
known about highly skilled returnees than about highly skilled immigrants, a section dedicated to Indian professional returnees could have been a useful feature of this volume. The discussion of all these topics is set against the global demand for Indian professionals and the lifestyles that they can obtain overseas and at home.

Each of the core interview chapters commences with a useful discussion of the historical, cultural and economic relations between India and the country in question and reviews the policies of their respective governments in relation to regulating flows and residency of foreign skilled labour. The authors present a vast array of topics in the four core chapters, including economic motivations for migration, employment experience, the nature and role of transnational networks in facilitating this migration, social and professional connections with India, family life in the country of residence, engagement with the local Indian community and the local peoples, presence and perceptions of India in their country of residence, their overall satisfaction with lifestyles and their further mobility intentions including return to India. Some interviewees were asked for their understanding of and opinions on the phenomenon of “Global Indians”.

All of this rich material could have been presented in a more reader-friendly way. In each core chapter (and the two initial chapters), the authors have chosen to present material from numerous interviews with italicized interview questions that often blend in with the text. As a result, each page appears very crowded. Each interview covers most of the above topics, though each in a different order. Some other topics are also covered depending on the interviewee and their industry of employment hence interviews, and not topics, structure those chapters. On these very crowded pages, there is typically no visual distinction between material used *ad verbatim* and paraphrases, making it difficult to make sense of the material. While this style reflects the personal sentiments of the interviewees and the course of their interviews, some readers may tire of going through more than a hundred pages of data presented this way. Moreover, a reader who

hopes to find out how the authors themselves interpret this voluminous amount of material will be disappointed. This analysis is presented in short summaries ranging from one to three paragraphs at the end of each core chapter, leaving the reader to wonder why more details had not been teased out and the rich interview material fully critiqued. Further, in the Conclusion, the concept of “Global Indians” is simply re-stated and briefly illustrated based on the interviews rather than argued for.

If the authors had used the data they have amassed not only to illustrate but also develop the transnational concepts introduced at the beginning of the book, this would elevate their work from an assembly of original interview material to a critical contribution to the field of transnational studies. Given their intimate understanding of the migration of Indian professionals to Southeast Asia, it would seem they were highly capable of doing so. As it stands, the book presents extensive original research material but misses an opportunity to provide a more in-depth critique. Instead, readers are left to form their own views on this phenomenon.

KATE GOLEBIOWSKA
The Northern Institute
Charles Darwin University
Australia

DOI: 10.1355/ae29-3h

***Challenges to the Global Trading System: Adjustment to Globalization in the Asia-Pacific Region.* Edited by Peter A. Petri and Sumner J. La Croix. New York: Routledge, 2011.**

The opportunities and challenges of international trade has been an Achilles’ heel amongst policy-makers, academicians, and business practitioners of the contemporary world. Countries aim to maximize the gains and opportunities from trade by opening up their borders to international exchange. Weighty challenges as they are, added with the ongoing economic and financial deterioration of the global economy, this book offers a good array

of scholarly papers and views from various experts specializing on issues concerning international trade and development.

In keeping with age-old discussions on globalization and free trade, Chapters 1 through 3 set the tone by providing two central critiques of free trade. On one hand, trade policy is flawed because the larger established economies and the stronger interest groups within their borders unduly influence negotiations in the real world. On the other, the phenomenon of globalization is a villain, rather than trade in particular. Douglas A. Irwin notes that globalization is being fatigued via war and economic and social depression, rather than an institutional backlash (Chapter 3). In particular, economic growth and social macroeconomic management are fundamental reasons why there has not been a globalization backlash despite the increased integration of the world (pp. 16–17).

In light of such critiques, Chapter 5 provides a general exposition on how FTAs are rapidly spreading throughout Asia. Armed with CGE model simulations for developing countries, the authors provided evidence on how trade creation is substantial as opposed to trade-diversion, which is non-existent or small. In contrast, for FTAs involving developed countries, trade diversion is sizeable (p. 48). They attribute these differences in their trade policies vis-à-vis non-FTA members; interestingly enough, developing countries rapidly liberalized their trade regimes after joining FTAs, whereas developed countries do not as their protection levels are lower. As East Asia resorts to giving selective protection to domestic industries, they will only could create a bewildering “spaghetti bowl effect” of complex and incompatible agreements, thereby inhabiting a broadening of geographic scope of integration (p. 55).

The most notable development process of trade integration has been the economic ascent of China. China has already surpassed the United States as the most important destination of exports of all East Asian countries. Such an ascent has only caused the United States to further discriminate towards China. China’s rise as an economic and political power has rearranged the geo-economics and geo-politics, especially of the United States,

leading to old and new security threats that affect fundamentals in sovereignty and finance (Chapters 6 and 10). With trade, capital flows and people flows becoming interdependent and integrated in the Asia Pacific, economic volatility has become an important origin for security concerns and challenges in the region. As a result, the relationship between economic interdependence and security should be more dynamic and networking (p. 178).

With rapid economic transformations, Chapter 4 sheds light on “intra-mediate” trade, variously noted elsewhere as the “vertical disintegration of industry and the concomitant increase in intra-trade largely consisting of trade in intermediate inputs” (p. 21). Along with cross-border technology diffusion and intellectual property rights (Chapter 9), a combination of both vertically disintegrated modes of production and the increasing outsourcing activities of firms (Chapter 8) are considered to be one of the reasons behind the recent expansion of world trade. Yumiko Okamoto finds positive statistical evidence between the degree of integration in intermediate inputs and manufacturing growth in Asia-Pacific region, as compared to no direct relationship found between openness of the goods trade and industrial productivity growth.

With that said, key roles of the political and economic institutions of respective Asian countries were absent in these papers. There is a vast literature that has established the importance of FDI and manipulative government industrial policies as key enablers to shift these countries higher up the technological ladder. In addition, no attention was accorded to the influences of Sovereign Wealth Funds (SWF) in the shifting of economic power away from the traditional industrialized countries. Chapter 4 stops short of only suggesting on further research to determine the exact mechanism, using much more disaggregated level of data such as industry-level or firm level data. Similarly, the study of outsourcing examined wage and employment effects and missed out on how such effects were initiated. Inevitably, there was no discussion about international division of labour, another factor behind the rise of “intra-mediate” trade.

Extending views discussed from Chapters 3 and 4, Sumner J. La Croix and Denise Eby Konan in Chapter 9 provide a good exposition on how developing countries benefited from incorporating intellectual property rights into their international trade agreements. To maximize the value of goods and services, well-defined property rights were crucial for widespread positive spillover effects. For continuity in industrial and economic progression, environmental sustainability is evidently becoming a key aspect of new trade literature (Chapter 7). Main fault lines arise from the failure of political institutions to address environmental problems, especially those of global nature. Trade *per se* is not at fault to lead the “race to bottom” in environmental regulations (p. 83). No matter what kind of trade regime exists, it is due to the lack of awareness and respect for the environment as well as laxity and incapability in implementing existing mechanisms that has caused environmental degradation.

Nevertheless, no perfect marriage exists between trade and environmental policies. What is needed is a coherent involvement of all social stakeholders. A more practical encouragement is necessary of capitalistic environmental companies towards accepting the country’s higher standards not only to avoid losing hold on the market but such that they could also easily meet standards in the international arena (p. 111). “*First best*” policy tools should highlight, however globalized and dispersed goods and services are; they still create some local jobs while losing some to outsourcing. Experts with local knowledge and anecdotes can reinvent contributions with more practical and workable solutions as much as academic principles and models feed the intellectually inclined.

A more practical assessment to the scholarly papers was provided in the second part of the volume. Views presented by policy practitioners from Chapters 11 through 14 hold a common theme throughout: it is one of acceptance towards increased trade liberalization and investment policies, pro-institutional policies and a balanced regional and multilateral commitment in support of WTO, FTA and DDR groupings. Surprisingly, policy views stopped short on what can be built

into larger PAFTAD projects and how to engage the basic stakeholders (such as NGOs). Views of business practitioners from Chapters 15 through 19 purely extend their pragmatic experiences from Indonesia to Iceland, besides the United States. The business perspective seems balanced by the academic and corporate authors on new globalization, with California, Hawaii and Singapore presented as case studies. The academic perspectives from Chapters 20 through 24 provide more on globalization and its inevitable adjustments to managing the sensitivity of WTO negotiations and regional trading arrangements. The academic piece provided by Peter Drysdale (Chapter 20) gives a good account on systemic problems brewing from trade negotiations. He warned of East Asian FTAs replicating or innovatively recreating US FTAs as a potential for missteps (p. 214).

In summary, this series provided a good assessment of analytical and empirical issues in relation to the “*Challenges Facing the Global Trading System*”. A common consensus all throughout is about what we call the wider systemic implications for the multilateral system before the WTO plays a regulatory role. The prospects for a sustainable future are constrained by a range of factors requiring sincerity from all economic and political stakeholders.

JAYARETHANAM PILLAI
Embry-Riddle Aeronautical University

DOI: 10.1355/ae29-3i

***The Politics and the Economics of Integration in Asia and the Pacific.* Edited by Shiro Armstrong.** London and New York: Routledge, 2011. Pp. 209.

This is another valuable addition to the books in the Pacific Trade and Development Conference (PAFTAD) series. Like its related publications, the *Politics and the Economics of Integration* is another well-edited contribution to the ongoing discourse on the Asia-Pacific region. Based on the conference held in 2009, the chapters in the