

formal dispute settlement mechanisms. Although Estanislao's comparison of bribery and corruption, interest groups, and general attitude towards foreigners is subjective, they seem to be judgments based on common sense. Finally, Estanislao suggests that, first, China and the ASEAN region must step up their privatization programmes. Second, the region's dispute settlement mechanisms are suggested to be improved, because these procedures remain deficient in most countries in the region, making it difficult to enforce decisions needed to assure long-term investments.

The last chapter by Naomi Chakwin and Naved Hamid compares the investment atmosphere of Asian countries more flexibly than Estanislao. They stress that the region is composed of countries with important differences in culture and history as well as in economic policies and performance. They focus their analysis on Indonesia, Malaysia, Thailand, China and India. The chapter presents a very positive picture of likely FDI trends in virtually all countries in the region. They show that the factors that affect the host country's decisions for attracting investment are political and macroeconomic stability, infrastructure, natural resource endowment, economic policies relating to industry, trade and finance, wages, the investment incentives and the institutional framework such as the legal system, etc. Finally, they provide estimated FDI in the near future.

Most of the articles in the volume stressed the importance of understanding the cultural as well as institutional characteristics of the Asian countries, before deciding on the location of FDI. Some of the papers provide excellent reviews of the institutional details concerning FDI in the East Asian countries. The discussions in the OECD, MAI, Trade-Related Investment Measures (TRIMs) in the WTO together with the idea of setting up the ASEAN Investment Area (AIA) are expected to affect the FDI performance of each country in the region. Although the MAI will be a plurilateral rather than multilateral agreement, it is expected to influence future negotiation under the WTO system. Therefore, if there were a few substantive papers (added to the volume) dealing

with the effects of the MAI on the WTO system and on investment in Asia, it might have been more fruitful to the readers to predict the future of FDI flows into and out of Asia.

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Sending Workers Abroad. By Manolo I. Abella, with the assistance of Maria Alcestis Abrera-Mangahas Geneva, International Labour Office, 1997.

There is an increasing flow of migrant labour across borders, as countries rapidly exhausting their national reserves of labour attempt to source for labour externally to maintain their competitiveness in global markets. This cross-border migration flow is particularly important for ASEAN, with member economies ranging from the low- to the high-income group. Some of the ASEAN countries, such as Singapore, suffer from a shortage of labour, while others, like Thailand, Indonesia and the Philippines, have found the role of the external labour market significant in expanding employment for their nationals.

This book, together with a companion volume on policies and procedures for the employment of foreign workers, was prepared under the ILO's Interdepartmental Project on Migrant workers, which was carried out in 1994-95. This is a timely study on an issue which is becoming increasingly weighty as cross-border flows of labour increase with globalization.

The book addresses the concerns of middle- and low-income countries in managing labour migration processes of directly hired contract workers, workers hired through private recruiters, and workers hired through employment services. It aims to provide guidelines for the formulation of a foreign employment policy that takes into account the specific social and economic environmental conditions so as to fully capitalize

on the specific strengths and capabilities of the state bureaucracy responsible.

The first two chapters of the book identify the essential elements of, and reasons for, an effective foreign employment policy. According to the author, an effective foreign employment policy should essentially be consistent with the overall economic development policy, guarantee basic human and workers' rights in the host country, comprehensively cover all possible problems arising from emigration, be fair and transparent, and be effective and efficient.

The author identifies the reasons for having a foreign employment policy from three perspectives, developmentally, socially and strategically. From the development perspective, a foreign employment policy helps to reduce unemployment by enabling more people to obtain work abroad, increase foreign exchange earnings for the country, and increase the rate of saving for the country.

Socially, it increases the social returns on investment on education by increasing the contribution of nationals to GNP, works towards the improvement of conditions of employment for nationals abroad, prevents recruitment abuses, protects nationals working abroad, and prevents illegal migration while establishing order in the migration process.

Strategically, such a policy diversifies host countries for employment, co-ordinates the composition of the emigrant workforce, ensures that emigrant workers acquire the skills needed at home, minimizes brain drain and protects domestic industries, as well as minimize wage distortion effects.

Chapter 3 identifies the ministries which should be involved in policy formulation: the Ministry of Labour (to manage foreign workers), the Ministry of Foreign Affairs (to manage the problems relating to international relations), the Ministry of Justice (to manage migration flows and safeguard against abuses), and the Ministry of Education (to manage the impact on educational investment). It also states that advisory bodies should be created. Such bodies can identify areas where employment abroad can contribute to skills upgrading, or

deplete essential skills. It should be pointed out in the manual that, since the administrative structure of countries differ, ministries sharing the same name may have different functions and roles, or those with the same functions may bear different names. Administrators, therefore, should not follow the manual too rigidly. The chapter also identifies four distinct state approaches in managing labour emigration: (1) a completely *laissez-faire* approach in managing labour emigration, as is characteristic of high-income countries; (2) a regulated system in which the country of origin legislates the recruitment of nationals for employment abroad through private agencies; (3) a state-managed system in which state enterprises recruit and place workers abroad alongside private agencies, such as is adopted in the Republic of Korea; and (4) a state monopoly, in which the state assumes full and sole responsibility for organizing labour migration, such as is adopted in China and Vietnam.

The remaining chapters of the book examine the specifics of managing a foreign employment policy, such as: organizing a specialized foreign employment office and determining its basic functions and structures; measures taken to promote foreign employment, including identifying the skills which should be sent abroad and how to manage brain drain; measures taken to protect emigrating workers; providing support services such as information and counselling; providing social insurance for various contingencies; and monitoring the performance of the foreign employment policy and assessing its impact.

While the manual clearly explains the substance and objectives of a foreign employment policy and identifies the specifics involved in the management of such a policy, it would go much further to achieve its purpose if specific measures are proposed for all the areas that it covers. Thus, just as detailed treatment is given to the protection of migrant labour and to exit control measures, the manual should also specify the measures which should be adopted for controlling and eliminating illegal migration, managing the composition of the emigrant workforce, controlling brain drain, etc. For example, one of the

problems faced by workers abroad is the safe remittance of earnings to family members back home. The manual could identify the measures which can be adopted to solve this problem such as the setting up of specific institutions to effect such transfers. Yet another is the safe transport of returning workers bringing with them their hard-earned savings. The state should provide protection for returning workers from being robbed of their hard-earned savings by alerting them to this danger and teaching them how to avoid being robbed.

Ideally, the book should also examine the difficulties experienced by both countries of origin and destination in foreign employment in cases that affect the diplomatic relations between countries. An example of such cases is the Contemplacion case, in which a Filipino maid was hanged for the murder of a Singaporean child and a fellow-Filipino maid. This case became famous because it resulted in a diplomatic incident between Singapore and the Philippines. Other cases are those of Filipino maids who were sentenced in Saudi Arabia, leading to a souring of relations between Saudi Arabia and the Philippines. Yet another case is the sudden death syndrome which afflicted some Thai migrant workers. The manual should provide some guidance on how to handle such cases. ASEAN countries, in particular, would benefit in terms of improved foreign ties if their administrators are provided with guidance in this direction.

Nevertheless, as a manual on the formulation of a foreign employment policy, the book does achieve its objective in spelling out the areas that need to be covered. This book therefore is a must for policy-makers who are involved in foreign employment. Its usefulness can also be extended to those who are involved at the operational level, such as policy-makers, recruitment agencies (both private and public), welfare support groups, etc. It is also useful reading for students wanting to know more about the labour-market institutions of foreign employment in various developing countries. With increasing reliance on migrant workers both at the source and at the destination, this book is particularly topical reading for

ASEAN countries.

In the final analysis, it should be noted that sending workers to foreign countries is a short-run solution to the problem of generating employment. In the long run, the solution to the problem of employment creation lies in economic development. Nations should therefore adopt an employment-driven strategy to stimulate employment growth at home. Such was the case of Singapore, which moved from a situation of massive unemployment in the early 1960s to one of full employment, with a large inflow of foreign labour, in the 1970s.

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Economic Development and Prospects in the ASEAN: Foreign Investment and Growth in Vietnam, Thailand, Indonesia and Malaysia. Edited by Tran Van Hoa. Basingstoke and London: Macmillan, 1997. 264 pp.

In the wake of the recent financial turmoil in East Asia, it is perhaps only natural that most new books on the region appear rather outdated at first sight. Such a judgment is, of course, premature in many instances. Much, if not most, research remains valid despite the present short term disturbance. It is now obvious, however, that there have been weaknesses in the institutional systems of many Asian countries that have passed undetected even by seasoned economic analysts.

Hence, the contributors to the present volume can hardly be blamed for not seeing what nobody else saw. Reading this book was a puzzling experience for a number of other reasons, though. First, despite its title, the volume is not really about ASEAN at all — even if several ASEAN countries are touched on in one way or another — but primarily about Vietnam. I cannot help but conclude that the consumer is deliberately misled here, although most countries dealt with are members of ASEAN.