

this volume is so crowded with new concepts, innovative propositions, and information that a “quick read” will not be possible. The book provide information to readers only if they are willing to work their way through them carefully and thoughtfully. By doing so they will have treated themselves to an engaging mosaic of creative ideas, valuable insights, and useful information.

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Developing Asian Bondmarkets. Edited by Takatoshi Ito and Yung Chul Park. Canberra: Asia Pacific Press at the Australian National University, 2004. Pp. 178.

This edited volume is the outcome of the 2003 Financial Forum organized by the Pacific Economic Co-operation Council in Thailand. The nine contributors are financial experts/academics from Hong Kong, Japan, Korea, and the United States. This book is an attempt to delve into developing bondmarkets in Asia region after the 1997–98 financial crisis. The editors expect the research output of this book to get the attention of policy-makers in ASEAN+3 and other APEC governments.

The volume consists of an introduction and six individual chapters. Chapter 1 “Overview: Challenges and Strategies” is written by the editors. It offers a quick overview of bondmarkets in Asia and the significance of the Asian bondmarket development. The editors stress that the policy-makers in the region have recognized the importance of bondmarkets in mitigating future currency crises but concrete actions are yet to be taken. In this chapter, readers will get a good bird’s-eye view of the rest of the book. The editors deserve special credit for providing a useful outline of the various contributions and attempting to bring together a diverse collection of interesting conference papers.

In the next two chapters, the contributors propose two differently comprehensive approaches

for Asian bondmarket development. Chapter 2 “Creating Regional Bondmarkets in East Asia” contains the rationale and strategies for creating regional bondmarkets in East Asia. The contributors point out that domestic bondmarket development should precede regional bondmarket development. If domestic bondmarkets are fortified by domestic financial infrastructure, deregulated, and opened to foreign borrowers and investors, many Asian countries would be able to mitigate the maturity and currency mismatch problems caused by the 1997–98 Asian crisis. The contributors also recommend that the Asian bondmarket development should begin with improving bondmarket infrastructure and removing institutional bottlenecks. In this chapter, Asian bonds have been too broadly defined, and it is not clear what are not Asian bonds. The proposed strategies for creating regional bondmarkets are convincing from the investors’ perspective, but not from bond issuers’ or borrowers’ perspective. Discussion on region bias in portfolio preferences is informative and worth a read. Literature reviews on Asian bonds and Asian bondmarkets are interesting and help readers to understand what is going on in the regional financial integration.

Chapter 3 “Promoting Asian Basket Currency Bonds” proposes to establish an Asian Bond Corporation (ABC) to purchase local currency bonds and transform them into a basket currency bond, namely ABC bonds. The contributor also commented that the Asian Bond Fund (ABF) proposed in 2003 was a good step towards an eventual development of the Asian bondmarket, but the U.S.-dollar denominated Asian bonds could not solve the double mismatch problem. Moreover, channelling funds to corporations could not be achieved. In this chapter, issues surrounding Asian bondmarket development (e.g., home bias, role of government, currency risk diversification) have been proposed in a distinguishable manner, different from that in Chapter 2. The objectives of ABC bonds and the ABC are also clearly defined. If there is a shortcoming in the chapter, it has to do with the absence of possible financing schemes

and challenges faced by small and medium-sized enterprises.

The next four chapters are devoted to credit enhancement and securitization in supporting Asian bond developments. Chapter 4, "Institutional Foundations: Credit Insurers, Asset-backed Securitization Corporations and Asian Bond Funds" focuses on the issue of credit rating in developing Asian bondmarkets. The contributors recommend that credit insurers should be upgraded, securitization promoted, and Asian bond funds encouraged. Literature on regional and domestic insurers and asset-backed securitization corporations are well put together and clearly worth reading.

Chapter 5 "The Structure and Characteristics of East Asian Bondmarkets" contains an assessment of the ABF and the ABC. In the contributor's view, the possibility of the regional bondmarkets should stem from credit enhancements (for sovereign, quasi-sovereign, municipal, and corporate borrowers) and the Asian common currency. Concerns and roadmap of the Asian common currency are, however, not laid out in the chapter.

Chapter 6 "The Role of Securitization and Credit Guarantees" calls attention to six areas of policy action and reform needed to strengthen Asian bondmarkets. These are market infrastructure, legal framework, repurchase markets, derivatives markets, investor bases, and credit culture. In this chapter, readers will gain experience from Chile's pension reform and a local credit rating agency as a good example for Asian bondmarket development.

Chapter 7 "The Asian Bond Bank: A Good Idea for Credit Enhancement" proposes an application of the municipal bond model used in the United States and other Western countries to Asia region. The contributors believe that the Asian bond bank could reduce costs for bond issuers and make Asian bonds more attractive to investors. Literature reviews on the municipal bond banks in the United States and Canada have been well written and thoroughly researched.

In much of this book, the analyses of Asian bond initiatives and bond statistics are analytically

rigorous although repeatedly interpreted and cited in many of the chapters. In short, there has been a lack of coherence by the various contributors. The various proposals on Asian bond development can confuse readers as to what is the best and most comprehensive model for Asian bondmarkets, and whether the usage of the term "Asian" on the book title is deliberately intended to infer beyond the ASEAN+3 grouping of countries.

All in all, this edited volume provides interesting insights into the issues of regional bond markets and contains illuminating chapters that pertain directly to East Asia. It is a useful contribution to the literature on the Asian crisis particularly as a reference for financial market reforms. This book clearly achieves the contributors' intention of providing a useful book to policy-makers in the region. It is also recommended for readers who have a background in Asian financial markets.

This book stands individually as an additional resource. A follow-up forum that reports on the progress of Asian bondmarket development and further policy recommendations is hoped for.

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Rural Development and Agricultural Growth in Indonesia, the Philippines and Thailand. Edited by Takamasa Akiyama and Donald F. Larson. Washington, D.C.: World Bank 2004. Pp. 558.

This book provides a comprehensive review of rural development and agricultural growth in Indonesia, the Philippines, and Thailand. Factors that have influenced agricultural development in these countries were identified and discussed. A cross-country analysis was presented using a multidisciplinary approach. The authors compared and explained in reasonable detail how differences in ecology or geography, institution, political structures or regimes, economic policies, rates of protection, and export intensity could have