

Book Reviews

Tales of Two City-States: The Development Progress of Hongkong and Singapore.
By Theodore Geiger and F.M. Geiger, National Planning Association, 1973.

"*Tales of Two City-States: The Development Progress of Hongkong and Singapore*," is the third in a series of studies, sponsored by the Committee on Overseas Development, examining successes in national development efforts. The previous two studies in the series dealt with Latin American Nations. This book, under review, examines the progress, policies and prospects of Hongkong and Singapore.

Both Hongkong and Singapore, until the end of World War II, were basically commercial centers carrying on a number of essential distributive, financial, transportation and communication functions linking East Asian and world markets. Since World War II, these two city-states have transformed themselves into successful manufacturing centres with rising real income and employment now second only to Japan in Asia.

The book has three parts. Part one begins with a chapter summarising the historical background and current development progress of the two city-states and the lessons to be learned from their experiences. The second chapter outlines the main social institutional and cultural elements in traditional Chinese civilization that help to account for the socio-political characteristics and cultures of the two city-states.

Part II of the book deals with Hongkong and Part III deals with Singapore. Each part has four chapters. These chapters examine in detail the means by which the two city-states have achieved their rapid economic growth and also analyze the future prospects of these two city-states.

While both Hongkong and Singapore have been successful in developing manufacturing industries for export to competitive world markets, their strategies for achieving this difficult objective have emphasized different means. In the authors view Hongkongs success has stemmed largely from the efforts of indigenous business firms, the energy and adaptability of its people and the sound economic policies of its government which has relied primarily upon freely operating market forces to provide the necessary incentives and pressures. Singapore has achieved its rapid progress largely by turning to already experienced multinational corporations to undertake the main responsibility for

developing manufactures exports. And also due to governments sound fiscal and monetary policies that provided guidance to the market forces.

It is extremely interesting to learn that at a time when multinational corporations are being condemned for exploiting developing countries, they apparently made a major contribution to Singapore's progress. Similarly at a time when policy makers in the developing countries, have almost lost faith in the market mechanism, market forces have played an important role in Hongkong's progress and development.

While the progress of Hongkong and Singapore measured in terms of GNP, per capita income and export performance etc. is very impressive, the book has little to say on the distribution of the fruits of progress. Whether the fruits of economic growth per shared by the majority of the people through more equitable distribution of income or the benefits of growth are limited to a few? True, some social welfare measures such as low cost housing scheme, better health facilities and universal free primary education etc., have been undertaken yet it appears that both city-states still have substantial numbers of people earning very meagre incomes in traditional petty trading and servicing activities, numerous people living in flimsy huts and many families crowded into decaying slums.

Regarding the relevance of these two city-states experiences to other developing countries, it seems that the economic problems of these two city-states are somewhat different from those of nation-states. For instance in a city-state almost the entire population is concentrated in a single city the economy is based on foreign trade, and the people are engaged in manufacturing, commerce and service industries, while in a nation-state, of a developing country, the majority of the people live in rural areas and are engaged in agriculture and other primary occupations, and the main problem is to raise the standard of living of the rural population. In view of the differences in the nature of the problems, it is not clear that how far the development strategies, of these two city-states are relevant to other developing countries.

In general the book is very informative, written in a lucid manner and as the language of the book is non-technical it is useful for both professionals and non-professionals who are concerned with development problems of the underdeveloped countries.

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