
of development economics, it is nonetheless valuable and deserves a place on many a desk as an overview of development economics and a discussion of some of the most critical issues.

FRANCIS EDWARD HUTCHINSON
Australian National University

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***East Asian Welfare Regimes in Transition: From Confucianism to Globalisation.* Edited by Alan Walker and Chack-kie Wong.** United Kingdom: The Policy Press, 2006. Pp. 235.

This is an edited volume of ten chapters. Part 1 on Welfare in East Asia comprises two chapters, an introduction to Asian welfare regimes and another questioning whether welfare is un-Asian. Part 2 has six country studies of China, two chapters on Hong Kong justified as bridge to China, Japan, Taiwan, Korea and Singapore, plus a conclusion from Confucianism to globalization.

The volume aims for an updated, accessible, critical account of the Confucian welfare state. It is an East Asian model of welfare, no Islamic model is discussed. Thailand seems a remiss even if the Philippines is entirely omissible.

All six case studies emphasize Confucianism. Other key themes include pressure points to adapt and change, force paced domestically and externally. Inevitably, the East is compared with the West. This should not be just an end in itself. With literature on the Western construction and regime of welfare states produced *ad naseum*, the new-kid-on-the-block is Confucian welfare. Globalization is ubiquitous for systems.

A few remarks may set the tone of review. First, it seems pointless to debate culture just to see how different people and regimes take care of welfare, itself neither easily defined nor universal. Facetious as it may be, culture is like cuisine. They are just what different people are used to and want to enjoy.

Second, it is clear the book has traditional Confucianism at work as the minimal state

welfares. The dilemma is if Confucianism is also a core Asian value to be preserved and adulated, the resultant lack of welfare state cannot be truly blamed.

Third, globalization backlash is the true culprit. The state can neither be blamed for demographic ageing, which turned the Western welfare state upside down, nor poor public finance as solely blamed for not provisioning the chain-letter tax-financed pay-as-you-go (PAYG) system. People seem happy not to be saving themselves as long as full employment mean job and income security.

Globalization is not new. It is unprecedented, driven by information communication technology, simultaneous with deregulation and competition, plus China, India, and the rest of the second world in transition entering the free market third world. The confluence of demographics, fragility of crises, from financial to a health pandemic meets with global imbalances. Collateral damage is promised if the top stops spinning.

Because the minimal Asian welfare state is owed to Confucianism as a familial hold-all, it enables Asian cost competitive strategies, threatening the Western as a race-to-the-bottom. Asian critique including this book joins the bandwagon, spouting social citizenship, state duty and responsibility, recognizing the role of the state is all about politics.

Balancing celebratory health and security with the growth momentum involves a trade-off. Trade unionism and the Western welfare state are turned topsy-turvy, aided and abetted by mergers and acquisitions breaking up iron rice-bowls, relocating jobs and displacing old world security. Globalization is anti-welfare. Globalization backlash is not pro-welfare.

The chapters are diverse as authors handle the nature, development, and dilemmas of Confucian welfare states in their own intellectual ways. With the main characteristics as the denominators, Part 1 and the introductory chapter conclude that Confucianism is an adjunct to political ideology and recommend positive welfare provision.

The second chapter in Part 1 demolishes the underdeveloped un-Asian social welfare premised on the wrong assumptions. Whatever the

underdeveloped welfare state is, it underpinned economic success. Asian values are not antithetical to social welfare. Reference is drawn to anti-welfare and market ideologies in the Hong Kong Special Administrative Region (SAR) and China. Recent in China and historic in Hong Kong, their governments are deemed to follow the market ideology in spite of deficiencies. The commitment to capitalism of both is reinforced by globalization.

China's social welfare reform since 1978 is catalogued. The reforms are described as pragmatic. Two Hong Kong chapters are distinguished by one noting the new political nationhood as a reality, the free market is not as desired with heavy government intervention welcomed in housing. The other chapter deems the system undemocratic in education and health, slanted for business community and governing elite, compromising the middle-income class.

Japan is in its own class with enterprise welfare. It is critiqued as industrialization at the expense of culture and institutional traditions, political ideology more than Confucianism. Japan moved from traditional conservatism to neo-liberalism to change policy goals. The strong militaristic authoritarian state becomes pro-market to reduce to a residual welfare state. If pro-market Japan is anti-social, one wonders about the trade-off. Pro-market and benevolent state welfare are antithetical.

Taiwan welfare state in health insurance and pensions is Bismarckian. Both are on the same collision path with globalization. The Korean authoritarian government suppresses civil society. The residual welfare state is "regulatory ruling device" with seemingly democratic election. It lacks a sustainable philosophy and framework as the working class is neutralized, protest silenced and failed welfare universalization is back to selectivity welfare.

An explicit Singapore political economy approach is the nature of its provident system which seems the centralizing and organizing principle beyond social security. But the chapter has left the question of relevancy of new Singaporean welfare state unanswered.

Like cuisine, given the range, diversity and nuances, it is not to compare across six countries or East-West as an intellectual exercise. More important and missing is how individual country expert should assess, evaluate the welfare state to see if it delivered, how issues are handled and its prognosis.

To learn, unlearn, innovate creatively, reinvent, and reengineer within domestic history, culture, and politics is complicated by external events. These are beyond the state, policy-making, or intellectual discourses. Policy-makers need not be academic, but have a job to do. It is politics, first and last. The scholar elite intellectualizes and abstracts. They must also be the practitioners as a bridge to recast the academic role, teach elites how to run the country and system with business practitioners.

What this or any other book should do is to set out the questions to authors to answer like in an examination to stay focused on what works, how and why it works. Conversely, what fails, why and lessons to the country itself first before teaching others, would be a more practical, useful and pragmatic approach.

Each case study tells its own story, as an end in itself but stops short of helping readers to customize best practices and standards. Some score card of reforms, responses to domestic and external events as tipping points, or external events as pace-setters could be set as a common theme to all case studies.

Confucian as familial or political, Confucian virtues and the young, and such questions can be left to academic debate. Better yet is if they can be turned around as policy questions and their implications are examined. How to appeal and educate the masses about what the government, market, and individuals can do for themselves could be another question to be answered.

There is a division of labour in welfare and social security, no absolute one solution or singular responsibility. The policy environment may differ. The questions and issues are the same. Governments, community and individuals must face them collectively. Some performance key indicators of the health or readiness of any welfare

state or social security system may be an explanatory factor of what works or fails.

LINDA LOW
*Institute of Southeast Asian Studies,
Singapore and
Department of Planning and Economy,
Abu Dhabi, United Arab Emirates*

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***The Dimensions of Regional Trade Integration in Southeast Asia.* By Mohammed Zakirul Hafez.** Ardsley, NY: Transnational Publishers, 2004. Pp. 486.

The Southeast Asian tigers are often held as the textbook examples of economies that have embraced free trade export orientations and have succeeded in their development strategies largely because of their choice. In this provocative book, Hafez seeks to pierce this veneer of conventional wisdom. In particular, he claims that:

In reality, AFTA [Asian Free Trade Area] members are not free traders, at least, not among themselves... The problem is that AFTA is a vase with many serious cracks... [and] unless AFTA leaders take serious measures for AFTA improvements, AFTA is not very far from being “not that useful” to completely “useless”. (pp. 1–2)

Hafez adopts a multidisciplinary approach towards analysing the development, functioning, and purposes of AFTA. Building on research in political science, economics, and law, he systematically explores six dimensions pertinent to trade integration in Southeast Asia; these include policy, historical, structural, and legal aspects. The study thus reflects a richness that is unavailable to researchers working within a given disciplinary tradition.

This eclecticism, however, comes with costs: Some of his arguments display an inadequate

understanding of the nuances involved in the diverse literatures that he draws from. For example, this discussion of customs union (CU) theory draws exclusively on Viner’s (1950) original discussion on trade creation versus diversion, and hence ignores subsequent advances — such as the proposition of Kemp and Wan (1976) — that clarify conditions whereby CUs may in fact be Pareto improving. This colours his subsequent analysis, since common external tariffs are in fact often implemented in real-world CUs, AFTA included.

Likewise, the work of Alesina and Spolaore (2003) outlines conditions where nations choose the optimal size of nations and, by extension, make decisions on economic integration. The trade-off between the benefits of size versus the costs of heterogeneity is very relevant to the case of Southeast Asia, but this strand of the literature is not touched upon at all.

It is in the discussion of the institutions and legal structures surrounding international trade law that Hafez comes into his own. For example, the discussion on the “substantially all” and “not on the whole higher or more restrictive” requirements of GATT Article XXIV¹ (pp. 48–55) is erudite and informative and is a clear reminder that any progress in multilateral trade liberalization needs to address the substantial divergence between economists’ theoretical conceptualization of regional trade agreements (RTAs) as stepping stones, and the practical realization of these theoretical constructs (which often involve abuses). Likewise, his detailed discussion of two legal cases² that highlight the failure of the judicial disciplinary process of RTAs through the WTO (pp. 62–74) suggests that Article XXIV compliance issues may have systemic roots, and hence require solutions that take into account the important political economy reasons for such continued violations.

The heart of the book lies in Chapter 5, which lays out the author’s analysis of the successes and failures of AFTA. Here, Hafez makes some apt points, but some arguments are poorly developed and, as a result, unconvincing. Take, as an example, the critique that AFTA accession should