stated (much as de Silva does in Chapter 10) for the enlightenment of the over-worked and technology-challenged bureaucrats that would most benefit from the book's findings.

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Consultant looking at governance and public sector management issues in South and Southeast Asia

DOI: 10.1355/ae25-2k

***Infrastructure Development in the Pacific Region*. Edited by Akira Kohsaka.** New York: Routledge, 2007. Pp. 256.

This volume has an overview and eleven country chapters comprising Australia, Canada, China, Hong Kong, Japan, Korea, Malaysia, New Zealand, the Philippines, Singapore, and the United States. It is based on a study by the Pacific Economic Outlook (PEO) Structure, a task force under the Pacific Economic Cooperation Council (PECC) for projections and quantitative analysis. It is replete with statistics and figures, with six chapters' empirical estimates confirming the positive relationship between infrastructure-growth nexus and productivity.

Two trends are clearly underscored: private sector participation in infrastructure development punctuation somewhat by the Asian financial crisis and non-physical infrastructure including human and knowledge-based capital besides traditional infrastructure. Information communication technology has revolutionized electronic highways for over-the-wire or electronically mediated connectivity. The volume aims to draw implications for policy incentives to support a broader set of alternative providers of infrastructure, further challenged by diverse developmental stages in the PECC region and changing role of government with public-private partnerships in infrastructure.

The overview chapter addresses the knowledge-based economy in the context of new technologies which impinge on institutions both in functions and modalities of infrastructure provision. Privatization and contracting-out have implications on ownership, management, finance and other operations. The overview on the current infrastructure status in the region draws on the World Bank for information and studies given its role in financing infrastructure. In addition, the PEO estimates of output elasticity of infrastructure investment suggest strong spillover effects with Japan as a case study.

Among some policy issues raised, public investment is a declining trend among mature advanced economies in contrast to more privatization since the 1908s in developing economies, especially in non-physical, soft infrastructure in the knowledge-based economy. It is heartening to know that the Pacific emerging market economies have caught with the advanced economies on new infrastructure, though the gap between emerging markets and other developing economies remains in terms of output in personal computers. What seems remiss in the overview as hard-to-knit-together highlights of country chapters for overall PECC-wide policy implications is perhaps compensated by specific country details of uneven quality.

Typically as for all chapters, Australia by Tony Makin and Satya Paul starts with the historical context and role of government at different levels as the traditional infrastructure provider, with the private sector more involved in a range of public private arrangements. Data from national accounts are supplemented by a review of empirical studies of public infrastructure on productivity growth under different approaches (production, cost and profit functions), noting a general equilibrium model for social rates of return is beyond the chapter.

Kim Storey on Canada estimates the economic impact of infrastructure, noting different types of infrastructure (energy, transportation, telecommunications and social) under various levels of government and highlighting the importance of provincial and local levels especially in health care and education. Estimates of the economic impact of infrastructure for 1961–2000 have reasonable results. Like other advanced economies, Canada ponders how best to renew and expand infrastructure with diverse interests from the environment to innovation. Slow deregulation with political implications means less private sector participation in infrastructure compared to Australia.

Guoqiang Yue's review of China's infrastructure development since 1978 is distinctly of a planned economy in five-year plans across the largest PECC economy with expected large regional diversity. Since the 1990s, government reforms in infrastructure management system focused on corporatization more than privatization. But the government has loans from international financial institutions and foreign investment to finance infrastructure especially in energy and transportation sectors, which are open to foreign capital.

The contrast in Hong Kong by Kwong Yiu Tang is unsurprising with less government and more private sector involvement in infrastructure. The emphasis on information communication technology is clear together with transportation for entrepÙt trade and tourism gateway for China. The government as regulator ensures competition while lumpy infrastructure investment by the private sector to earn returns has a long gestation period to reap economies of scale. Explicit policy suggestions include encouraging more private sector participation and market competition.

The chapter on Japan by the editor, Naoyuki Yoshino and Masaki Nakahigahsi with historical evolution since post-war shows declining infrastructure shares in electricity and railways as telecommunication and education rise plus steady primary sector infrastructure. Japan's catch-up as an advanced economy premised in infrastructure and productivity is shown in the aggregate productivity effect of social capital in government-led infrastructure development since the 1950s with more private sector participation especially in technology-sensitive infrastructure and privatization.

Jaebong Ro has a descriptive chapter without productivity estimates for Korea, arguably the most information and knowledge-based economy among PECC economies. It covers a sector-by-sector overview of ownership/management issues, from micro to macroeconomic aspects of infrastructure as impacting growth. Characterizing the government with authoritative leadership for "hard" infrastructure and as "coach" to provide the private sector with the best environment to create and distribute knowledge in "soft" infrastructure (p. 154) is generally valid for Korea and PECC economies moving towards twenty-first century knowledge-based growth. The call is for more private sector infrastructure with the government to regulate, guarantee a market economy and globalize.

Vijayakumar Kanapathy has Malaysia distinctively divided into pre- and post-privatization phases. Estimates of the economic effect of social capital show a 10 per cent in public capital resulting in a marginal 0.5 per cent increase in private output (p. 172) reflect Malaysia's apparent success in privatization since late 1980s fraught with problems involving corporate governance and transparency. Thus, private sector in infrastructure is generally good, but not easy in Malaysia mixed with ethnic politics.

Douglas Steel on New Zealand is descriptive with twenty informative appendices. The issues raised are from one speech by the prime minister following the 2002 general election (p. 188) rather than from empirical analysis. The best option for infrastructure provision and ownership depending on the asset type and no one-size-fits-all model (p. 189) is as generic and simplified.

The Philippines by Cayetano Paderanga shows stunted output growth correlated to negative factor productivity estimates, consistent with other studies as the pattern in the last twenty years, even in sectors with high rates of capital formation. The infrastructure in physical and human capital failure in general, and neglect in research and development in particular are puzzling disappointing for the Philippines compared in the chapter with others in Asia. It shows a general failure in governance in resource mobilization for infrastructure and probable infrastructure implementation plans mired by political and financial problems.

Some of the failings in the Philippines or Malaysia are contrasted with more successful private sector infrastructure in both Hong Kong and Singapore. Tan Khee Giap and Soon Lee-Ying provide a descriptive chapter on Singapore as particularly successful in infrastructure. In a unique blend of government-led growth with privatization, the visionary strategy to supply infrastructure ahead of demand is clear.

The United States by Robert Dekle and Jeffery Nugent is more private sector based in infrastructure. Government capital growth is uneven over time, by levels of government and asset type. The empirical analysis of macro-level productivity effects of public capital from 1960–2000 generally confirms a positive relationship despite some government capital allocation inefficiencies and privatization risks.

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DOI: 10.1355/ae25-2l

***The Elephant and the Dragon: The Rise of India and China and What it Means to All of Us.* By Robyn Meredith.** W. W. Norton, 2007. Pp. 256.

China and India are nowadays the fastest growing economies in the world having growth rates of 10 per cent. Both countries have dazzled the world with the overnight transformation they have undergone, going from being poor, closed economies to becoming two giants. The question to answer now is: how did two developing countries achieve these growth rates? In *The Elephant and the Dragon: The Rise of India and China and what it Means to All of Us*, Robyn Meredith provides readers with an outstanding description of how India and China, two seemingly different nations with the only similarity of being extremely poor, evolved from facing economic stagnation to experiencing mesmerizing economic growth rates. Meredith successfully combines her journalistic experience with her knowledge of Asian history to give a portrait of the economic and political systems of these nations, their rapid growth, and what implications this has for the world.

China and India have experienced high growth rates after they opened their economies. The benefits each nation has seen have been determined, in part, by the political and educational systems they follow. While India has an established democracy, China has an authoritarian government which allows for reforms to take place with fewer obstacles. In terms of education, India is flooded with college graduates while China is still facing a lag in education coming from the closing of universities during the Cultural Revolution. In that line, India attracts white-collar jobs, while China is a magnet for blue-collar jobs which are predominant in factories. Needless to say is the fact that regardless of the type of jobs, globalization has brought along jobs and improved salaries which were not imaginable in the past. Along the benefits China and India are having, there are consequences for the rest of the world. Employees in America and Europe fear a great loss of jobs as a result of outsourcing.

Nowadays, China is an economic power; however, this was not the scene one could see of China before it became an open market economy. Before 1976, China was a country facing famine and extreme poverty as well as existing ban in education enforced under Mao's regime. After his death, Deng Xiaoping rose to power bringing along new ideas and reforms. Among these, the most important ones were the agricultural and industrial reforms. The former one was characterized by a freedom to choose crops by peasants and by a liberalization of prices. In an attempt to achieve a gradual transition to an industrial economy, the government made several changes. The creation of economic zones, the improvement of infrastructure such as ports and highways, and the exploiting of natural gas and oil reserves provided investors with new incentives. Altogether, these resulted in an invasion of