

Malaysia and Thailand as its FTA partners. The author concludes, with the help of GTAP simulations, that among these potential FTAs, a U.S.–Thailand FTA would be the most appropriate one to start off with, which has indeed been the case. However, while this chapter has quantified the welfare gains for both ASEAN and the United States, it does not provide the ASEAN perspective on entering into an FTA with the United States, and the possible areas wherein negotiations with each individual ASEAN countries could be tough. The other two chapters on the prospects for a U.S.–Korea and U.S.–Taiwan FTA suggests that while in the U.S.–Korea context, any deal should include the sensitive agricultural sector in its negotiations for overall welfare gains, a prospective U.S.–Taiwan FTA could be trade diverting than trade creating, especially due to gains for Taiwan in textile and apparel exports, and political economy considerations would be of prime importance.

Sections IV and V focus on prospects for U.S. FTAs with the Latin American countries, and with the African and Middle Eastern countries. These focus on U.S. FTA initiatives with Central America, Brazil, Egypt, Morocco, and the South African Customs Union (SACU). In most cases, the analysis has avoided using GTAP simulations unlike the previous sections, and has relied mostly on the ongoing developments to argue the case for or against the United States in entering into negotiations with these countries. In particular, the chapter by Lieth and Whalley on the U.S.–SACU FTA provides interesting insights into the possible elements of negotiations in a U.S.–SACU Agreement, and the extent to which the United States might use its earlier models in the SACU context.

The final section of the book, by way of providing policy conclusions, is one of the most interesting chapters of the book since it details the criteria of the United States in drafting its foreign trade policy and the trade-offs it faces while taking a decision on going ahead with FTA negotiations. The author of this chapter, who also happens to be the editor of this excellent book, clearly demarcates the importance of U.S.

domestic politics, economic considerations, commitment of partner countries in working with the United States on common objectives, and foreign policy considerations in determining the choice of an FTA partner. It highlights the complexities and preparations that go into choosing an FTA partner, and is particularly instructive for many developing countries in Asia that are entering into such negotiations without a detailed rationale or preparations. The book ends with a clear note that FTAs are likely to occupy an important position in U.S. foreign trade policy, and that the success of the ongoing multilateral negotiations in the Doha Round would be critical in ensuring that these FTA initiatives do not end up becoming a stumbling block towards global free trade.

This book is a must read for trade policy analysts and negotiators in Asia, since it provides important insights into U.S. foreign trade policy and poses some serious questions on the probable future U.S. approach to FTAs with its trading partners. In the ASEAN context, this book provides excellent insights into the possibilities of a U.S.–ASEAN FTA. The individual studies of U.S. cross-regional FTA initiatives are quite in-depth and are an important resource of background information for researchers working on international economic policy issues. It is also highly recommended for students and practitioners who may be interested in international economic and foreign policy issues.

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Achieving Sustainable Communities in a Global Economy: Alternative Private Strategies and Public Policies. Edited by Ralph D. Christy. London and Singapore: World Scientific, 2004. Pp. 239.

The chapters in this book are based on papers presented at a symposium titled “Achieving Sustainable Development in a Global Economy”,

which was held at Cornell University during the fall of 2002. The editor's twofold goals are to identify and assess key processes by which globalization has an impact on smallhold agricultural communities in rural settings, and to identify and propose micro- and macro-level economic policies and strategies designed to deal with the problem.

The study proceeds in three parts containing ten chapters written by the editor and eighteen other scholars and practitioners from private and public sector institutions. Part 1 analyses the relatively new roles that the private sector can be encouraged to play (and in some cases now plays) in achieving sustainable community development. One role is to encourage, to the extent possible, multinational enterprise to participate in the process of sustainable income, output and employment generation in communities located within developing areas. Another role is to encourage the establishment of linkages among global economic power centres and community agribusiness strategies designed to sustain growth and eradicate poverty. While the volume's general focus is on sub-Saharan Africa, its contents are relevant to Southeast Asia.

Following discussions that centre on encouraging the establishment of useful linkages, the book's second part poses and tries to answer this key question: "Do markets matter for the poor?" The contributors to Part 2 argue that markets can matter only if the poor have access to financial, physical, human, social, and natural capital and have the requisite political power to gain access to markets in which to sell their products. The rural poor also need political power that can be used to gain policy protection "from exploitation by middlemen and traders ... (and) with respect to state institutions, the poor report being harassed, ignored and unable to make their voices heard" (p. 55). They also require political power to deal with their "limited ability to cope with risk due to resource constraints and an absence of formal risk insurance markets, the poor are left vulnerable" (p. 55).

Other contributors to Part 2 follow up these points with an evaluation of public policies and

global and local private sector initiatives that could (and in some cases actually do) make the poor beneficiaries from national and global agricultural marketing activities. A range of policy and initiative failures and successes are analysed, including options "to manage risk and to deepen domestic financial markets by carefully sequencing liberalization, strengthening prudential norms and bank supervision capacities" (p. 154). The options strive to strengthen property rights, introduce new risk management techniques and widen the range of collateral acceptable to lenders, including global financial institutions.

In Part 3, the contributors put forth the argument that global food markets are politically created and managed by powerful economic and political forces in developed, market economy countries. Philip McMichael argues that "whether corporate power is embodied in subsidized Northern exports dumped on the world market, or in the proliferation of agro-export platforms, they depend on WTO rules and IMF structural adjustment conditions". He contends that "these relations, embedded in the WTO regime, are justified in the name of broadening consumer choice via development efficiencies on a world scale" (p. 236). McMichael points out that the process of broadening choice in world food markets has resulted in low prices and a concurrent disregard for the impact that the process has on the sustainability of local community economies, cultures, and physical environments. The impact is most significant on lower income farm workers in underdeveloped countries who are both technologically and regionally immobile. They cannot, therefore, shift easily to other sources of employment as a way of escaping the effects of global trade liberalization in food markets. This is the book's most significant contention, and its relevance to Southeast Asia, particularly its transition economies, is worth serious research and policy evaluation.

Reflecting on his volume, the editor contends that it "will appeal to a broad cross-section of development scholars and practitioners in economics and finance, agricultural policy,

international trade, community and rural development. It will be of special interest to managers of international organizations and foundations” (pp. ix and x). While agreeing with his contention, it should be noted that the book would be extraordinarily valuable to students who could use the book to augment the primarily traditional texts that are assigned in courses in economic development, agricultural economics, and international economics.

The book is extremely well edited, rationally organized, content laden, and clearly worth reading. Its topics provide explanations of fundamental connections between the influences of global economic power and the challenges to achieving sustainable development in agricultural-based communities in lower income countries. While its contents do not specifically concentrate on Southeast Asia’s rural communities, the book’s chapters put into perspective the economic, social, and political conditions that they tend to share. There are excellent examples of how community-based efforts try to meet challenges through a more radical and more moderate movements in Thailand.

A more radical, grass roots movement is The Assembly of the Poor that came about in January of 1997 when a coalition of rural villagers and urban slum-dwellers demonstrated at a mass gathering in front of Government House in Bangkok. The result became a national movement involving some 20,000 people who have mobilized into a non-violent movement aimed at forcing government to respond to grievances that range from better property rights protections to improved access to social services and economic support mechanisms. An excellent book by Bruce D. Missingham provides an exceptional analysis of The Association of the Poor and its activities.¹

A more moderate approach is the Sufficiency Economy movement associated with the philosophy of His Majesty King Bhumibol Adulyadej. It promotes grass roots community development based upon the principles of moderation, reasonableness, and participation in Community Development Plans (CDPs). Sufficiency Economy’s goal is to create efficiency

and sufficiency at the family, community, and national levels and to do so via CDPs that are supported by the Sufficiency Economy Unit of Thailand’s Office of National Economic and Social Development Board (NESD). The essence of sufficiency economy principles are described and analysed in a superb book by Priyant Piboolsravut and Artisuda Na Nakorn.²

In conclusion, it is instructive to observe that implementing movements similar to Thailand’s successfully requires meeting five basic challenges that are specified in Christy’s book. The challenges are how to gain access to input and product markets; decrease instabilities in incomes and prices; understand the country’s institutional policy framework; maintain social services and technical support mechanisms; and privatize economic functions previously within the purview of government administration (p. viii).

NOTES

1. Bruce D. Missingham, *The Assembly of the Poor in Thailand: From Local Struggles to National Protest Movement* (Chiang Mai: Silkworm Books, 2003).
2. Priyanut Piboolsravut and Artisuda Na Nakorn, *Literature Review on Sufficiency Economy* (Bangkok: Office of National Economic and Social Development Board, 2003).

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Malaysia “Bail Outs”? *Capital Controls, Restructuring and Recovery.* Edited by Jomo K. S., Wong Sook Ching, and Chin Kok Fay. Singapore: Singapore University Press, 2005. Pp. 320.

During the Asian financial crisis, Malaysia stood out for using unorthodox measures such as capital controls to stem the vicious fallout of the crisis. The economy later recovered, and the authorities often tout such controls as the magic bullet that did the trick.