therefore confronted with the necessity of moving towards regionally based sustained growth during the US's rebalancing process.

Møller argues that two factors determine whether a regional economy (such as East Asia) has moved into self-sustaining growth. The first is "a supply chain (trade with semi-manufactured goods transformed into the end product) linking countries together in supporting each other and being more dependent on each other than on other regions of the world." (p. 350). The second is the "strength of domestic demand and private consumption … as the main driver behind the regional supply chains, that is countries export to each other to prop up domestic demand instead of consumption in non-regional countries." (p. 350).

On the domestic side, creating and sustaining regional supply chains, or what has been called production platforms, also requires adequate levels of national savings and prudential investment regimes as well as effective domestic monetary, fiscal and regulatory policies. On the external side, valuable assets are the existence of regional growth poles such as China, India, Japan and the ASEAN subregion, and supportive institutions ranging from APEC and ASEAN+3 to the WTO and the Group of 20.

Beyond production and distribution, the book confronts burden-sharing, an often under-appreciated political economy concept. Møller calls attention to the need for national, international and institutional leaders to agree to share the burden of confronting global terrorism, global warming, endemic poverty, maritime piracy, the inter-state drug trade and social and religious conflicts. He writes that most "institutions are designed to distribute the benefits of economic growth or, alternatively to support economic growth." (p. 27). He goes on: "The future game will be a battle about burden-sharing, a brutal and ruthless exercise where everybody will try to pass the buck to somebody else. Politicians, be they national or international, have found it difficult to deal with distributing benefits. It is nothing compared to burden-sharing. But if we do not succeed in shaping some kind of common policies to tackle this in an orderly way, the alternative is … that large parts of the world will implode." (p. 27).

Møller's words should be taken very seriously by policy-makers because burden-sharing is a "game" that must be played seriously and effectively or the consequences will be deadly. One needs only to read the popular press or surf the Internet to learn about social implosions around the world that claim lives and challenge civility. This question arises: to what extent did refusals to share burdens contribute to the implosions?

Without question the author has given readers a book that's well worth reading. Its contents are far from trivial and could be instructive to leaders and citizens who strive to bring about a global civil society wherein the central concern is for human well-being, peace, security and stability. However, there is one potential problem: topics are often briefly treated and require further reading. Møller aids readers by citing supplementary published materials via endnotes that can enrich individual reading regimes.

The book is well written, substantive, challenging and extensively researched. In this reviewer's judgement, it should not be missed by university students, their teachers as well as policy-makers and general readers.

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***Making Poverty A History*. By Thomas Lines.** London: Zed Books, 2008. Pp. 166.

The effect of trade on growth and poverty is simple and straightforward. By engaging in trade, a country will spur its economic growth which in the end will increase the standard of living. *Making Poverty A History* explores the empirical effects of trade on poverty in developing countries. This book is relevant with the condition of ASEAN, with an average export to GDP ratio reaching 70 per cent and some of its members intensely engaged in reducing poverty.

Thomas Lines, a freelance consultant in international agricultural markets who has worked in various countries and organizations, shares his extensive experience and arguments on why integration with the international market and export orientation is not working for some countries and even puts them in a worse state than ever before.

To explain how trade has affected poverty, Lines highlights the role of the World Bank and IMF in constructing a set of policy in the early 1980s, which was based on adopting free market and export orientation principles. The author illustrates how this policy created difficulties for primary-commodity producer countries, especially the Least Developed Countries (LDCs). One of the problems he emphasizes is the fallacy of composition: as more countries produced more tradable goods, the price of commodities fell, which shrank the income for the exporting countries. As export prices fall, LDCs have to export an extra quantity of goods in order to get the same value of imports. Between 1980–82 and 2001–03 LDCs' average export price fell by 35.2 per cent compared with the import prices. This increases the land needed to grow exportable commodities and reduces the use of land for food crops to meet domestic needs. Consequently, LDCs have to import more food and they have to export more to gain the financing needed.

Lines discusses sources of price disturbances such as seasonality and speculation in the commodity market. He also highlighted the Prebisch and Singer thesis which asserts that there is a long-term tendency of commodity prices to decline compared to manufactured goods.

On the demand side, the author points to the recent rise of power on the consumer's side as shown by how large retailers have the power to push suppliers to sell at lower price, which burdens poor farmers. Another example of the demand-side power reign is how consumers from developed countries impose high standards that are very difficult for exporters to fulfill.

The author offers several solutions to prevent trade from causing poverty. The number one policy he recommends is freedom for countries to determine their own policy. It is perhaps true that each LDC government understands its country's problems well, but it is hard to justify this recommendation since these thirty-one countries are prone to corruption as reflected in the rankings of the Corruption Perception Index in the *Global Corruption Report 2008*. For discretionary trade policy to work there must be some kind of mechanism to assure that the policy formulated by the individual government is indeed the best one for its people. Even if they are not corrupt, national policy-makers may be tempted to retreat behind protectionist walls. Rodrik (1997) states "Protectionism would be of limited help, and it would create its own social tensions. Policy-makers ought instead to complement the external strategy of liberalization with an internal strategy of compensation, training, and social insurance for those groups who are most at risk."

The second recommendation delivered by the author is for some countries to end the export orientation policy that is not compatible with constant terms of trade and to replace it with staple food production and domestic agriculture. It is understandable that food security is crucial for developing countries. However, it is important to take into account that more liberalized trade will give more aggregate gains to a country as it offers a more efficient way to combat poverty which mostly occurs in rural agricultural areas. Anne Krueger (1983) argues it is the agricultural exporters who are the poorest in developing countries, so low trade taxes are likely to benefit them the most. It is also important to provide some kind of insurance backed with a good financial system for poor people to mitigate the effects of commodity price fluctuations and bad weather. A more efficient way to achieve food security than storing food or fostering a large domestic food-producing sector is to export and invest the proceeds in world capital markets, using principal and accumulated interest to buy food to ameliorate scarcities.

Another of the book's policy recommendations is to raise international prices for agricultural products. The author suggests trade agreements in form of quotas to cut back oversupply. This arrangement is administratively costly. Moreover, from the world standpoint it is inefficient, shrinking the standard of living and retarding global economic growth. As shown by Loo and Tower (1989), the same gain to developing countries with less loss to the developed world could be achieved by transfers from more advanced economies in exchange for enhancing freer trade. Such transfers might be explicit, taking the form of explicit foreign aid or they could take the form of developed countries reducing their subsidy of cotton and other crops, which would remove a source of inefficiency for the developed world that turns the terms of trade against the primarily agricultural, less developed world. Similar recommendations were also suggested by Lines as he advocates a simpler and quicker financial arrangement devised to compensate exporting countries for the shortfall of the actual price below the agreed reference price. The existing stabilizing export earning programmes, e.g. Stabex and the IMF's Compensatory Finance Facility, are heavily bureaucratic, suffering from slow disbursement and have become less generous over the years (p. 70). The downside of this kind of treatment is inefficiency. The compensation will encourage too much production when commodity prices are low.

As for the decreasing terms of trade for commodities compared to manufactured goods, analysts have to be cautious about drawing conclusions from this data, because Stein (1979) finds that "over a long period of time, no conclusive evidence is available that the terms of trade are generally turning against the LDCs". A recent study by Mollick et al. (2008) indicates that the steady decline of the international terms of trade for primary commodities over the period the author examined cannot be blamed on international trade, globalization or developed country protectionism, which implies that market integration is not the source of this trend. However, ceasing developed country protection of commodities such as sugar and cotton would enhance efficiency and benefit the developing world.

Making Poverty A History offers a simple, non-technical approach which tries to relate poverty to trade liberalization. Lines' contribution opens the reader's eye on how the application of trade liberalization has failed to enhance the welfare of some nations. Care must be taken by readers who are trying to grip the anatomy of the impact of trade on poverty, since the empirical evidence served in this book is heavily biased towards the disadvantages of liberal trade which easily turns a fledgling reader in international trade as someone who sees free trade as a detrimental form of policy.

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***New Frontiers in Free Trade: Globalization's Future and Asia's Rising Role*. By Razeen Sally.** Washington, D.C.: Cato Institute, 2008. Pp. 154.

This book illuminates the path the global economic community has paved towards free