

## BOOK REVIEWS

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***Southeast Asia: The Long Road Ahead.* By Lim Chong Yah.** Singapore: World Scientific Publishers, 2001. Pp.376.

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Professor Lim's volume "deals with cross-country and inter-temporal analyses of the macroeconomic problems, issues, policies and trends in all the ten countries that form ASEAN (Association of Southeast Asian Nations)" (p. ix). Early in the book, this important point is made: in an era of modernization, industrialization, and globalization, the majority of human beings who live in Southeast Asia do so in rural-agricultural settings. The road towards poverty eradication and alleviation for them will be indeed a long one because, despite their hard work and craft, their future is largely in the hands of national, regional, and global policy-makers.

The policy-oriented book is organized in both a thematic and linear fashion with chapters focusing on agriculture policies being set within the context of regional diversities in terms of population, human development, trade, fiscal and monetary, and regional co-operation policies. Chapters can be read separately or in any order with the exception of Chapters 3 through 5 which deal with food sufficiency in rice and other edibles and export enhancement of rubber, palm oil, rice (as in the case of Thailand), sugar cane, and maize. The author's focus on a balanced agriculture policy reflects his long-standing interest in Southeast Asian agricultural development. His appropriate concern for balance is reflected in his conviction that with Southeast Asia's rapid population

growth, it is imperative that food supply remains (or becomes) sufficient to meet this growing demand. "However, it is not advisable for countries to be self-sufficient in food, particularly in all types of food ...(because) if all scarce resources are devoted to the production of food inefficiently, other sectors will not be able to function properly, if at all." (p. 113).

Chapters 6 through 8 cover a variety of topics in depth including "outward-looking" industrialization that has given rise to economic interdependence via the Association of Southeast Asian Nations (ASEAN) and the growth triangles. Chapters 9 and 10 evaluate fiscal and monetary policies throughout the region and Chapter 11 deals with the region's rapidly growing population and the need to provide education and training and to generate employment opportunities. In this reviewer's judgement, the concluding Chapter 12, which presents a theoretical overview, could be valuably read prior to working through Chapters 6 to 11. The theoretical constructs that conclude the book are appropriate to a fuller and more integrated understanding of industrialization within the context of regional inter-dependence and fiscal and monetary policies and population and human resource strategies. These policies collectively provide the mosaic for sustainable, long-term development throughout Southeast Asia. For example, if the policy-makers who are responsible for creating a civil society and vibrant economy in East Timor are looking for an intellectual blueprint to guide their efforts, they will find it in Professor Lim's latest book.

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The final two chapters are among the book's most interesting. Chapter 12 deals with the recent Asian financial crisis and it calls attention to the fact the countries that experienced rapid pre-crisis growth (such as Thailand) had "a crisis in hiding" because of four factors. Their growth masked these factors: substantial and persistent current account deficits; an exchange rate that is fixed over the period of time that the deficits persist; the maintenance of currency convertibility; and capital account finance that is dominated by short-term bank lending. A lesson in development is that these factors in combination carry the danger of leading to a financial crisis that threatens growth momentum as it did in Thailand and other seriously affected countries.

Chapter 13 calls attention to four factors upon which development in Southeast Asia and elsewhere must be fundamentally grounded. They are the maintenance of social order; the development of human resources, the persistence of regional peace and security; and the creation of a sound investment climate. These points appear to be simple and self-apparent, but they are as difficult to pursue as they are basic to the long and difficult road to development in Southeast Asia.

The book is in the tradition of Professor Lim's commitment to high quality scholarship — it is very well written and thoroughly researched. The volume clearly achieves the author's stated intention of providing a useful book to both graduate and undergraduate students whose academic foci is on Southeast Asia, and to policy-makers and others who are interested in policy options in the ten ASEAN countries. If there is a shortcoming in the volume, it has to do with the absence of a more systematic treatment of the important development roles of official development assistance (foreign aid) and balance of payments. An expanded treatment of the roles of the World Bank, the Asian Development Bank, the International Monetary Fund, and bilateral foreign aid donors would have added still more to this immensely useful and readable book. A more extensive focus on assistance would have made the book even more useful in understanding what poorer, less developed agriculture-based Southeast

Asian countries need as they travel the long road to sustainable material progress. However, an added feature of the book fills this and any other gap because the volume contains extensive references to further readings. With all of these points in mind, this reviewer recommends the book enthusiastically and without reservation.

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***Tiger Technology: The Creation of A Semiconductor Industry in East Asia.* By John A. Mathews And Dong-Sung Cho.** Cambridge: Cambridge University Press, 2000. Pp. 389.

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This is an important book looking in detail at an important aspect of the East Asian economies — the semiconductor industry. The development of this sector, together with the wider electronics industry of which it is a crucial part, has been at the leading edge of the region's rapid industrialization along with the car, steel, textiles, and petrochemical industries. The book takes the semiconductor sector as a prime example for understanding the dynamics behind this rapid industrialization and describes why parts of East Asia (Japan, Korea, Taiwan, Singapore, and, to some extent, Malaysia) have managed to come close to the world cutting edge in such complex technologies. The book follows in the tradition of Hobday (1995) and Borrus et al. (2000) with a detailed discussion of country experiences and applies a thorough review of the literature regarding technology diffusion and organizational theory to the specifics of the East Asian semiconductor industry. In this way the authors examine the wider implications including prospects of replication in both other developing economies and also in the United States and European Union (EU). This book is an important contribution to our understanding of why the region developed so fast and will be useful for a variety of readers from macroeconomists to