

Fourth, the analysis as a whole was confined in this book to the period before 1997. The references used appear to be outdated though not necessarily obsolete. Nevertheless, it does not appear to be interesting to read a book empirically-based and written more than seven years ago. The book was published in 2004 and I wonder why updates on data, empirical analyses and references were not provided. In recent years, the Asian financial crisis, for instance, has badly affected agricultural development and economic growth in these countries, especially Thailand and Indonesia, but this issue, which is very much related to economic development, has been largely neglected. It is of interest to know the extent to which the rural sector in these countries was affected by the financial crisis. I believe that further updates and analysis are warranted. Other rural developments since the financial crisis could also be identified and discussed.

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Asia-Pacific Economic Cooperation (APEC): The First Decade. Edited by **J. Ruland, E. Manske, and W. Draguhn.** London: RoutledgeCurzon, 2002. Pp. 226.

Trade Liberalization and APEC. Edited by **J. Okamoto.** London: RoutledgeCurzon, 2004. Pp. 271.

These two edited volumes provide both beginner and seasoned APEC scholars and researchers with a rich documentation and analysis of its evolutionary process and progress. Unsurprisingly, thirteen authors and editors in the first volume and another eight more in the second, as eminent regional and international experts in the field, are in consensus about the lack of progress of APEC, the Asian crisis notwithstanding.

Basically, the political economy dimension of economic co-operation ultimately weighs more heavily in all regional and global fora and pacts,

even or more so, in the multilateral GATT/WTO. Economic co-operation may be the intention and primary goal of all architects in designing regional co-operation. But the practical reality cannot dismiss the politics, not even the normative social and cultural dimensions which can be as distracting as posing as possible deal-breaker in extreme circumstances.

The first volume with lead editor Jurgen Ruland, well-versed in European and Asian political economy studies, comprise ten chapters. The first two chapters surveyed the successes and failures of APEC within the group and as a forum in international relations, one chapter more dismal in its assessment than the other which tries to point out some realistic utility and expectations, especially in community-building. The Europeans, for their history and advance to the EU, may still be surprised how the Asia-Pacific as a “region without regionalism” could yet have some value to represent and balance the theory and practice of regional blocs.

The next six chapters take a regional context, two are on APEC’s relationship with regional players, ASEAN and EAEC on one hand, and Latin America on the other, the rest featuring the United States, China, Australasia, and Japan. The new world order, heralded by the 1989/90 collapse of the bipolar Cold War and the merger of Asia and the western rim of the Pacific in APEC, has failed to live up for very familiar reasons ranging from the infamous ASEAN way to the Asian crisis.

The Asian crisis as the turning point for APEC, with a tantalizing allusion whether rebuilding the Asian economies need APEC or a more ASEAN+3 as the “driving engine” may leave APEC proponents in dismay over the possible demise of a truly Asian Pacific sub-engine. In hindsight, the Asian crisis may have been a critical wake-up call both for the heedless speed and quality of “drunk-driving” Asian economies and the resultant version of Asian regionalism, not quite the likes of Western moulds.

The concluding chapter echoes the first that it has been “all talk, no walk” as high politics and security seem to have hijacked the economics of

APEC with normative social and cultural issues muddying the waters. Like the conclusion drawn from the Asian crisis, APEC's domination by Western powers, the United States in particular, seems a closed chapter. The guarded caution that the APEC process may still benefit from Western lines of institutionalized co-operation is traded-off against Asian powers slowing down with the demanding binding rules and regulations of liberalization.

The second volume, edited by APEC veteran Jiro Okamoto, is organized into three parts, namely, setting the research agenda, the case studies, and conclusion. The last concluding part incorporates four informative appendixes on a chronology of the APEC Early Voluntary Sectoral Liberalization (ESLV) process and reservations as at end 1998.

The first three chapters in Part 1 are conceptual and analytical, even as the gap between aspirations and reality of "free and open trade and liberalization" by 2010 and the demise of the ambitious two-year EVSL are noted from the start. Part 1 aims to portray APEC's liberalization characteristics leading to the EVSL and attempts to transpose the "more abstract" research aspects into "more concrete" research question on the EVSL in an analytical framework for case studies. The "two-level game" model is indeed appropriately chosen, concurring with the first volume's observation that high politics, more domestic than international, make the application to APEC quite distinctive as well.

Part 2 on case studies profiles Japan, the United States, Australia, Korea, Thailand, and Indonesia, a mix of those pro-EVSL, the opposition and the ambivalent, reflecting the range and difference in economic development and fundamental APEC diversity. With Japan and the United States mired in their own "two-level game" dominated by domestic politics, no less in Australia as it tries to level up its Asia-Pacific position, the EVSL seems doomed with birth defects. The other Asian giants include Korea, which had little interests in the EVSL economic effects on its domestic economy. Thailand is as cautious, preferring AFTA from the beginning. Indonesia is described as "a small fish

in a big pond", morally supportive of APEC, but clearly not ready to liberalize its fishery and forestry sectors which are of interest to Japan.

Part 3 is a useful post-mortem of the EVSL using a multi-dimensional analytical framework. A distinction of the diversity of APEC's original members of the institution rather than members' diversity is noted, in comparing APEC with the GATT/WTO. APEC seems more infamous for its exuberant coinage than realistic practice of "consultation, voluntarism, open regionalism and consensus". As a package, APEC did not quite meet up with its expressed expectations, the usual gap between reality and practice.

The failure of EVSL consultations is a good case in point. Diversified policy-making processes from which each member's win-set was derived, range from the United States and Australia with more homogeneous domestic preferences to more cautious, smaller win-sets of the Asian members, unwilling to make commitments beyond the Uruguay Round and AFTA. Understandably, the Asian crisis is more the problem affecting mutual win-sets via domestic/international side-payments and/or issue linkages.

The second volume is more analytically technical and detailed, but its conceptual and empirical framework is worth the readers' time and effort to comb through the EVSL and its lack of consensus. The editors noted the loquacious APEC principles may not mean ambiguity, any more than different members choosing to interpret "voluntarism, flexibility and comprehensiveness" in ways favourable to their domestic agendas. The asymmetrical impact of the Asian crisis on APEC members and the resultant lowering of priority for EVSL in foreign economic policies of those affected dealt its death blow.

The first volume offers a pointed conclusion that while political issues were not in APEC's original mission and vision, they cannot be excluded. The Asian crisis showed APEC's failure as a crisis management instrument even if it was not created as one, suited more for mid- and long-term projects. The second volume does not defer, adds more reasons and arguments for APEC's poor record, reinforces the political issues as it notes

APEC's liberalization progress depends on the contemporary international and regional economic environment, as much as foreign political policies.

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Foreign Investment in Developing Countries.

Edited by H. S. Kehal. Hampshire and New York: Palgrave Macmillan, 2004. Pp. 261.

This book is an edited volume consisting of twelve diverse chapters that focuses on the theoretical, empirical, and policy issues of attracting foreign direct investment (FDI) in developing countries. While the first two chapters focus more on the theoretical aspects of FDI and its determinants, the remaining chapters are more empirical in focus and constitute country studies on the determinants of FDI or the impact of FDI on their economies. Some of these studies focus on the experience of the ASEAN countries.

Among the empirical studies, Chapters 3 and 4 focus on China, which attracted the largest share of world FDI among the developing countries. These two chapters address two very interesting questions: (1) the impact of inward FDI on the Chinese economy and its determinants; and (2) how to maximize benefits from FDI and minimize the risks associated with it, and the lessons that can be learnt from China's experience. The analysis holds important implications for other developing countries that are too much FDI-dependent for their growth prospects and need to strike a balance between technology transfers and domestic market protection.

The next two chapters involve studies on the Indian economy, which is emerging as a favourable investment destination, after a decade of economic reforms that has integrated it further with the global economy. Chapter 5 does not

specifically focus on FDI but analyses the ways to enhance foreign investment flows in a broader sense. Chapter 6 specifically deals with FDI and the resource gap in India. It argues that FDI has not played a significant role in enhancing the profitability and efficiency of Indian firms even after a decade, and identifies the important constraints that deter the flows of FDI into India, including the policy environment for investment. This chapter comes out with a very interesting fact that after liberalization of the economy, Indian FDI and non-FDI companies seem to be competing against each other via larger advertisement expenditure than R&D expenditure or selling commission, indicating that unlike China, most of the FDI in India appears to be market oriented, with little focus on R&D.

Chapters 7 and 8 then undertake empirical studies on ASEAN economies, viz. Indonesia and Malaysia, with the former specifically focusing on bilateral FDI flows from the EU. These two chapters undertake an econometric exercise of the determinants of FDI flows in each of them, and observe that while these countries have been generally successful in attracting FDI for their growth prospects, they face increasing competition from other developing countries, and need to undertake important policy changes to continue to be competitive in attracting global FDI.

Chapter 9 by Sadhana Srivastava and Ramkishan S. Rajan, by far the longest and one of the most interesting chapters of this book, makes an important contribution to the policy discussion on the impact of China's economic rise on trade and FDI flows in ASEAN and India. While there have been several studies on the impact of China on ASEAN, this is one of the first comparative studies analysing the impact on India as well, in the light of increasing economic linkages between China and India. The chapter highlights that contrary to popular perceptions, China's economic rise offers significant opportunities for both ASEAN and India to reap, and attracting FDI is unlikely to remain a zero-sum game among them, with one gaining at the expense of others. This