

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.

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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

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throughout urban settings within Asian cities. However, one absolutely essential service that deserves more coverage is fire prevention and suppression. Fires in crowded urban slum areas (where the poor live in flammable shacks in close proximity to each other in which they cook and heat in dangerous ways) spread rapidly and dangerously. Without adequate fire suppression and prevention services, the poor stand to lose “everything”.

The volume’s contributors also point out that poverty is both relative and absolute and varying degrees of poverty require different mixes of poverty eradication and alleviation initiatives. Within Asian cities, the basic needs approach to poverty alleviation is often used and this means relying on “state assistance (supplemental income) given by government to the elderly, unemployed and disabled individuals” (p. 13). Poverty eradication can be promoted (at least minimally) via public policies and programmes that improve the ability of low income “hawkers” and “cart peddlers” to gain access to marketing facilities that generate additional income thereby permitting them to meet their basic needs on more sustainable bases.

Readers who are concerned with the plight of the disempowered and marginalized people living in cities throughout Asia will agree with the co-editors’ call for an inclusive approach to formulating and implementing policies that bring more public goods and services and improved infrastructures to poorer urbanites. They note that “a major concern is the widening gulf in living standards between the very rich and the very poor in Asian cities” (p. 2). The poor *and their slums* remain invisible to residents who live in and visitors who travel to major cities. These are “parts of cities where residents may drive by, but that few tourists or higher-income residents ever visit, it is a very different world. Poor residents live in impoverished housing, obtaining water from standpipes or vendors, defecating in the open or in filthy public toilets, frequently surrounded by fetid wastewater and piles of solid waste.” (p. 249). As a specific example of this not very pretty picture, how many residents of Bangkok and tourists who

visit this magnificent city know about the Klong Toey slum where 130,000 people live under circumstances similar to, and in some ways worse, than those analysed throughout the volume under review?<sup>1</sup>

In meeting the needs of the excluded poor, Chapters 11 and 12 examine three essential elements that are part of urban development and poverty reduction efforts: the need to coordinate urban infrastructures and public services; the necessity that poorer people must participate in designing the methods of coordination; and the requirement that municipal and metropolitan governments play roles in delivering what the rural poor require. Coordination encompasses water systems, public housing, sanitation facilities, transportation systems, and social services ranging from health, education to welfare payment disbursements. The essential elements combine to warn the development community that “it is particularly important for donor agencies to be able to better engage with bottom-up processes” (p. 275).

With the support of donors, coordination and delivery are the responsibilities of government bodies ranging from national, provincial, municipal, and metropolitan to local wards. K. C. Sivaramakrishnan ends the book with an excellent chapter on the experience of India. He concludes that “in spite of India’s amending of its Constitution to confer on rural and urban bodies the ‘right to live’ and to function as institutions of self-governance, city corporations and municipalities continue to operate largely within a regulatory and restrictive frame work” (p. 302). Paradoxically he laments that many schemes designed to respond to the needs of the poor remain outside the scope of municipal authorities even though “it is expected that municipal bodies ... (will be) instruments of self government that would serve as the organizing principle of urban governance” (p. 302).

From the first chapter through Sivaramakrishnan’s important contribution, this is a thoughtful, useful, well written, and carefully researched book that is void of trivia. It has this reviewer’s strongest recommendation. It should

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find a place within library holdings and reading lists in academic programmes and courses that deal with urban and poverty studies. Moreover, it will be instructive to both NGO and official development assistance professionals.

NOTE

1. An excellent depiction of life in Klong Toey is contained in *Welcome to Bangkok Slaughterhouse: The Battle for Human Dignity in Bangkok's Bleakest Slums*, by Joe Maier and Jerry Hopkins (Bangkok: Asia Books 2005).

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***Challenges to the Global Trading System: Adjustment to Globalization in the Asia-Pacific Region.* Edited by Peter A. Petri and Sumner J. La Croix.** London and New York: Routledge, 2007. Pp. 234.

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The Pacific Trade and Development (PAFTAD) Conference series since 1968 is rightly celebratory in its thirtieth volume of twenty-four chapters in long and short essays by thirty-one-strong academic, policy and business practitioners. The editors' opening chapter reveals a self-deprecating quote of Charles Dickens' "the best of times ... the worst of times" for international trade.

It critiques free trade in two principal threads. One is unsurprising, namely, trade is a flawed policy because the real world is always one of even negotiators and negotiations. Two is globalization as the ultimate villain; no surprises again as any contemporary trade volume doubles as one on globalization.

The layperson often wonders why economists theorize from unattainable ideals when the real world is not. Students wonder why they study textbook cases laboriously to find they are in a

different world when they graduate to work as policy-makers and business practitioners. All lament about perfect tools ill suited to the imperfect world. Unlike most engineers or doctors, economists do not seem to be able to fix problems as easily.

Any PAFTAD volume adds value to communicate and educate the less academic readers on this apparent chasm or disconnect as PAFTAD has business stakeholders as its clients. This volume comprises a first part of longer scholarly papers, which revisits old issues with new topics. The academic papers include new challenges to the global trading system and policy, globalization fatigue, political economy of free trade agreements (FTAs), Sino-U.S. relations, the environment, outsourcing, intellectual property right (IPR), Asia-Pacific interdependence, and security.

A fresh chapter on "intra-mediate" trade variously noted elsewhere by others reflect on the nuances of location-globalization, spatial-cross ownership, including holding companies, intra-firm and invisible knowledge-based economy transactions. China as encircling the traditional triad to rearrange the geoeconomics and geopolitics especially of the United States, old and new security threats to affect fundamentals in sovereignty and finance are exemplary chapters of how PAFTAD goes beyond the old chestnut. More insights from the non-governmental organizations (NGOs) as social stakeholders as already observed in many chapters are as salutary.

No contemporary trade literature can miss welfare concerns to realize the same non-level playing field in free trade and income distribution. Theory remains a useful handle, but as noted in the chapters on externalities, globalization and trade have messy collateral damages. It takes more than wishful platitudes and esoteric computable general equilibrium (CGE) models on FTAs to bring some acceptable levels in both playing fields.

To preserve sustainability, one wonders if a more practical encouragement of capitalistic environmental companies may result in a cleaner safer planet. More localized products to meet traditional, cultural and religious preferences from