

particularly the resulting “policy conflicts between domestic fractions of capital” and the creation of uneven protection structure that further distorted market incentives and misallocation of resources. Indeed Hinks’ lament of the “development failures” of the last forty years to evenly share the benefits of growth “between different parts of the country and different groups of people” is hardly debatable.

Despite its well-intention to present policies and their impact on social and economic conditions, the book has been particularly quiet in presenting viable alternatives to current policies. For example, while noting the failure of land reform programme to make a dent on rural poverty, there is nothing in the book that examines alternative approaches to make redistribution work (for example, should a market-assisted land reform be instituted to reduce the costs of implementing it? should tenancy be allowed again to facilitate transition from landless labour to owner-cultivator?). This is unfortunate because in the Philippines, where unequal distribution of land is a major cause of poverty in the rural areas, policies that target the poor through asset redistribution are crucial in reducing poverty and inequality. Hence, identifying the alternative policies that will make the asset redistribution work could have been a welcome start to provoke a discussion.

The book also makes strong reference to the importance of public and private governance, but falls short in providing concrete suggestions on how to address the governance problems at the national and local levels. While recognizing several weaknesses in the country’s corporate sector, the book provides little argument to show how the concentration of power in the hands of few hundred families controlling major corporate conglomerates has contributed to more uneven development and wider income disparities in the country.

So what are the prospects for change in the Philippines? As argued by Hinks, changing economic conditions, such as increased globalization and greater integration in the world economy, should augur well to improve the nature of competition

between fractions of capital. Pressures from the global economy will force deregulation to “eliminate many of the rents, the control of which had been the stuff of national politics for decades”. Hinks’ idea of having globalization work towards less accumulation is indeed sound, but the notion that growth automatically follows through greater integration in the global economy is quite difficult to accept. This is because in the Philippines, as in other developing countries, poverty and income inequality is a reflection of deeper structural problems that cannot be simply left to “market forces” to be eliminated. Instead more concrete measures and policies are needed to seriously tackle the problems of land redistribution, corruption, and the continued domination of oligarch elite in major industries. Hinks is right in saying that the state should “act more on behalf of equity” and “ensure that those who benefit most from the changing global system compensate those who clearly lose”. Without really mentioning them, it is obvious that Hinks is referring to the workers and peasants and other marginalized sectors that constitute the majority of the Philippine society who should be truly empowered and become the true beneficiaries of economic growth and development.

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***The Philippine Economy: Development, Policies, and Challenges.* Edited by Arsenio M. Balisacan and Hal Hill. New York: Oxford University Press, 2003. Pp. 466.**

As the editors recount, motivation for the book arose from the fact that it had been many years since the last broad academic analysis of Philippine economic development was produced. It was deemed the right time for a serious study of the Philippine economy, one that that looks backward and forward, be conducted again. At the time work for this book started, the only other similar

exercise (but undoubtedly less ambitious review) being undertaken was that by a government think-tank which focused on the economic performance and policy developments during the Ramos regime, intended to provide an economic blueprint for the next administration.

This volume covers all key aspects of the Philippine economy and development policy for the last two decades with some trends dating as far back as the 1970s. Achievements and failures are identified and future challenges are highlighted in each discussion. The contributors are either academics or policy researchers who are recognized authorities in their respective fields. Being experts, it comes as no surprise that these same individuals were involved at one time or another, directly or indirectly, in shaping the economic policy landscape of the country. Indeed, a few of them may actually be narrating the history of policy development based on their first-hand experience. In addition to the pool of local authors, the book also benefits from the contribution of academics from outside the country making the volume a truly comprehensive collection not only in terms of coverage but also in terms of perspectives.

The book is organized into four main parts. The first part sets the scene by presenting the key issues, historical events and players that influenced Philippine development. In the introductory chapter, Arsenio M. Balisacan and Hal Hill provide an excellent overview of the volume by first laying out the facts of the country's economic record since the 1970s before drawing on the analyses from the different chapters to cull insights and lessons. They then end with their assessment of the significant accomplishments (for example, a monetary policy framework with clearer objectives and assignment of instruments, lower and "cleaner" levels of protection, civil society, etc.) and outstanding challenges that require earnest attention (for example, physical infrastructure and its regulation, corporate governance and the stock market, etc.). The political economy, which provides the context for understanding the country's economic performance, is discussed by Emmanuel S. de Dios and Paul D. Hutchcroft.

They chronicle how various interest groups helped to shape, at times defeat, economic reform initiatives and opportunities over the last half century.

The second part looks at the macroeconomic and international dimensions. The evolution of monetary policy rules and exchange rate regimes are examined by Maria Socorro Gochoco-Bautista and Dante Canlas. They describe how the confluence of policies and external shocks affected macroeconomic stability. Gerry P. Sicat and Rahimaisa D. Abdula rationalize the government's fiscal management and performance, highlighting the chronic deficit, which is perhaps the most urgent of all problems facing the current administration. Romeo Bautista and Gwendolyn Tecson explain the trade and exchange rate policies adopted and why significant trade liberalization did not translate to high economic growth. The contribution of other types of international economic transactions such as foreign direct investment (FDI) and the remittances from overseas Filipino workers are also analysed along with the attendant issues of increasing globalization and regionalization.

After the macro picture, the performance of the major economic sectors — agriculture, industry, and services, are considered in the third part of the volume. Cristina C. David argues that for the case of agriculture, the performance record is mixed due to policy and institutional frameworks that provided a wrong incentive structure and enabling environment. The record and prospects for industrialization are analysed next by Hal Hill. Here too the results are mixed and quite disappointing, in fact, especially when compared to its neighbours. In terms of growth, export performance, employment generation, spatial distribution, and SME dynamism — the overall picture for the manufacturing sector is unimpressive. The silver lining, it seems, rests with the services sector which has contributed significantly to employment generation and national output. Ma Joy Abrenica and Gilberto M. Llanto look at the experience in telecommunications and banking and the critical role of regulatory reforms (deregulation, liberalization, and strengthened regulatory

and supervisory frameworks) in explaining their successful transformations.

In the final part, four chapters are devoted to examining the country's record with respect to what is collectively referred to in the book as the social dimensions covering human resources, poverty, regional development, and the environment. Despite important strides in health and education (for example, in spending), rapid population growth and the lack of a strong population policy are deemed by Alejandro N. Herrin and Ernesto M. Pernia as the major stumbling blocks which must be squarely faced. Arsenio M. Balisacan investigates the nature, pattern, characteristics, and causes of poverty and inequality in the Philippines and emphasizes that the type of economic growth is as important as the rate of growth in attaining any headway. Another kind of inequality, spatial inequality, is the focus of Rosario G. Manasan and Shiladitaya Chatterjee. They examine the persistent disparities among the regions and offer concrete recommendations to address the uneven development. Ian Coxhead and Sisira Jayasuriya conclude the volume with a discussion of the state of the environment pointing out the major threats to sustainable economic development.

These twelve chapters individually and collectively lead to a better understanding of a country that is described in the opening line of the book as "one of the world's development puzzles". As a scholarly piece, there is no question that this collection is a valuable contribution to the literature. Beyond being an academic endeavour however, the volume has practical value as well. It will enable policy-makers, development planners and practitioners, and even aid agencies to gain a better grasp of both the systemic and idiosyncratic problems that need to be addressed. Through careful and critical examination of the Philippine's past economic record, this volume provides an excellent starting point for the design of mutually reinforcing policies and programmes which will hopefully contribute to achieving sustainable, durable, and equitable growth.

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Law and Development in East and Southeast Asia. Edited by Christoph Antons. London and New York: RoutledgeCurzon, 2003. Pp. 387.

Law and development discourses have and are still punctuated with suspicion, inconsistency, and pomposity. In the main, due to cultural and ideological differences among sovereign nations, a consensual terminology and methodology framework for Rule of Law seems hard to envisage. Max Weber's theory that the success of capitalism in Europe is in part attributed to "formal rational" law, which diffused governmental intervention and accordingly induced a high "calculable" and "predictable" economic environment, has not necessarily been accepted by particularly developing countries, including Asia. Indeed, the Western legal-liberalism paradigm has often been criticized as being "ethnocentric" and "imperialistic" (Trubek and Galanter 1974). To add to this quandary, today's research surrounding law and development is alarmingly dearth, particularly in the Asian context. More importantly, the law and development nexus is yet to be firmly established by both systematic qualitative and quantitative empirical evidence. Several questions remain disturbingly unanswered, among others: Is law an end to itself? Is law a means to an end? Is law a pre-condition to development? Do law and development converge or diverge? The relatively recent studies of Pistor and Wellons (1999) shed some light to such questions, but more in-depth research undertakings that include a multidisciplinary focus are urgently needed.

Fortunately, the law and development-thinking paradigm has resurfaced to importance since the early 1990s to a large extent due to the globalization process and the end of the Cold War. However, once again the motives of the proponents namely from the Western developed world as well as international economic organizations tend to be doubted and suspected. Undeniably, the onset of the Asian crisis in 1997 has certainly brought about fresh impetus to the subject matter.

This edited volume by Antons certainly captures the nuances of law and development thinking along the impact of the Asian crisis in East and