

the impediments and integrating factors and its effects — are further discussed. While ASEAN centrality along with prospects of a full Asian Integration are analysed, only minor references are made to the Trans-Pacific Partnership (TPP).

In the final group (Chapters 11 to 13) the probable path for WTO in its present form in governing trade in the new framework is explored. The ability of plurilateral agreements to act as alternatives to WTO and an organization to govern foreign direct investments (FDIs) around the world built on the lines of the organization are explored, since investment and supply chain trade have a close correlation. Plurilateral agreements like the Information Technology Agreement (ITA), the Financial Services Agreement, or the Basic Telecommunications Services Agreement are examples of issue-based agreements that complement the present world trade architecture and provide direction on the governance structure of “WTO 2.0”. In this context, the importance of forming an International Supply Chain Agreement is emphasized. The strong correlation between FDI flows and supply chain trade in the case of China is put forward in the final chapter, which highlights the need for coordinated reduction in FDI restrictions to facilitate supply chain trade as well as the need for an organization to govern and coordinate FDI across the globe.

The book is not without some scope of improvement. First, the book mainly looks at East and Southeast Asia as Asia. Minor mentions of Asian countries like India are made and the book stops short of commenting on the effects of Asian nations like Sri Lanka, Bangladesh and Afghanistan, as well as the repercussions for these countries of the new developments or in the context of the WTO in the twenty-first century. The incremental challenge for less developed countries that would be better placed to negotiate deals in bigger forums like the WTO rather than regional agreements could add value to the discussion, given that Asia is a mix of countries at various levels of development. Second, a discussion of trade architecture in the Asian region without discussing the ramifications of the TPP leaves a gap that needs to be addressed since the agreement has just been

reached. Third, as the initial introduction outlines the importance of services in the present context of trade in value chains, a chapter dedicated to trade in services and challenges faced in reaching consensus on issues like services trade through Modes 3 and 4 of the General Agreement on Trade in Services (GATS) could have been useful. This would add to the discussion on AEC where labour standards and intra-ASEAN labour mobility are major concerns. Finally, a discussion on issues of intellectual property and challenges faced especially in agreements like TPP by the Asian economies would enlighten the reader.

However, given that economic and policy literature on the subject is relatively thin, the book serves as a perfect starting point for anyone who seeks to understand the nuances and policy challenges that WTO faces to remain contemporary and relevant.

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***Inequality in Asia and the Pacific: Trends, Drivers and Policy Implications.*** Edited by Ravi Kanbur, Changyong Rhee and Juzhong Zhuang. Abingdon, Oxon and New York: Routledge and Asian Development Bank, 2014. Pp. 412.

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Rising inequality — a defining problem of our times — looms large in Asia. Concern and discontent have grown in recent years toward rich-poor disparities in Asia’s fast growing economies, especially the heavyweights. Increasing income inequality in China, India, Indonesia and South Korea warrants academic and policy attention for domestic, regional and global implications.

The urgent and popular socio-political matter receives rigorous economic treatment in this edited volume. The book collates the background papers

to the Asian Development Bank's (ADB) 2012 Asian Development Outlook report, *Confronting Rising Inequality in Asia*. The full assembly of that endeavour, comprising seventeen chapters with participation of twenty-seven international scholars and ADB staff, provides generous insight and analysis on an important subject.

The introductory chapter, written by the editorial team of Cornell University's Ravi Kanbur and ADB's Changyong Rhee and Juzhong Zhuang, draws readers in with a succinct and engaging summary of trends and implications of inequality in Asia. They then outline the underlying reasons to take inequality seriously, and summarize the attitudes Asia's policymakers have towards the problem, including the complex distinctions and interactions between opportunity and outcome, and between inequality and poverty.

The book is subsequently divided into two parts. Part I contains four chapters, with an overview of trends and drivers of inequality, as well as studies exploring new and different angles and policy suggestions. Part II collates a large set of background studies divided into eleven chapters, spanning a range of subject matters and geographical areas. Undoubtedly, various phenomena impact on inequality, and each country's situation is a unique blend of factors. Within this complexity, Chapters 2 and 3 guide us in approaching the problem within the context of technological progress, globalization and market-oriented reform, which are pertinent to Asia. As economic gains have been biased towards particular groups and areas, the authors explain the impacts of skills premiums, labour share of income, and spatial inequality (urban-rural and regional gaps) towards inequality on the whole.

Chapter 4 and 5 provide policy recommendations. The former applies the World Bank's Human Opportunity Index framework to estimate the relative magnitude of inequality. The analysis yields notable findings, such as the unevenness in education opportunities across Asian countries, while at the same time, inequality of opportunity in accessing services is higher in infrastructure compared to education. Bridging education inequality remains paramount to narrowing

income inequality, but the study's findings on the distribution of access to water, sanitation and electricity indicate the perils of omitting these important dimensions of inequality. To confront widening disparities in Asia, Chapter 5 proposes three policy interventions: craft efficient fiscal policy; address regional disparities; and adopt employment-friendly growth. The authors evaluate the role of social protection and labour market institutions, as well as increasingly implemented social assistance and cash transfers, although the issues surrounding migrant labour probably warrant more attention than they receive.

Chapter 6 marks the beginning of Part II and addresses inclusive growth and gender inequality, with a focus on labour markets. Women's labour participation varies widely across Asia, generally registering higher levels in low-income countries and in more advanced countries, and lower levels in middle-income countries. The situation is far from straightforward: high participation levels in poor countries reflect low wage and insecure employment; and low participation in some contexts is associated with religion, customs and norms. Amid these variations in forms and determinants of gender inequality, the chapter articulates guidelines for gender-inclusive and women-empowering policies, specifically through enhancing employment, access to credit, control over assets, and skills development.

In view of the transformation of Asia's economies, this volume appropriately allocates two chapters to the issues of structural change and institutions, and their roles in rising inequality. Chapter 7 elucidates conceptual groundwork for the relationships between structural change and inequality, which is multidimensional and variegated. The pace of economic growth and globalization in Asia compellingly connects these forces to inequality, but as the authors emphasize, the channels of these linkages vary from country to country. Chapter 8 helpfully surveys the literature on institutional arrangements and economic inequality, and casts the spotlight on Asia. The durability of institutions underscores the importance of taking a long-term perspective and weighing the effects of initial conditions and

the power relations that can resist or promote redistribution. On special cases like South Korea and Taiwan, both of which experienced declining inequality while booming economically, the author points out the contribution of land reform to this outcome, but also stresses the exceptional circumstances surrounding it and the crucial role of human capital investment.

The next three chapters focus on particular policy matters: fiscal policy, growth policy, and commitment to equity. We gain an instructive overview of taxation and public expenditures in Asia, and an analysis of the efficacy of utilizing the fiscal system for redistributing income and redressing inequality. With wide variation in types and rates of taxation across Asia, there is much scope for drawing lessons within the region, besides referencing the advanced OECD economies. Chapter 11 juxtaposes the growth policy and strategy of China and India, which have both pursued inclusiveness as a priority and yet registered widening inequality in recent decades, more steeply in China. The authors also discuss South Korea's post-war transformation and outstanding success of rapid growth with declining inequality. They broadly concur with the analysis of Chapter 8, but pay special attention to the reversal of that trend since the Asian Financial Crisis. Rising inequality in South Korea poses challenges to its growth strategy, inducing greater emphasis on equal opportunity, skills development, anti-discrimination measures and youth- and gender-attuned employment policies.

Chapter 10 introduces us to the Commitment to Equity Assessment, a diagnostic framework to evaluate how well government expenditures and taxes contribute towards eradicating extreme poverty, reducing inequality, and promoting human capital accumulation. Twelve countries have been appraised using this method, including Brazil, which serves as a substantial case study within the chapter. Latin America features as a region in Chapter 12, presenting an illuminating reference point for Asia, specifically from the angle of middle-class growth. This phenomenon in Latin America, whose members have widely reduced economic inequality and also pursued

more equitable distribution of voice, opportunity and power, leads the author to be optimistic about other regions, including Asia.

The singularity of countries' inequality conditions and experiences recurs as a theme throughout the book. *Inequality in Asia and the Pacific* accordingly includes a set of country-specific studies on Pakistan, Indian, and China. A chapter on Southeast Asia and another focused on urbanization in Asia round up this volume. Fruitfully as well, the conceptual and policy contents of the preceding chapters, and the overarching themes of the project, lend structure and cohesion to these empirically denser papers. The findings may not be definitive; inequality is inevitably contentious. Nonetheless, this volume contributes a richly informative, substantive and stimulating resource for reference, debate, and further research.

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**ASEAN Economic Community: A Model for Asia-wide Regional Integration? Edited by Bruno Jetin and Mia Mikic.** Basingstoke: Palgrave Macmillan, 2016, Pp. 350.

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This edited book focuses on the ASEAN Economic Community (AEC). It is written and published in the same year as the AEC has been created. In the light of this event, the authors describe: ASEAN's current state; how the region has changed since the association's establishment in 1967; and also examines ASEAN's future challenges. This book is an interesting read for policymakers, economists and anyone interested in ASEAN and the AEC.

The AEC has four pillars to transform ASEAN into an economic community: (i) a single market and production base; (ii) a competitive economic region; (iii) equitable economic development;