

China's experiment with regional economic co-operation. It demonstrates that concrete steps have been taken to implement China's WTO commitment. The chapter also identifies the active role China has played in recent years in promoting regional economic co-operation. The author recommends that, first, members should use the WTO dispute settlement mechanism to address bilateral trade issues; and second, that China should play a leadership role in forming regional agreements that promote global trade and economic liberalization. Chapter 6 discusses China's position in the current Doha Round. The chapter provides valuable background and discussion on the current debate regarding agricultural and non-agricultural trade as well as trade in services. It concludes that there are large potential costs to China, and to other developing countries, if negotiations fail.

The remaining chapters consider a number of issues related to sustainable growth, including structural change, productivity, privatization, and macroeconomic performance. Chapter 2 compares the growth performance and short-term economic prospects of the two largest Asian developing economies, China and India. It presents a rather contrasting picture of the two, where China is battling with economic overheating and India is trying to accelerate economic growth. In retrospect, both have to some extent achieved their policy objectives albeit using different policy apparatus, consistent with the authors' projection.

Chapter 3 takes up the issue of structural changes of the Chinese industry, including product structure, ownership structure, size distribution, and regional distribution. It first examines the trend in capital goods investment, the shares of hi-tech products in trade and in industrial value-added, research and development (R&D) activities of large and medium-sized enterprises, and patents activities. It also documents the growing diversification in industrial ownership, especially the decreasing importance of state-owned enterprises in consumer goods. Along with ownership restructuring, size and regional distribution of Chinese firms have also been altered.

Chapter 10 uses the stochastic frontier approach to examine China's growth performance and finds that recent growth is driven mainly by factor input. Improvement in total factor productivity is important but has not played a major role. Finally, Chapter 12 examines the effect of privatization on the incentives of Chinese firms. The empirical estimation finds that privatization improves mainly labour incentives, relative to owner incentives. It also concludes that outsider privatization and full privatization are more effective to improve incentives relative to insider and partial privatization.

In short, the book discusses a range of important issues with respect to China's sustainable growth. It provides a valuable comprehensive evaluation of China's reform experience and short- to long-term development prospects. One subject which is not taken up in the book is China's energy consumption. As China's growth so far has been highly energy intensive, the issue is no doubt crucial to China's sustainable economic growth.

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The Evolution of PECC: The First 25 Years.
By Pacific Economic Cooperation Council
(various authors). Pacific Economic Cooperation
Council, 2005. Pp. 182.

Began as a sentimental journey of PECC founders and veterans, a Korean *ad hoc* spirit of voluntarism organized people and discussions to bring out this twenty-fifth anniversary book project. As tripartite as PECC, joined by Australian and Indonesian "old hands", nine chapters have the usual anniversary aims, no less the twenty-fifth.

As a PECC worker in the 1980s and 1990s with both fondness and understanding of the environment under which PECC was founded and evolved, some disappointment remains. It is not

meant as a critique, but as a hope for another thirtieth anniversary volume as the review finds the effort is as salutary as teasingly unsatisfying.

Various authors, not edited, whether because of time and workload as the bane of *pro bono* work, or the accomplished team is self-sufficient, the same groove with origins and history may be sentimental consensual or offer various points of views. Readers, be they policy-makers, business people, students, fellow academicians and researchers are overdosed on the prologue, not quite satiated in whatever they are looking for in an anniversary book of this nature.

Andrew Elek starts off with some before and after, all roads lead to Canberra in 1980 and thereafter, in venue, people and substance contributed to the think-tank. The 1980 Canberra seminar probed precedents like the Pacific Trade and Development (PAFTAD), the Pacific Basin Economic Council (PBEC) and Japanese Prime Minister Ohira's impetus for a co-operation group as background.

Throughout the Pacific Economic Cooperation Conferences, 1982 to 1992, the ardent and the sceptic alike cautioned the Pacific Cooperation Committee (PCC) to "hasten slowly". With the truly tripartite government-driven Asia Pacific Economic Cooperation (APEC) by 1989, the PECC maximized its observer role to supplement and complement, firmed up in the PECC's Trade Policy Forum. As a sample or pilot, technical case studies by PECC's more academic resources is a logical extension.

The ever-changing world prevails, despite the chemistry of APEC-PECC common denominators in people and ideas. It is neither smooth nor predestined for APEC or PECC; witness the tumultuous financial crisis and thereafter, both equally remiss and negligent in seeing its lead-up.

More than an East Asia product or a concert of power, the PECC is no longer a champion with competition in definition of agenda and region. Elek's renewal call for the PECC stems from three main challenges to put PECC back on the map, realign PECC-APEC relationship with the East Asian community evolving and reshape PECC's intrinsic identity and co-operation modality.

Mark Borthwick similarly builds the momentum prior to 1980, from as early as the Institute of Pacific Relations in 1925 to the 1967 Pacific Free Trade Area (PAFTA), Kiyoshi Kojima conference and succession of PAFTAD conferences. They served as training ground for young technocrats and leaders.

Since 1962, Japanese-Australian bilateral meetings led to PBEC and PAFTAD. Saburo Okita, Kojima with the Australian National University (ANU) forged the Organization for Pacific Trade and Development (OPTAD) and reached out to the United States. The 1970s was Asia-Pacific's golden age. Big power realignment with the end of the Cold War saw advocacy by other interest groups, governments feeling their way to Ohira's Pacific co-operation initiative which follows Japan-sponsored Asian Development Bank (ADB).

Soogil Young sees relevancy in PECC agenda, as an intellectual front of dedicated PECCians, tireless efforts to craft an ideal co-operation forum. But a loss of the PECC's pioneering productive pattern of study and discussion is noted due to issues and policies not shared by task forces and Standing Committee. General meetings search for lost purposes. Pacific statesmanship as owner of the production process and bearer of messages to government are two specific challenges to be revitalized on the twenty-fifth anniversary.

Andrew Elek's second chapter gives more on the two starting points of PECC and APEC both from Canberra. If one appreciates the Canberra birth pangs, the details are from an equally well-versed PECC and APEC veteran.

Hadi Soesastro's chapter on the PECC's institutionalization and formative years has more PECC chronology, down to attendance list of first five PECC conferences. The PECC process has a few options, one as intergovernmental consultative OPTAD-type, but no active government interest that APEC assumes, another government endorsement and support for PCC. PECC without institutional arrangements except national committees and task forces is another piece of history to underscore the times and moods of regional co-operation.

Soesastro sees the PECC's intellectual contribution to APEC in case studies, setting out APEC's non-binding investment principles, APEC concerted unilateral trade liberalization modality, competition policy principles and open regionalism. But as PECC became APEC's research intellectual think-tank, if one goes, both go.

Kihwan Kim on the Asian financial crisis as turning point fits the anniversary scorecard. Both PECC and APEC are amiss in any financial forum, more on investment, trade, human resources development, and the environment. In the hype of the 1970s, Asia seems in no need of financial sense, no prescience, premonition before 1997, but a whole industry grew to ad nauseam, afterward.

Jusuf Wanandi looks forward, taking a political lens to view emerging challenges. He could not have missed China, but anyone can see that China is not Japan. Whereas Japan was a benevolent midwife to the PECC, China is the baby birthed, its entry as big as it resonates.

Hugh Patrick takes the PECC, APEC, and the East Asian Economic Cooperation with Ohira's legacy as a reference backdrop to see twenty-first century issues. By birth, contribution and the Canberra road since 1980 for PECC and 1989 for APEC, the Asia-Pacific is an Australian coinage in more ways than one. Australia needs an uplift into Asia. Australia is an acceptable buffer for the United States and Japan. It gave a leg-up to Pacific Latin America.

The annexes record geography, names and anniversary paraphernalia. The book seems like a talk of PECC folks, back and forth, which could be assigned or edited neatly. Otherwise, the nuances are of interest only to the pioneers. What other purpose is served, may be off-putting to bore an outsider, trivialized by PECC veterans or the uninitiated young who wants to start from ground up with no historical baggage. The photos in the middle may serve the purpose, just to go down memory lane.

The next anniversary project has plenty to do. It could answer one simple question: would it have mattered if there were no PECC? If accomplishments are by way of history and reminiscences of various conferences, the

twenty-fifth project has fulfilled its purpose. But has PECC fulfilled its purpose? It is hard to judge oneself, with meagre resources, notwithstanding distinguished academic volunteers. If they did nothing by way of PECC's existence, they would be equally faulted. Reality check is the satisfaction of the intellectual elite, policy-makers and by a longer stretch, business community, not mere chat rooms.

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***The Pioneers of Development Economics: Great Economists on Development.* Edited by Jomo K.S.** New Delhi: Tulika Books; London and New York: Zed Books, 2005. Pp. 234.

The central preoccupation of modern economic thinking over the past two centuries has been the question of how best to foster national economic development. Emerging in conjunction with industrial capitalism, economic thinking has given rise — after many permutations — to a dominant orthodoxy popularly known as the “Washington Consensus”, which promotes a Neoliberal economic order based on the profit motive, markets, and free trade.

The current book is part of a trilogy that aims to trace and reassess the development of economic ideas, presenting both a critique and an alternative discourse to the dominant Neoliberal paradigm. In a crucial contribution to the history of economic thought, the contributors to this book revisit and reassess important contributions to the debates surrounding economic development through analysing the work of many economists that are not normally considered pioneers of development economics.

The authors of the volume suggest that the way forward for development economics is to reject