

BOOK REVIEWS

***Coping with Globalization: Cross-National Patterns in Domestic Governance and Policy Performance.* Edited by Steve Chan and James R. Scarritt.** London and Portland, Oregon: Frank Cass, 2002. 216pp.

This edited volume is a welcome contribution to the debate on the impact of globalization on states. One of the primary aims of its editors was to avoid the unfortunate tendency common amongst some writers of globalization to engage in sweeping generalizations, often driven by ideological motivations, and overly reliant on anecdotal evidence rather than systematic empirical analysis to substantiate propositions. Using quantitative (regression), interdisciplinary and comparative analyses, the authors have provided a rigorous assessment of selected claims that have been made about globalization.

In putting together this volume, its editors, Steven Chan and James Scarritt, have selected six empirical chapters that address the human, social and political dimensions of globalization—issues that are currently hotly contested in the literature, especially between the extreme proponents of globalization and its harshest critics. By doing so, the authors also attempt to test the claim advanced by both these camps that globalization is indeed an inexorable force exerting uniform or homogenous effects (negative according to the detractors or extreme pessimists; positive for the proponents or extreme optimists) on states and societies that are, consequently, unable to mediate or influence these forces in any meaningful way.

The book begins with an excellent introduction by the editors that highlights key aspects of this debate. Chan and Scarritt devote

considerable attention to discussing the complex nature of globalization. Not only do they view globalization as a multi-faceted phenomenon incorporating economic, cultural and political dimensions, they also reject the claim that globalization must be a linear, cumulative process that has identical effects everywhere. Chan and Scarritt also recognize that apart from states, inter-governmental organizations, multinational corporations, non-governmental organizations and local communities are key players in globalization. Far from being passive, these actors often mediate globalization processes in significant ways, generating divergent local/regional responses to globalization as a result. Some of them often promote globalization through their actions. This is a critical point in their chapter, which challenges the notion of globalization as a “powerful, impersonal, even natural” force “independent of human agency” (p. 6). Understandings of globalization that ignore both agency and its redistributive implications could unfortunately lead to policy decisions that worsen rather than ameliorate globalization’s negative effects. The editors have, therefore, set the stage for the remaining six chapters, which engage in a rigorous examination of the consequences of globalization.

Chapters 2, 3, 5 and 6 address the social, economic and political implications of globalization. The literature contains two opposing arguments on these issues. Those writing within the neoliberal tradition—the proponents or optimists—essentially posit positive outcomes. Thus, globalization is expected to raise levels of economic and human development, as well as lead to higher standards of human rights in developing nations. Its detractors see globalization as an inherently destabilizing phenomenon, dragging down employment prospects, incomes and living standards while leading to increased wealth inequalities. Social tensions and conflicts that can emerge as a result, the pessimists argue, would likely lead to repression and human rights abuses in developing states as leaders attempt to maintain the political and social stability that investors demand. Which of these positions does the empirical evidence support?

Ross Burkhart in Chapter 2 finds that globalization has a strong positive impact on economic development (measured as per capita income) but a minimal impact on the broader concept of human development. When regional variations are considered, however, the data reveal that globalization has had a beneficial effect on human development in the world’s poorer regions but a negligible effect on their economic development compared to the OECD countries. The results do not, therefore, provide unambiguous support for one or the other camp. The finding that globalization has harmed East Asian

economic development while leaving human development unaffected is intuitively surprising, and clearly merits further study.

David Richards and Donald Gelleny in Chapter 3 find that neither trade globalization nor financial globalization has had any impact on respect for human rights (defined as rights against torture, disappearance, extra-judicial killings and political imprisonment) in African and Asian developing states. In contrast, financial globalization has had a positive impact on human rights in Latin America and the Middle East, lending some support to the neoliberal school. As in the previous chapter, the authors admit that their results do not provide unambiguous support for one or the other camp. Moreover, they caution against over-generalization given the regional variance revealed by their results, which raise additional research questions that Richards and Gelleny suggest require more detailed case-intensive analysis, a finding that also emerges from the other empirical chapters.

Chapters 5 and 6 address globalization's impact on the capacity of states to make autonomous economic policies. Susan McMillan shows in Chapter 5 that, contrary to the neoliberal view, the four ASEAN states studied (Indonesia, Malaysia, the Philippines and Thailand) were able to raise government spending to compensate for the risks arising from participation in the global economy, irrespective of the political system (democratic versus authoritarian) in place. While McMillan cautions against drawing generalizations from her limited sample size, her results do put a dent in the proposition that (developing) states are helpless in the face of globalization. Nita Rudra's analysis in Chapter 6 similarly casts doubts on the conventional wisdom that, given globalization, states must reduce spending on social programmes or face reduced competitiveness and capital flight. She argues, in fact, that rather than being a response to any real pressures, developing states may be reducing their welfare spending unilaterally simply because this is what they believe they *ought* to do in order to raise their international competitiveness. The author's findings, consequently, have significant policy implications, as do the other chapters.

The remaining two chapters look more closely at how politics impacts on globalization. Karen Ferree and Smita Singh show, in Chapter 4, that institutional changes that reduce electoral competition in Sub-Saharan Africa had an immediate and significant negative impact on growth. Political reform, on the other hand, did not produce an immediate growth dividend. While their findings contribute to ongoing debates on the relationship between democratization and economic growth, they also challenge the neoliberal proposition that simply opening up to globalization is all that is needed to reap its gains. Instead, the authors show that domestic political institutions matter.

Similar findings emerge in Chapter 7, where David Leblang shows that expectations of domestic political uncertainty in the form of impending leadership change by non-constitutional means increase the probability of a speculative currency attack. His findings, based on quantitative analysis of 87 developing countries between 1970–96, supplement prevailing accounts that emphasize economic factors in precipitating currency attacks. The chapter would, however, have benefited from some discussion of the Asian financial crisis of 1997–98, which appears to challenge his basic thesis since there was little expectation amongst investors before the crisis of non-constitutional leadership change in East Asian states.

This book delivers on its promise to offer a rigorous assessment of the effects of globalization across states and regions. Although its findings do not resolve the debate in favour of one or the other camp, the authors' findings confirm that globalization's effects are mixed, and highly contingent on local conditions. Nevertheless, it is also clear that further research is needed to gain deeper insights into what these conditions are, a point that all the authors acknowledge. Detailed, empirical case studies employing qualitative political science research methods can offer much in this regard as a supplement to the book's quantitative methodology based on large-N, cross-national comparisons. Non-quantitative studies should not be rejected as somehow lacking rigour. The editors' intention that the book offers inter-disciplinary analysis is only partly realized because of an over-reliance on the quantitative approach. Moving beyond the book's state-centric focus to ask how globalization impacts on different groups within states, a key topic in globalization studies, would also gain from case-intensive research. Quantitative methods may not be able to fully capture all the complexities of governance that may be significant in explaining how states and societies cope with globalization. The capacity of developing country governments to address the consequences of globalization may depend a great deal on the interaction between domestic political institutions, the underlying norms of governance in a particular society, and state–society relations. Although the authors factor politics into their quantitative analyses using indices for democracy, political stability, electoral competition and leadership change, these provide a first-cut explanation, and raise additional questions. The authors themselves acknowledge the need for further study to especially probe the regional variances evident from their regression analysis.

Despite these limitations, the editors and the authors are to be commended for having produced a set of excellent research studies on a highly contested subject, combining theoretical and methodological rigour with insightful assessments of their findings. They have allowed

us to take some significant steps forward in our understanding of globalization and its effects.

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***ASEAN's Diplomatic and Security Culture: Origins, Development and Prospects.* By Jurgen Haacke.** London and New York: Routledge Curzon, 2003. 198 pp.

Of late, it has become fashionable to dismiss ASEAN and its core normative and behavioural framework known as the ASEAN Way. Scholars who once recognized and praised ASEAN's past efforts in diffusing inter-state tensions and acknowledged it as a respected regional grouping have now turned their guns against what they see as a "sunset" organization, a house divided against itself, or even a dysfunctional entity unwilling and unable to change its ways to cope with the many new challenges that ASEAN members states and the region as a whole face.

Jurgen Haacke's *ASEAN's Diplomatic and Security Culture* is an important new contribution to the literature on Southeast Asian regionalism set in the context of the growing debate on ASEAN's accomplishments and limitations as a framework for regional order-building. The book's main achievement is its dispassionate, detailed and systematic analysis of the "ASEAN Way", defined chiefly in terms of the doctrine of non-interference in the internal affairs of its members. Haacke recognizes ASEAN's past contribution, but spares no effort in identifying and elaborating on its present failures in coping with the pressures of a globalized world. His explanation of ASEAN's weaknesses in addressing new challenges focuses heavily on ASEAN's resistance to allow its norm of non-interference to "evolve". In short, this book is to a large extent about how sovereignty and non-interference hold the key to understanding ASEAN's successes and limitations.

As the extensive bibliography attests, the book is well-researched. The analysis maintains a relentlessly serious academic tone. This is to be expected, as the book grew out of a PhD dissertation at the London School of Economics. The late Michael Leifer served as an inspiration