

Notwithstanding its minor weaknesses, *ASEAN at the Crossroads* is an excellent publication and should be on the shelf of every ASEAN scholar, as well as policy-makers and all those who share an interest in the evolution of this regional organization. The book may not provide any dramatic measure for more effective economic co-operation but it will certainly renew everyone's faith and conviction in the ASEAN concept.

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*Trade and Structural Change in Pacific Asia.* Edited by Colin I. Bradford and William H. Branson. Chicago: University of Chicago Press, for the National Bureau of Economic Research, 1987. Pp. xix, 558. US\$58.

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There has been a flood of studies in recent years on trade strategies, export promotion policies, industrialization, and structural change in East and Southeast Asia, such that the first reaction of this reviewer was whether this volume could make a substantial additional contribution to the literature. My conclusion is that this is a most useful and comprehensive volume, containing many thorough and original contributions. But one is also left wondering whether the book's organization enables the ambitious agenda, outlined in the overview chapter, to be fully addressed.

The book is based on a conference in Kuala Lumpur in 1984, sponsored by the Malaysian Economic Association and the National Bureau of Economic Research. Two features of the volume are immediately apparent: first, the distinguished list of paper-writers, combining well-known regional economists together with an impressive group of writers from the 'North'; secondly, the sheer size and scope of

the volume—about 580 pages and 18 chapters (including the introductory overview). Following the editorial overview, the rest of the book comprises four sections. The first examines the 'East Asian eight' in international context. There are five chapters focusing on the region's economic relations with the United States (two chapters), Japan, and the EEC, and an application of some of the 'LINK' model results to the region. Then follows a section containing three chapters which seek to relate broad structural changes in the regional economy to various trade theories, mainly variants of the standard HOS construction. The final two sections each consist of four country chapters, focusing on the NICs, and the 'ASEAN Four' as possibly the next tier of NICs.

In their overview chapter the editors state that this set of essays is intended to address three issues. The first is to analyse the factors underlying the NICs' success story: "Can they be imitated or are they *sui generis*?" (p.xi). Secondly, are the 'ASEAN Four' set to become the 'next-tier NICs'? And thirdly, what is the nature of and changes in the OECD-NICs and near-NICs triangle? Will the latter gradually replace the NIC as exporters to OECD countries, or will they initially orient their export drive mainly to the graduating NICs?

The complexity of the issues and the length of the book makes the reviewers job virtually impossible. The best one can attempt to do is to selectively draw attention to a few interesting or puzzling findings.

For this reviewer, the chapter (8) by Krause provides an elegant summary of economic interdependence in the Pacific Basin. Krause classifies the major SITC trade categories according to their factor intensity, and divides the region into three groups—the 'advanced five', the NICs, and the remaining ASEAN countries. An encouraging finding—encouraging, at least, for those who believe that existing trade theories are still useful—is that the revealed factor proportions of trade flows correspond fairly well with the countries' relative resource endowments.

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The five chapters on the 'Northern perspective' complement the later country case studies. Perhaps the most useful is the chapter (3) by Waelbroeck, who draws on the rich (but now somewhat dated) data base prepared as part of the World Bank's import penetration study. Equally useful is the author's analysis of the political economy of EEC trade policy. Waelbroeck argues that developing countries intent on expanding their exports to the Community should, rather than treating that body as a 'monolithic' organization, use "their power of persuasion and bargaining strength to deal with the true source of their problems: the countries who in the EC Council argue most strongly in favor of restrictions to their [developing countries'] exports" (p. 75). These countries he identifies as, not surprisingly, the United Kingdom, France, and Italy. A useful chapter in this section, also, is the presentation by Klein (Chapter 6) of some of the forecasts for the regional economies from the LINK model. The short-run macroeconomic forecasts do not stand up particularly well to subsequent developments, but undoubtedly the results will improve as the modelling techniques become more sophisticated.

The eight country chapters are a mine of information for readers interested in the region. They are useful not only for their thorough examination of development issues, but also for their extensive bibliographies and data sets. It would be invidious to single out individual chapters for review, but I found the long Hong Kong chapter (12) of special interest. Contrary to the common presumption that laissez-faire policies only have been driving the Hong Kong economic miracle, Chen (p. 365) takes a somewhat different tack: "... unlike the other NICs, Hong Kong does not enjoy the *benefits* [my emphasis] of government long-term industrial policies. The Hong Kong government is still hesitant in providing technical support and backup services to industries..." (p. 365). In the case of the Indonesian chapter—the only country study not written by a local economist—history has been a little un-

kind to the author. Beals argues: "So far, questions of tariff and non-tariff barriers to trade and their relation to the structure of industry have not been addressed by decisive policy action" (p. 539). In fact, following the dramatic decline in oil prices the Indonesian Government has at last tackled the complex and all-pervasive trade and regulatory regimes, and for the first time in the country's history manufactured exports are quite substantial. But, in fairness to the author, most observers would have reached a similar conclusion in late 1983, when the paper was presumably written. Sometimes governments can move with surprising speed!

All in all, this is a most stimulating and comprehensive volume, and a standard reference which deserves to be on the shelf of anyone with a serious interest in the region. Its enormous breadth—it is certainly not a book to be read at one sitting—perhaps crowds out some of the interesting questions: for example, what have been the principal factors driving the region's economy (how much is the growth due to the broad macroeconomic environment, and how much to industrial policy); and why have some otherwise similar countries performed quite differently (the Thai-Philippine comparison invites scrutiny, for example)? But the authors could fairly argue that these and other issues require a separate volume.

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*Developing Countries in the GATT Legal System.* By Robert E. Hudec. London: Gower for the Trade Policy Research Centre, 1988. 289 pp. £12.95.

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This provocative essay by former U.S. trade official and law professor Robert E. Hudec argues that GATT's current welfare-based legal policy has failed to protect the interests