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***Macroeconomic Policy for Emerging Markets: Lessons from Thailand*, by Bhanupong Nidhiprabha.**
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Sound macroeconomic policies can be instrumental in promoting and sustaining a country's long-term growth. In the face of global fluctuations, countercyclical macro policies can be adopted to minimize the deviation from an economy's stable growth path. However, when such policies are based on false presumptions and/or hidden agendas, they can lead to catastrophic results.

The author, Professor Bhanupong Nidhiprabha, has more than forty years of experience in the field of macroeconomics, particularly international trade, which strengthens the theoretical and practical insights this book offers. Divided into thirteen chapters, his publication deals with a large number of interconnected aspects of the Thai economy, and the lessons that can be learned from the policymakers' successes and failures.

The first three chapters provide a comprehensive background of Thailand's economic development over the last fifty-five years, split into three periods: first, the early phase of steady growth between 1961 and 1990; second, the resilient period of 1991 to 2005, when the country endured macroeconomic adjustments in relation to external shocks; and third, the period of political turmoil from 2006 to 2017, when changes in political regimes and China's slowdown affected Thailand's long-term growth.

Drawing attention to Thailand's financial market, Chapters 4 through 6 focus on the banking sector. Highlighting the role of national banks in the Asian and Global Financial Crises, the author suggests that, despite the reforms that have already taken place, going forward, the Thai banking sector would need further large-scale adjustments, such as: strengthening rules and regulations; improving productivity and technology; and seeking higher revenues from non-interest income during periods of boom and bust influenced by external and internal shocks. On the development of the country's stock market, Professor Nidhiprabha points out that the stock market acts as a linking channel between the monetary and real sectors. Specifically, monetary expansion can enhance liquidity in the stock market and stimulate private investment and consumption. The empirical evidence in this book also suggests that the Bank of Thailand can implement a pre-emptive monetary policy before the stock market forms bubbles and generates ripples in the real sector.

In Chapter 7, the author discusses three topics in detail: changes in Thailand's exchange rate policy since the Asian Financial Crisis; the country's monetary policy strategy to maintain long-term growth; and fiscal policy measures aimed at nationwide poverty alleviation. Weaving the subjects together, he highlights that, while the country's exchange rate is an important tool for correcting trade imbalances, too rigid exchange stability can prove detrimental to the economy and invite speculative attacks. Given that wide fluctuations of the exchange rate can also hamper trade and investment, a combination of adjustable and gradual changes in the exchange rate would be useful when Thailand's imbalance-adjusted growth enters a "critical zone".

As Thailand continues to be globally integrated, its business and inflation cycles have also become more synchronized with the rest of the world. In this regard, this book also covers the analysis of how national monetary and fiscal policies can be adjusted in relation to external imbalances. In Chapter 8, the author first examines how changes in monetary aggregates influence the cyclical movement of real output in Thailand, and then explores the trade-off relation between inflation and unemployment in the country between 1971 and 2017. The evidence he presents suggests that the cost of pushing the Thai economy to full employment is not overly high in terms of sacrificing price stability.

In the next two chapters, Professor Nidhiprabha sheds some light on the direct impact of the country's quantitative monetary easing policy and the indirect effect of China's business cycle on the Thai economy.

Based on the adverse economic consequences of quantitative easing (QE) observed in other industrial countries, the author comments that real exchange rate appreciation can severely affect Thailand's competitiveness, too. On China's slowdown, the book finds that the Chinese business cycle is fairly synchronized with that of ASEAN, especially in terms of output, export, inflation and investment. As a result, deceleration of the Chinese economy will inevitably spillover to the group, including Thailand.

The author, in Chapter 11, elaborates on the benefits of fiscal policy in stabilizing short-term fluctuations of output and maintaining price stability, particularly during periods of political turmoil and uncertainty. In the same vein, he explores the trade-off between growth and income inequality, and how fiscal policy can be used to improve the nation's income distribution. The final two chapters include some lessons from Thailand's economic story for other emerging economies to learn from. One example that stands out is the "twin traps" situation in which the country was caught, with policymakers employing every possible economic tool to escape the middle-income and military coup traps. Other innovative strategies of macroeconomic growth and stability, international competitiveness, and management of financial risks are also described in the book.

Overall, this book provides a comprehensive background of Thailand's macroeconomic experience over the past six decades and the challenges it faces in the near future. It is a definite reading reference for students, academics and government officials who are keen to learn more about the country's growth trajectory.

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