

BOOK REVIEWS

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***Cashing In Across the Golden Triangle: Thailand's Northern Border Trade with China, Laos, and Myanmar.* By Thein Swe and Paul Chambers.** Chiang Mai, Thailand: Mekong Press, 2011. Pp.xx, 212.

The book tells the story of how an emerging four-country, cross-border natural economic territory transformed the Golden Triangle, once no more than a lawless drug trafficking frontier into an example of flourishing regional economic cooperation. Natural refers to the mosaic of vertically and horizontally integrated markets that cross national borders within the territory. The volume that analyses this transformation is the result of a confluence involving a first-rate publisher and two quality co-authors. Mekong Press was initiated in 2005 by Silkworm Books with financial support from the Rockefeller Foundation. Silkworm is a publisher of note when it comes to socio-economic, political and cultural issues centring on the northern regions of Thailand and the cross-borders to which they connect. Co-authors Thein Swe and Paul Chambers occupy faculty positions at the South East Asian Institute of Global Studies at Chiang Mai's Payap University.

From the outset the co-authors write with the realization that many of their readers have a limited understanding of the region's geography, economic and political structures as well as the production, finance, trade and human migration patterns and linkages that continue to form. They write both to

this audience and to other readers who are well informed about the enormous regional changes that are taking place — including the costs and benefits to which they give rise.

The book's early chapters focus on the substantive nature of the transformation, particularly in Northern Thailand which plays a major role in the development of new patterns of production, distribution, labour migration, tourism, border trade and finance. They point out that tourism is in the process of becoming an ever more prominent economic sector. In support of these activities new and rejuvenated infrastructure facilities are being put into place in transportation (including roads, bridges and rail transportation), communication (namely land-based and wireless phones) and energy availability including from fourteen Chinese hydropower dams constructed and operating along the Upper Mekong.

As patterns of cross-border trade in goods and services continue to evolve they lead to transport corridors that in turn facilitate the growth of retail and wholesale establishments located along the way; that is, transport corridors both facilitate and generate economic activity. This helps cities to grow, and the Northern Thailand town of Mae Sai is a good example of this aspect of the region's dynamism. It is a town of 60,000 that now boasts an array of retailers and wholesalers, a nearby casino complex to attract visitors and it is a strategic border crossing point into Myanmar. The Asian Highway Network works its way through Mae Sai on its way to other market towns within the economic territory.

It is a burgeoning and exciting place and Swe and Chambers capture this phenomenon vividly. Not only do they analyse the positive aspects of the territories' economic expansion (for example, in terms of productivity, production, employment and income generation) but they also analyse some of the problems that have arisen. For example, there are strategic and reliability issues due to distances between facilities leading to transportation constraints. Equitable water access and energy sharing remain a political challenge. The hydropower dams on the Upper Mekong "as well as increasingly longer dry seasons have caused a decrease in Mekong water levels, making river commerce more difficult" (p. 104). In addition, growth based upon the cashing in process is uneven with some residents of the region "left behind", including cross-border migrants many of whom settled in the Chiang Mai/Chiang Rai/Mae Sai part of Northern Thailand. Also, given the region's size, complexity and diversity, local disputes and challenges occasionally come about. Moreover, political and administrative decentralization, a by-product of the region's growth and Northern Thailand's role in the process has led to stress and frictions among bureaucrats at different levels of government.

One of most pressing problems is the linguistic challenge that accompanies cross-border migrants. The co-authors take a particularly keen interest in the plight of unemployed and/or underemployed migrants who, after being uprooted from Myanmar and elsewhere decided to settle in Northern Thailand. Swe and Chambers understand their situation quite well not only because of their disciplined scholarship but also due to the fact that they live and work in Chiang Mai. On a daily basis they witness the ongoing struggles of migrants — mostly from Myanmar. Most are low skilled, linguistically challenged and consequently have limited employment opportunities. Swe and Chambers argue that the Thai government should assist them in preserving their own languages *and* in expanding their capacities in Thai, English and Chinese and in gaining some skills. However, they question

whether Thailand's government can actually maintain the political commitment and national consensus to achieve these objectives.

The volume concludes with four key observations: First, as an integral part of the economic territory, "Border towns in Thailand's North are increasingly strategic nodes for commerce and growth ... (among) Thailand, Laos, Cambodia, Vietnam as well as China's Yunnan Province and Guangxi Zhuang Autonomous Region." (p. 137). Second, "benefits of this regional economic cooperation have been divided asymmetrically, with the smaller participant-actors (Myanmar, Laos) receiving a much smaller share of the pie than the larger ones (China, Thailand). Indeed there has been a clear disproportionality of dividends for individual member-states and for their marginal populations or social groups." (p. 137).

Third, there continue to be "obstacles to the border trade, including excess taxes (including bribes), construction delays, a dearth of infrastructure, and sheer bureaucratic inefficiencies. In addition there has yet to be a clear harmonization and implementation of cross-border trade rules and procedures" (p. 138). Fourth, in order to promote stable, growing and widely shared economic benefits, public and private sectors need to overcome economic, governmental, technical and cultural hurdles. Doing so will not be easy in an environment where "neighbors are politically unstable, overly bureaucratic and traditionally suspicious of each other" (p. 142). The book accurately lays out the structure of a natural set of market relationships within the territory and, at the same time describes how politically and administratively difficult it will be to obtain and optimally share the benefits of economic cooperation among the four countries. The volume is highly recommended: it takes the reader on a journey that analyses the economic, political, cultural and technological factors involved in regional economic cooperation in a territory that is complex and faces its unique brand of problems, challenges and opportunities. The journey is highlighted by an array of tabular data, a 49-page appendix that is rich in notes to individual chapters, and an extensive set of

bibliographical references. The volume is suited for general readers, students, teachers, diplomats and policy-makers.

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***Paths to Development in Asia: South Korea, Vietnam, China and Indonesia.* By Tuong Vu.** Cambridge: Cambridge University Press, 2010. Pp. 294.

This book argues that the industrialization processes of the four countries specified in the title was the result of conscious state action. It contends that despite their labels as capitalist or socialist, the states of these countries have similar institutional attributes and relations to society. These characteristics enabled them to make the far-reaching decisions necessary to foster deep and far-reaching industrialization.

However, *Paths to Development* has a deeper argument to make. Drawing on substantial historical material, the book seeks to understand how these state structures and patterns of authority emerged in the first place. The author, Vu, argues that, in each case, these attributes were acquired during the state formation process or, more specifically, during the political processes usually — but not always — associated with state formation. In many cases these formation processes occurred when colonial empires collapsed and new post-colonial states were being constructed.

Vu argues that the determining political processes consisted of, on one hand, intra-elite negotiations and, on the other, elite-mass interactions. It is these interactions that decided whether these newly formed states were to possess the necessary bureaucratic capacity and organizational coherence for implementing the necessary “developmental processes” required for rapid industrialization.

The book holds that certain types of political interactions generate strong state structures, and others do not. Thus, the unity or polarization of elites

is conducive to the formation of “developmental” state structures, but compromise and fragmentation among them are not. This is because one group needs to have a decisive hold on power, as opposed to diluting it through compromise. As to elite-mass interaction, suppression of the masses or controlled mobilization in support of industrialization are interactions conducive to the construction of developmental state structures. Conversely, mass incorporation into decision-making and accommodation tactics are not. The book also analyses the role of ideology in enabling elites to incorporate masses into their state formation and, subsequently, development strategies.

These patterns of intra-elite and elite-mass interactions give rise to many permutations. Vu looks at three combinations: confrontation, accommodation, or “mixed”. He argues that the confrontational combination characterized South Korea, Indonesia under Soeharto, and Maoist China, and was the most conducive for the formation of “developmental state” characteristics and, consequently, industrialization. Accommodation best characterizes Sukarno’s Indonesia and Vietnam, and their states had less cohesive structures. Republican China was mixed, with a combination of elite compromise and polarization, and mass suppression and incorporation.

The book also has a “nested design”. Under this structure, the four countries are analysed in the first part of the book. In the second half, the arguments are further refined by an in-depth analysis of Indonesia and Vietnam, where the state formation processes gave rise to non-cohesive and weak state structures. In particular, the role of organizations and political discourses are analysed in-depth. This exercise aims to add richness to the argument by showing how the different permutations of the factors outlined above resulted in the same organizational disarray and ideological contradictions.

This book addresses an interesting theoretical and empirical question — namely, how are developmental state structures acquired or formed? Vu correctly contends that many analyses neglect the historical question of how developmental state structures are developed, and they do not address