

seen as ineffective, provincial and outmoded? For answers to these questions it is warmly recommended to read the three books under review.

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Privatisierung und Internationalisierung von Telefongesellschaften

Ernst-Olav Ruhle

Frankfurt, Germany, Peter Lang Verlag, 1996, 274 pp., DM 84.00, ISBN 3-631-49911-6

This dissertation in the field of political economy is a descriptive empirical work and not a socio-scientific normative study. This is both an advantage and a disadvantage. The work deals with two aspects of the changes in the telecommunications sector: the privatization of telephone companies, on the one hand, and their international strategies on the other. The objective of the work is to provide a systematic survey of developments related to the privatization and internationalization of network operating companies. For this purpose, the work is divided into six chapters.

The introduction discusses and examines the economic rationale behind a telephone company's entry into a foreign market. This is followed in the first chapter by the author's argument that the so-called natural monopoly no longer applies in the case of telecommunications. At the same time, the author concedes that in the transitional phase from state monopoly to private enterprise, the telecommunications market requires a state regulatory authority, at least for a time, for competition reasons. Chapter two is devoted to the experiences of various telephone companies with privatization, in particular Deutsche Telekom. Chapter three serves to describe processes of internationalization, which are then empirically examined in chapter four. This is done using data from a database containing all the important data on attempts by 28 telephone companies to access foreign markets. The resulting analysis is embedded into a framework in which the suitability of different foreign trade theories for the internationalization of telephone companies is examined.

Chapter five presents the findings of the empirical analysis, from which the author concludes that telephone companies only enter foreign markets: (1) when there are specific advantages for the provider company; (2) when the home or target country has relevant advantages in terms of location; and (3) when there are incentives to internationalize.

As in many descriptive empirical works, the findings may seem banal in view of the huge amount of work involved, but they certainly have the advantage of being empirically sound, and in this sense Ruhle's dissertation is to be highly recommended for people interested in the subject.

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