

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.

Second, the contents of the book are so diverse that it is very hard to find any common denominator. Thinking about an alternative title is actually difficult due to the lack of a coherent theme or methodological approach of the chapters. Some of them are rather straightforward surveys of widely different topics, such as tourism in Vietnam and foreign investment law in Vietnam, while some of the chapters apply or develop advanced econometric methodology. One chapter contains results of a business survey in Vietnam, focusing on co-operation with foreign firms, and another deals with health care problems in Thailand, etc. This heterogeneity makes it difficult to review the book, as it is not possible to comment separately on each chapter.

Third, the quality and readability of the chapters vary a great deal. Language problems seem to play a role here and should have been addressed. Adding to the reader's confusion, there is some emphasis on trade and investment contacts with Australia, but no specific other countries. This probably can be explained by the fact that the project has been partly funded by the Australian Government but otherwise this emphasis seems difficult to justify.

Out of nine chapters altogether, the editor, Tran Van Hoa, authored or co-authored five. Apart from the introductory essay, which is informative but does not seem to contain much new material, and a chapter on tourism that is rather shallow as well, there are the chapters on a recent business survey in Vietnam and two econometrically oriented chapters. As to the former, it is of some interest since very little work of this type seems to have been done in Vietnam. However, the results are hardly spectacular and sometimes appear rather trivial.

The latter chapters are, technically, on a completely different level from the rest of the book. The first one deals with causal patterns of growth, foreign investment, inflation, etc. and tries to detect implications for the transitional countries in Indochina. While the analytical technique in itself is sophisticated, the problem

with this work is the short time series, which may easily render the results premature. To illustrate this, one need only contemplate one conclusion of the author: "... Thailand is the only country in the ASEAN that has an effective monetary policy for economic growth." This observation was not made to heckle the author — I may have said something similar myself only a year ago — but to demonstrate that conclusions reached with advanced techniques may not always be a guarantee for adequacy.

The second econometric chapter, apart from being an attempt at explaining the investment-growth nexus, is focused on developing forecasting methodology. The author puts forth a technique that seems to produce significantly better forecasts than earlier methods. The result is clearly useful although one limitation is, once more, the relatively small data material used to prove the author's point.

Much of the remaining part of the book is focused on foreign investment. These chapters undeniably add to our knowledge, as information on foreign investment in Vietnam is still scarce. Still the chapters were, as a whole, something of a disappointment due to the superficial nature of much of the information and to some terminological problems. It is often unclear, for instance, whether the author refers to investment stocks or flows.

While there is some useful material in this book, I really believe that it should not have been put together in this way. It would have seemed natural to go all the way and concentrate exclusively on Vietnam, especially as there is a lack of information on that country. This would have meant that a few excellent papers would have had to be left out, but those papers could easily have been published in another context. Now, the last chapter, for example, which is the very informative piece on health care in Thailand, will be found by few specialists, hidden as it is in a book purportedly on economic growth. Some of the innovative econometric contributions may encounter the same fate. The publisher and editor,

not so much the individual authors, have to take most of the blame for the shortcomings of this volume.

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Asia in Japan's Embrace: Building a Regional Production Alliance. By Walter Hatch and Kôzô Yamamura. Cambridge, UK: Cambridge University Press, 1996. 281 pp.

The subject of this book is the analysis of Japan's strengthened economic presence in East and Southeast Asia. Although the analysis focuses on the manufacturing sector, the book is of wider importance for a general evaluation of the role of Japan and its companies for Asia, which has once again become a topic of utmost concern due to the ongoing regional economic crisis.

Challenging the neo-classical view that Japanese investments in Asia simply follow the model of comparative advantages and are thus beneficial to all concerned parties, the authors argue that such undertakings primarily reflect the implementation of a strategic deployment of technology. The thesis is proposed that Japan's economic and governmental leaders are clearly co-operating closely to bring Asia into a transnational and exclusive production network under Japanese leadership, that is essentially a geographical broadening of the production system in Japan, as characterized by the system of industrial relations in Japan (*keiretsu*). For the future of Asian nations, this is said to result in lingering technological dependence on Japan and, with this, a shrinking of their developmental potential. Meanwhile, the far-reaching exclusiveness of these production networks will mean that Western enterprises will be severely restricted in their access to Asian markets, just as they are said to be in the case of the Japanese market. For Japanese business, on the other hand, this model will make

possible not only a substantial minimization in costs and risks in the production process, but also the long-term protection of their technological lead and, along with this, their international competitiveness.

With respect to theoretical contribution, this book does not attempt to offer a new theory on foreign investment in general but only a new and different perspective on Japanese foreign investment activities in Asia. The main focus is to challenge the flying geese pattern which is often used to explain and defend the Japanese approach towards Asian countries and the whole region. However, the citing of obvious contradictions between theory and reality fails somehow in helping to build up a new perspective from the theoretical point of view.

The real contribution of the authors lies in their detailed description and elucidation of Japanese involvement in Asia, which continues even today to have a decisive influence on economic development there and which is characterized by intricate interconnections between government and business, and, even more so, between individual corporations. The fact is that the investment model of Japanese enterprises does differ to some extent from that of their Western counterparts. Nevertheless, it corresponds only in stages to the picture of concerted action. Such a view would require the existence of one Japanese master plan for foreign investment activities in Asia, which is obviously not the case.

However, the description of how various networks have been formed all over Asia is impressive, even if these accounts are related almost exclusively to the automobile and electronics industries. Reflecting the ongoing process of trade and investment liberalization within ASEAN, these networks are of special importance for Southeast Asia. The current ASEAN Industrial Cooperation (AICO) Scheme, which was started in November 1996 and which serves as some kind of intermediate mechanism towards the establishment of the ASEAN Free Trade Area (AFTA) in 2003, has so far seen most of the applications coming from Japanese companies within the region. This trend strongly