

BOOK REVIEWS

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***Institutions and Regional Development in Southeast Asia: A Comparative Analysis of Satun (Thailand) and Perlis (Malaysia).* By Edo Andriesse.** Utrecht, The Netherlands: Netherlands Geographical Studies, 2008. Pp. 250.

Andriesse's volume is extremely timely because the Government of Malaysia is prepared to cooperate with the Thai government in a border development initiative that could serve to quell the level of murderous violence that wracks southern Thailand. The author begins his book by acknowledging the assistance of professional scholars associated with the Prince of Songkla University in Hat Yai located in southern Thailand and the Northern University of Malaysia in Kedah. The book's focus is on the regions' development and falls within Utrecht University's concern with "the diversity of local and regional development dynamics in developing countries, seen within the context of global forces" (p. 17). The author's primary reason for selecting this particular region for study is that each country has selected a different course for its development in key policy areas such as public finance. Other reasons compelling their selection are that they share a clear-cut border, a common physical geography, the same demographic profile and common ethnic and cultural characteristics.

The study proceeds in a linear fashion. Topics are clearly interconnected beginning with a

theoretical framework chapter that ties regionalism and regional diversity with theories of economic development. Subsequent chapters focus on development with national and regional contexts, the structure of business and inter-firm relations, firms' access to public finance nationally, national and regional political relations among private and public sector actors and institutions, access to budgetary processes, and the role of institutional complementarities within regions and national economic systems.

The theoretical framework focuses on two major concepts: *development* and *the region*. The wide and often competitive variety of approaches to and goals of economic development are explained and evaluated. The author argues that development goals are that "the majority of people in developing countries wish to get rid of hunger or under nourishment, get the prices right for their products, (and) have access to education, adequate health care and transportation" (p. 31). Andriesse is impatient with some post-modern development theories that dispute these goals become useless when they advise people to forget about these goals.

In the author's judgement, approaches to reaching these goals will be optimally useful when policies based upon them connect integrated regions within national economic structures. He points out that a region can be defined geographically, in terms of a specific economy, a specific culture or political sphere of influence or an amalgam of these definitions. National

development policies that understand these factors are likely to be more effective than ones that ignore the differences in, and integration of regions.

Andriessse contends that when the following elements are present, a region's institutional framework is said to be "thick", or highly integrated: (i) a plethora of institutions and organizations of different kinds exist; (ii) high levels of interaction among them take place; (iii) interactions reflect agreements on norms and interests within the region, particularly that "rogue behavior" must be controlled; and above all, (iv) there is a mutual awareness among the actors that they are involved in a common enterprise. When the elements are present the result is "a thickness which establishes legitimacy, nourishes relations of trust (and) ... continues to stimulate entrepreneurship and consolidate the level of industry" (p. 37). Fully functioning regions can be woven into a national mosaic of social and economic development.

Based upon its theoretical framework, the book's emphases are to present and evaluate a broad range of development issues and policies that are of a general nature and to present a comparative analysis of Perlis and Satun. On the public finance front, Andriessse describes and analyses the nature of the Malaysian national government's payments to Perlis, its northernmost region and the Thai central government's financial transfers to the Satun region in the Kingdom's far south. The author links public finance to private sector structures, including inter-firm relations.

On the matter of public finance, in Malaysia fiscal transfers to state governments come about in two ways. One is that financial proposals to the central government are made by states in which specific development projects are proposed. When they are approved, state governments undertake projects that are aimed mainly at improving social and physical infrastructures. Another way is that as a matter of course during the fiscal process "development funds are transferred to federal offices in each state. These transfers occur within single specific agencies." (p. 150) A highly structured and relatively inflexible fiscal

procedure exists and within it Perlis must compete to receive fiscal support from the central government.

In Thailand public finance is conducted quite differently: "plans can be seen as presentations of economic and social ideas rather than as effective planning.... Moreover, ruling political parties have often had policy interests that differ substantially from plans. Therefore, access to national budgets and policies is achieved in a much less structured manner than in Malaysia" (p. 154). If it chooses to do so, the central government in Bangkok has great flexibility in moving fiscal resources into Satun. The less rigid structure of budgeting in Thailand gives its government more leeway to confront the social rebellion that has claimed some 4,500 lives over the past decade. The emerging border development effort could be somewhat constrained by Malaysia's more structured budgetary process.

The structure of business activities and inter-firm relations differ substantially. Firms in Perlis "maintain formal, relatively impersonal, contractual relations with suppliers and clients and rely on owners and shareholders for access to private finance... Associations play a minor role for the maintenance of inter-firm relations and banks are a relatively unimportant organisation for access to private finance" (p. 114) These characteristics serve to separate business activities in Perlis from those taking place throughout the remainder of Malaysia's economy. In this sense, the "thickness" of the region's business sector limits its national contacts.

As for Satun, the situation is quite different: "firms maintain informal, personal, cooperative and network-based relations with suppliers, clients and competitors *and* banks are also important for the financial needs of firms. These relations are maintained both bilaterally and through business and non-business associations... (G)eographical distance does not matter as much as relations with suppliers who are mainly located outside Satun" (p. 113). The region is relatively "thick", and in business matters, the region's firms and their owners can share part of the burden of directing public resources into Satun. However, and

importantly, the region's people are in general separated socially, culturally, and in terms of religion and politics from the remainder of the country.

It is difficult to move to a conclusion when reviewing Andriess's brilliant work. The topics discussed above suggest the intellectual "flavour" of the book but the volume's immense array of topics and thoughtful details makes summarizing it difficult. However, it's not difficult to conclude that this book is an example of serious and useful scholarship that will interest a readership composed of those whose geographic interests are specific to the region and/or to broader Southeast Asia. The volume will also interest readers whose intellectual foci are on comparative approaches to development. And this final point: while the level of scholarship is extremely high, the list of citations contained in this volume are as impressive as this reviewer has yet to encounter.

ROBERT L. CURRY, Jr.
California State University Sacramento

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Economic Cooperation between Singapore and India: An Alliance in the Making? By **Faizal bin Yahya**. Routledge Studies in the Growth Economies of Asia. London and New York: Routledge, 2008. Pp. 254.

The present momentum of economic cooperation between Singapore and India, which had started with the visit of the Indian Prime Minister, P.V. Narasimha Rao in 1991, and later by Prime Minister Atal Bihari Vajpayee in 2002, and subsequently addressed by Singaporean leaders like the then Prime Minister Goh Chok Tong and others, accelerated further after the signing of the Comprehensive Economic Cooperation Agreement (CECA) in 2005 between them. It has had an impact on all facets of the relationship between both countries — political, economic and social. For India, it was a significant step towards

engaging an ASEAN country to pursue its "Look East" policy; for Singapore, it was looking for a stable partner in South Asia and access to the huge potential market that Singapore companies could tap into. Implications of the bilateral economic relations had been published as working papers and reports or articles from research institutes and think-tanks, but a comprehensive research work in this direction had been much-awaited and desired for, as the title of the monograph suggests, and would have immediately attracted the attention of scholars, policy-makers and entrepreneurs alike.

However, the author has only partially succeeded to live up to the aim of the monograph as he had himself suggested it to be, that is, how Singapore has "enhanced its business and economic linkages with the emerging Indian economy" (p. 3). He has devoted his attention to examine the scope of Singaporean investment potentials in India, that too in the sector of infrastructure only, which is but one of the aspects of the economic cooperation in view of the wide scope of coverage as suggested by the title. There are six chapters devoted to information technology, telecommunications, real estate, ports and civil aviation, which are elaborate and, undoubtedly, informative with well-utilized media publications, but does not much succeed to live up to the commitment of the title, which promises to be more broad-based and comprehensive. The author disagrees with his own self when he mentions that "this monograph ... will cover a broad-range of economic sectors that Singapore companies are involved with in the Indian market" (p. 17). Does this then signify that the Singapore-Indian economic relations are solely based on the paradigms of infrastructure?

Whereas there is no denying the fact that Singapore can and is playing a very significant role in the development of infrastructural facilities in India, which is one of its priority sectors to sustain its economic growth, the absence of mention of certain equally significant and relevant areas of investments like energy, financial sector, manufacturing, tourism, health care and general trade and commerce leaves a considerable void in