

that govern Islamic banking, and puts forward recommendations for the future development of Islamic banking in each of the countries. This volume describes the trends in Indonesia, Malaysia, Labuan, Singapore, and Brunei in great detail. Had Venardos also delved deeper into comparative analysis between regional leader Malaysia, and relative newcomers Singapore and Indonesia, this volume would have been more compelling. Media coverage on Southeast Asia notes that the region is asserting itself as a major financial centre, and has also visibly flexed its muscles on the global financial stage. However, Venardos's book probes this trend further and explores the legal milestones in these five markets. Although the long march for Islamic finance in Southeast Asia appears to be over, the industry remains in its adolescence, especially in areas such as accounting, harmonization of standards and ratings, and transparency. Islamic finance in Southeast Asia today is moving from the niche market to the mainstream market. At the cusp of this transformation, stakeholders need to understand the values that underlie the ethos of Islamic finance and the myriad of forces driving its growth. Angelo Venardos's volume on Islamic banking and finance analyses these trends in Southeast Asia, and can serve as the foundation for conversations between government, business, and other regional stakeholders.

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Managing Globalization: Lessons from China and India. Edited by David A. Kelly, Ramkishan S. Rajan, and Gillian H. L. Goh. Singapore: World Scientific, 2006. Pp. 481.

China and India, two fastest-growing and most populous nations in the world, have been attracting greater attention from experts and

policy-makers in recent years. This book brings together various contributions by Chinese and Indian scholars for the Inaugural Conference of the Lee Kuan Yew School of Public Policy at the National University of Singapore in April 2005. Topics cover a wide range of issues, including that of the economy, social security, national security, and ethnicity and identity. Since this is a compilation of papers, the editors do not necessarily always draw any particular conclusion for readers. However, it undoubtedly provides plenty of analyses, information, and viewpoints on both China and India, and is expected to trigger further discussion by scholars and policy-makers concerned. Having said so, the following are some observations primarily focusing on the economic aspects of China and India (not necessarily on social and political aspects).

Firstly, we should bear in mind that although both economies attract attention equally, each has been developing under different socio-economic conditions and political regimes. For example, their economic models and development patterns are quite different in terms of the role played by the private sector and foreign direct investment (FDI) in the economy, industrial structures, language, and education. As the editors have suggested and perhaps many agree, that is why China and India can play complementary roles as non-rivals in the world market. Many would also agree to the "China and India (sometimes referred to as 'Chindia')" approach rather than "China versus India" approach. China could learn from India in terms of the governance of the private sector, laws, and regulations that ensure fair and competitive market environment, and India's various international aspects, while India could learn from China's FDI policy and infrastructural investment policy for instance. From such viewpoint, it is quite fascinating to compare and highlight which development path may fit other developing regions in order to increase their economic performance. Perhaps there is no universal development model and each region could follow either China or India or somewhere in between, taking into account its own conditions and development stage, but a comparative study of

China's and India's development path will surely provide many less developed regions with a good basis for working out their own development strategy. For example, depending on the development stage, a country with a command economy or market economy could decide which strategy would be the more effective approach to move its economy forward, or how to assess the effectiveness of government intervention in the market-based experiences of both China and India.

Secondly, in connection with the above, perhaps many people will try to find the answer as to which development path will be more sustainable in the long run. In this connection, the implications of environmental degradation, energy constraints, and lack of governance in the private sector as well as in the government sector to the current globalization trend could be accorded more attention. In addition, if we look at each economy per se, it is a matter of concern whether India's development of relying specifically on the services and IT industry will really be sustainable, and whether the external and investment driven economy in China will also be sustainable in the long run. Or to ensure sustainability, which should come first: economy or political makeup, for example, China's restructuring of one-party dominated political regime or India's change in its complicated "salad bowl" society, both of which might become political and social factors affecting the further development of each economy. It is to be noted that one of the Indian authors pointed out that the clear division of "elite politics" and "popular politics" made the Indian economic reform in the 1990s easier. This is an interesting point. We also should not forget the very pragmatic attitude of the current Chinese Communist Party and Chinese Administration on various socio-economic issues. Scepticism about the sustainability of two giant economies, in any case, casts a growing concern over the global economy.

Thirdly, besides the corruption issue that is only hinted in the book, one of the missing points here is the elaboration and comparative study on the financial and monetary architecture of both countries. Certainly one of the major bottlenecks

to further development in China is the lack of a sound and matured financial system including a developed capital market under a huge domestic savings base, while it seems that India has built up a developed capital market with Indian financial institutions that are familiar with newly sophisticated financial instruments under a scarce domestic savings base. Of course, China could learn from developed countries in this regard, but to learn from the experience of another developing country would present different and perhaps more relevant implications. Another issue that should be further discussed would be the differences in demographic structure. Although both are cited as the most populous nations in the world, China, because of its one-child policy, is expected to go into the "ageing society" category before its economy reaches the developed stage, while India's labour force will continue to rapidly increase over time. One of the authors have pointed out deficiencies in education and training aspects in India and has stressed that an increase in the young labour force itself does not necessarily provide advantages to India. This is worth noting. Nevertheless, the implication of an affluent supply of cheap and unskilled labour force in India vis-à-vis China and other nations to the future development path of two nations and world economy cannot be overlooked.

Lastly, although both China and India are now developing very rapidly, only a limited number of people become better off, while mass poverty remains. The ultimate goal of development certainly should be to eliminate poverty, so that every individual can enjoy the fruits of development. Then, focusing on both economies and comparing their performances, how could we find the solution to address income disparity in each country? That is another matter of concern. More comparative analyses on the nature and causes of poverty and income disparity between the two economies would certainly yield very interesting findings. In China, the authorities have started to stress the philosophies of "scientific development" (or *kexue fazhan* in Chinese) and "harmonious society" (*hexie shehui*) to address this problem, but there is still a long way to go.

The situation may be the same in India, although it seems that the problem of a widening income gap is more serious in China than in India. In India, a huge income gap has existed over a long period of time, and it may be easier to improve the life of people suffering from absolute poverty and thereby narrow down the income gap. In China's case, originally there must have been no income disparity under socialism, but the gap is now widening under the opening-up and economic reform process in the country. In other words, there would be more room for so-called "Pareto improvement" in India than China.

There are no easy answers for all these issues and even if the book does not necessarily address these questions, it certainly gives us a good basis for further deliberation on these very challenging issues.

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***The Inclusive City: Infrastructure and Public Services for the Urban Poor in Asia.* Edited by Aprodicio A. Laquian, Vinod Tewari, and Lisa M. Hanley.** Washington, D.C.: Woodrow Wilson Center Press; and Baltimore, MD: The Johns Hopkins University Press, 2007. Pp. 341.

The co-editors' concern for the plight of Asia's urban poor is not misplaced. The Asian Development Bank recently reported that 1.9 billion Asians live on less than two dollars per day and that more than 1 billion Asians live in some degree of absolute or relative poverty. Asia's poor account for three-fourths of the world's poor, and the co-editors estimate that nearly 800 million of Asia's poor live in cities and account for 34 per cent of those who live in Asia's urban areas. The challenge of serving the urban poor will grow

because, according to the co-editors, by 2015 there will be 24 mega cities in the world and half of them will be in Asia.

This essence of this superb and timely work is summarized in the preface's opening paragraph: "Residents of cities in developing countries often lack adequate urban infrastructure, including water and sanitation, transport, solid waste collection and disposal, housing, and other basic services. In Asian cities, great efforts are being taken to make urban services available, but access to these services is often not open to everyone ... Rapidly growing slum areas and squatter communities lack even rudimentary facilities. Faced with the polarization of rich and poor people, urban authorities are faced with the challenge of how to make cities more inclusive by making infrastructure and services available to all." (p. xvii)

The volume represents a collaborative effort: it was prepared under the auspices of the editorial offices of the Woodrow Wilson Center Press at the Woodrow Wilson International Center for Scholars. Its contents were presented at a Woodrow Wilson sponsored Forum on Urban Infrastructure and Public Service Delivery held in New Delhi, India during 24–25 June 2004.

The book's twelve chapters, written by twenty-one contributors, make an essential point: "Cities spur economic growth and act as the agents of cultural and political transformation. In an age of rapid globalization, urbanization erodes primordial identities and loyalties. At the same time, ... (urbanization) creates new groupings that promote exclusivity." (p. 1)

The book explains that the poor are excluded and that the poverty that characterizes their lives can be defined in various ways, including, (a) insufficient income needed to meet basic needs for food, shelter, housing, educational and medical services, and (b) limited access to basic services such as potable water supply, public transportation, publicly supplied electricity and drainage and sewer facilities.

With its definition of poverty in mind, the book goes on to do an excellent job of covering the skewed nature of public service deliveries