

especially those operating in politically impatient environments, is the duration of the lag. Obviously, the lag can depend on many factors, and the studies of Indonesia and Morocco provide useful counterpoints between a country where it appeared to be about three years and another where it was much longer. In the same vein, several of the studies indicate that cost-of-capital considerations play an

important role in stimulating or stifling investment; others find that capital cost is less important than simple availability.

Unfortunately, readers are left to draw most of these comparisons for themselves, as the editors have not provided a concluding chapter that ties together the individual studies. This lack is especially problematic, as several of the studies give substantially more emphasis to the dis-

play of advanced methodology than to the interpretation and policy implications of their results. Accordingly, the book is likely to hold greater appeal for analysts than for policymakers.

Eugene M. Salorio
Assistant Professor
Georgetown University

BOOKS in brief

C. Fred Bergsten and Marcus Noland

Reconcilable Differences?

United States–Japan Economic Conflict

Institute for International Economics, Washington, DC, USA, 1993, 296 pp., \$19.95.

If book titles are significant, then this one should be studied with care. In naming their work *Reconcilable Differences?*, Bergsten and Noland, both of the Institute for International Economics, chose neither *Reconcilable Differences* (too cheery) nor *Irreconcilable Differences?* (too glum); instead, they trod a delicate, intelligent middle course. The book's most impressive offering is its analytical survey of the sectoral and structural impediments to trade. By their own admission, the authors notably neglect the larger macroeconomic forces shaping recent trade imbalances. The end result is a mostly unjaundiced view of US–Japan economic conflicts and a useful collection of trade measures and policy arguments. And the bottom line? Both countries must do more, according to the authors: the United States must strengthen its commitment to debt reduction and increased saving and investment; Japan must liberalize its distribution networks and improve foreign access to its markets through better antitrust enforcement and removal of nontariff barriers.

David W. Pearce and Jeremy J. Warford

World Without End

Economics, Environment, and Sustainable Development

Published for the World Bank by Oxford University Press, New York, NY, USA, 1993, v + 440 pp., \$39.95.

This comprehensive volume on environmental economics draws on a great deal of material, such as background papers and research conducted for the World Bank, that has not been readily available to the public. It also presents a more complete synthesis of the literature relevant for policymaking than has been given elsewhere, with great care taken to translate economic jargon into plain English. The authors take theoretical aspects of environmental economics and show how these theories can be applied to tropical forestry and agriculture, energy and industry, population and poverty, international trade, and the "global commons." Specific headings include such hotly debated topics as how to measure sustainable development and issues of fairness and time (discount rates). Overall, the authors argue that a balance between economic growth and care of the environment is needed in all nations—especially poor ones—to prevent environmental degradation, which results in lost economic output and endangers people's health.

Ismail Serageldin

Development Partners

Aid and Cooperation in the 1990s

Swedish International Development Authority, Stockholm, Sweden, 1993, iii + 153 pp. Available upon request.

At a time when countries are rethinking their relations in the post-Cold War climate, this volume cuts through the mist of knee-jerk generalities on foreign aid. It documents how external assistance can be made more efficient and effective in promoting economic and social development. It also examines the strategy needed to tackle what is probably the greatest development challenge of the 1990s: sub-Saharan Africa. The author, who is the World Bank's Vice President for Environmentally Sustainable Development, concludes that foreign aid—if carefully designed and monitored—is a necessary, although by no means sufficient, element in accelerating development and improving well-being, even in sub-Saharan Africa.

Credits: Cover art and art on pages 6, 11, 14, and 16: Luisa Watson. Art on pages 20, 26, 34, and 38: Mark Robinson. Art and charts on pages 24–25: Dale Glasgow. IMF photos: Denio Zara and Padraic Hughes-Reid. Bank photos: M. Iannacci.

Correction

In the article "Auctions: A Sampling of Techniques" in our September 1993 issue (page 32), it should have been said that several countries conducted discriminatory-price or Dutch auctions for refinance credit (Romania) and for foreign exchange (Bolivia, Ghana, Jamaica, and Zambia)—rather than indicating that these countries all used Dutch auctions.

New readers who wish to receive *Finance & Development* regularly should apply in writing to:

**Publications Services
Finance & Development
International Monetary Fund
Washington, D.C. 20431, USA**

Specify the language edition and briefly state the reasons for your request. The magazine is normally sent without charge by surface mail, but for faster service, air delivery is now available for US\$20 (advance payment required). American Express, MasterCard, and Visa credit cards accepted.