later periods, for which SAMs do exist, would have allowed an analysis of the socio-economic impacts of the restructuring on the Indonesian economy. The insights this might have provided for other economies would have been arguably a more valuable contribution.

In this short book the author set himself an extremely large and difficult task: consequently it is easy for a reviewer to find elements of the book to criticise. It is appropriate therefore to note Leontief's comment that '[T]heorizing requires inspiration and technical know-how, while data gathering – particularly for practical implementation of large models – needs much sweat and tears, and always a large amount of time and money. No wonder we face over-production of models and underinvestment – both intellectual and financial – into compilation of the data bases needed to implement them' [*Leontief, 1989: 287*].

By undertaking this research Keuning has made a valuable contribution. The weaknesses of the book are mostly attributable to its arguably over-ambitious scope: at times it is not clear whether the author is primarily seeking to expound the virtues of the SESAME approach or to provide a detailed account of the Indonesian economy. The strengths are the vast amounts of information provided about Indonesia during an oil-boom period, and the comprehensive illustrations of the ability of both SAMs and SESAMEs to systematically organise and convey information about economic systems. Unfortunately, it *is* feared that many governments and development economists will not follow Keuning's lead, but rather will continue to avoid the costs of gathering data for large models and seek solutions in the simple parables told by small and highly abstract models.

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**Social and Demographic Accounting**. Edited by Geoffrey J.D. Hewings and Moss Madden. *Cambridge: Cambridge University Press*, 1995. Pp.ix + 242. £30. ISBN 0 521 46572 9.

This edited volume is a collection of 'essays in honour of Sir Richard Stone'. According to the cover notes, the ten essays and introduction in this book provide 'a state-of-the-art account of developments and applications of the social accounting methods that Richard Stone developed and applied': this claim is not supported by the quality of many of the essays.

The primary focus of the volume is regional accounting; a subject of particular relevance today given the growing importance of regional economic relationships at the supra- and sub-national level. As such the volume is appealing, and contains some excellent contributions. Although Round's discussion on the approriate structure for a regional Social Accounting Matrix (SAM) (Chapter 2) relates specifically to Europe, it contains numerous insights that will prove useful to researchers, and provides a good general introduction to the subject matter. Similarly the two chapters by Kilkenny will be useful to researchers. The first, Chapter 3 with Rose, complements Round's contribution through its emphasis on capital-flow accounting between 50 US states. The authors' conclusions that '[F]lows of capital-related income are not normally considered adequately in input-output analyses nor in SAM analyses' and that 'the actual construction of the SAM is a major challenge' (p.59) are well taken. It will be interesting to see how the authors overcome some of the many difficulties.