

Book reviews

Carley, M., Jenkins, P. and Smith, H., editors, 2001: *Urban development and civil society: the role of communities in sustainable cities*. London and Sterling, VA: Earthscan. 347 pp. £40.00 cloth, £14.95 paper. ISBN: 1 85383 718 0 cloth, 1 85383 717 2 paper.

This book contains a selection of papers by the authors to link the broad range of community development work and empirical research around the world to major urban development issues. The contributors, from different parts of the world, include urban planners, sociologists and engineers. The aim of the papers is to focus on the local environmental effects of urbanization and to consider ways in which they may be effectively treated within the confines of an isolated city context and, more generally, when urban areas are seen as part of a wider economic system. Particular attentions are focused on information systems of all types and on feedback mechanisms which help, in particular, the integration of economic and environmental considerations at the urban level. The underlying question being posed is that of deciding on the role that urban indicators can play in assisting to improve the management of cities. The points made are general and conceptual rather than being of a quantitative and empirical nature. There is no effort to try and provide comment on the existing indicators which various urban actors employ in their efforts to manage urban affairs.

Urban areas are complex and dynamic entities. They are also nodes in spatial, geographic, economic, social and political networks. They are also focal points for many of the concerns that underlay current debates about sustainable development. The world, be it

developed or developing, is extremely concerned with the growth, trends and governance of urban areas. This has become obvious from the deliberations of scholars in different urban related conferences, workshops and symposiums held over the years. Increasing concerns about urban governance related urban growth, urbanization and urban development, particularly in the developing countries, are a relatively recent thought and evidently a subject to look into. Literature on this aspect is relatively inadequate. Although there exists a number of books on general urban studies, they shed little light on urban planning and management and the role of civil society in urban scenarios. This book, is therefore, an important, as well as a significant, attempt to investigate the role of civil society concerning itself with urban problems.

The book, divided into three parts, consists of 12 papers with relevant notes, references and index. The first part introduces the issues and challenges related to sustainable urban futures and the role of institutions that delve into the objectives of the study. Part II opens up the discussion on urban development issues from the case studies of seven developed and developing countries of the world. Part III gives an overview of the whole objectives, giving light to the challenging role of civil society in urban development. The heart of the book, part two, is an account of cities from seven countries. Taken as whole, they help to clarify both the potential and the limitations of the community development that arise from civil society and community-based development. In each of the case studies, communities attempt to organize urban development in response to the real challenges they face.

Historically the evolution of urban governance in developing countries was initiated from the top and not from the bottom. Hence, it was ruled by the wishes of top rulers who felt it necessary to keep the people in the government structure for their own interest. In the later part of last century, however, the role of civil society became very crucial. Widening the resource gap to finance the urban infrastructure and services had passed the local governments, particularly the municipalities, in favour of exploring various options, including private sector participation through civil societies. Civil society is increasingly recognized as being critical to the successful realization of development and good governance in urban society. Representatives of organized civil society can be proactive in articulating, developing and proposing substantive agendas to address underlying causes and to shape a sustainable urban area. Some of the cities discussed with special focus in this book are less governable; a lack of managerial competencies, besides a lack of resources, are absent there.

The papers presented in this book have discussed not only the present problems of urban development, but also the historical background that created and sustained the situation. The book has identified three major challenges facing the countries studied. These are fast urban growth, growing urban infrastructure and the role of civil society. It tries to look into the growing institutional response to meet the challenges. The study has rightly stressed the role of civil society for good governance, but some of the papers lack due discussions on the nature and composition of the civil society. One can question about the structure and unbiased role of the civil societies in countries where societies are politically motivated.

The aim of this publication is to widen the debate on deteriorating urban governance in developing countries. It is, of course, an important step in opening up the dialogue to the administrators, policy planners and academics. It highlights the necessity that the civil society will play in the coming decades and draws some policy dilemmas that can be envisaged in the future growth of urban areas. The book is based on both primary research and secondary material, and the volume has not made any unnecessary attempt to justify certain models related to urban development. On the other

hand, it has reviewed the present situation of several urban areas and tried to put together several ideas and examples of the role of civil societies in urban development in different political setups. In essence, it explained the reality that prevails in urban situations rather than defending any particular ideas.

The volume seems to be very useful to scholars dealing with urban problems. It is interesting to readers of different disciplines. The papers in the book have been written in a very simple form and will be a useful guide to students. Consolidated notes and references for all chapters and the index at the end of the book are an added attraction of the book. The book fulfils the expectation of a publication on urban development and civil society, which is particularly suitable for students and researchers. It is obvious that the editors avoided the sharp debates on the role of civil societies in different 'atmospheres', for that would have taken the book beyond its scope. It is a welcome addition to the publications on urban studies.

Mesbah-us-Saleheen
Jahangirnagar University, Bangladesh

Fine, B., Lapavitsas, C. and Pincus J., editors, 2001: *Development policy in the twenty-first century: beyond the post-Washington consensus*. London: Routledge. xvi + 224 pp. £50.00 cloth. ISBN: 0 415 22822 0.

In the twenty-first century, development policy (and a considerable portion of the debate about development 'thinking') remains dominated by neoliberal ideological consensus amongst the International Financial Institutions (IFI's) and the major global UN agencies. The growing sense of frustration with the limitations of neoliberal policies in the early 1990s and the growing chorus of criticism against the World Bank and the International Monetary Fund (IMF), have led to a perceived shift in stance and position for these institutions, to what this text and other commentaries have come to refer to as a 'post-Washington consensus'. This book emerges from a recent seminar series at the School of Oriental and African Studies (SOAS) in London, run by the Economics Department (to which the authors are all associated) on the subject of the 'post-Washington' consensus. The very first page of the book begins by claiming

that this collection of papers 'constitutes a critical assessment of the new position by comparison both with the old consensus and, more importantly, in the context of the broader development studies literature'. In this sense, what is offered here promises from the very outset to move away from the exclusively economic lenses of the IFI's towards a wider engagement with the study of development. In the preface to the book, the 'naked emperor' of the social sciences (Economics), comes immediately to the forefront through reference to the 'thousands of [orthodox] economists employed by, and otherwise attached to, these organisations. What other view of the world could be "rational" or should be taken seriously?' (p. x). The Preface and the Introduction to this book delve only very fleetingly into the intellectual and material origins of the debt crisis and the 'Washington consensus' and there is little recognition of the fact that 'consensus' is possibly a misleading term to use here, papering over the cracks of dissonance and disaffection that characterize and shape relations between the IFI's. The Introduction (by Ben Fine), for example, includes a brief postscript in which mention is made of Joe Stiglitz's recent resignation. The final sentence of the Preface also mentions Ravi Kanbur, lead author of the 2000 World Development Report (WDR) on Poverty (who also resigned) pointing to the waves of dissonance within the Bank that these stirs have created.

The nine chapters of the book tackle this idea of an emerging 'consensus', which is in some way post-Washington, arguing the case for considering the 'embeddedness' of development within the historically (and geographically) particular, or amongst the 'specific conditions of real people and places' (p. xv). The book might have been slightly more adventurous in this regard, engaging with a range of other contemporary theoretical perspectives about subjectivity and particularity. Ben Fine's introduction does make it immediately clear however that the post-Washington consensus tries to broaden the theoretical agenda of development economics and emphasizes that 'it does so within the same narrow, reductionist framework as its predecessor' (p. xv). Fine talks about the narrowness of the IFI's analytical scope which is 'breath-takingly presumptuous' (p. 6) and also mentions, *en passant*, the 'colonising designs of

economics' (p. 9). Fine also manages to bring out something of the subtlety of the growing ideological proximity between the IFI's, whose advice is 'pervasive if not always decisive' (p. 10). Fine's contributions here also bring out something of the reductionism of World Bank and IMF texts and senior ideologues like Joe Stiglitz.

The book as a whole highlights the way in which a state versus the market approach is supposed to have given way to a state *and* market approach to overcome market imperfections. Intervention by the donor agencies in a whole range of state policy areas is thus rationalized and legitimated, enabling the new consensus to 'push for command over what the state does and how it should do it' (p. 15). Aybar and Lapavistas look at financial system design in their chapter and reach similar conclusions arguing that the IFI's are often 'unable' and 'unwilling' in their analyses. Cramer and Bayliss also have an interesting chapter about the specific issue of privatization policy, discerning a 'blanket' approach used by the Bank where case specifics do not matter and neutrality is constructed as universally giving rise to efficiency and competitiveness. Interestingly, the term 'prescriptions' arises at a number of points in this book, particularly in Sonali Deraniyagala's chapter which finds no change in policy between the different historical periods of 'consensus'. As Dic Lo argues in his chapter on the narrow vision of economic institutions put forward in the new consensus, the Bank is very fond of 'textbook' notions and fixed ideas of 'natural' paths to development.

Mushtaq Khan's chapter on the political economy of corruption in particular comes much closer than many of the other chapters to broadening the debate beyond the narrowing confines of development economics. Khan argues that liberalization is not only insufficient as a response to endemic corruption, but in some ways may actually exacerbate the problem depending on the distribution of class and political power. The particular case of Angola and the IFI's plans for economic development in the context of endemic corruption in this part of southern Africa regularly came to mind in reading this chapter which tries to raise important and neglected issues of class power and the variety of ways in which politics shape the contours of development strategies and practices. These issues all too often slip from

view in debates about the economic of development. As Ben Fine argues, the neoliberal approach 'cuts a destructive swathe through the vast majority of social science, including radical political economy. Concepts such as class and power simple cease to have any purchase' (p. 7). Ben Fine's other chapter on social capital is also very interesting in that he once again seems unconvinced by the idea that the Bank has really changed its thinking and opened up a space for engaging in an analysis of politics and non-market issues. Fine shows how core assumptions remain off-limits for the Bank, unwilling to revisit its notion of the social, except through its own (very limited) languages about social capital. The 'obsessive attachments' of the Bank also come up in a chapter on education policy (Fine and Rose) and one on agricultural and rural policy (Pincus). The latter in particular is very effective at drawing out the notion of how the Bank occupies a kind of 'virtual world' of myths, rhetoric and unrealities which are often far removed from the concrete world of lending operations. This leads on to the conclusion of the book which argues that the new consensus is 'remarkably remote as far as policy stances in Africa, Eastern Europe and elsewhere are concerned'. For those interested in critiquing the work of the major financial institutions this book will prove a very useful resource, offering some quite subtle and nuanced understandings of the workings of the IFIs and the gaps and shortfalls between rhetoric and practice. Although, a wider and more sustained engagement with theoretical issues would have sharpened the critique that this collection provides, it does try to look beyond the confines of a particular sub-discipline of development studies and engage other literatures and perspectives with even some (rather limited) talk of the possibility of alternatives.

Marcus Power
University of Leeds

Howitt, R. 2001: *Rethinking resource management: justice, sustainability and indigenous peoples*. London and New York: Routledge. 446 pp. £70.00 cloth, £20.99 paper. ISBN: 0 415 12332 1 cloth, 0 415 12333 X paper.

Between the lyrics of Leon Rosselson's *The world turned upside down* and Buffy Sainte Marie's *My country 'tis of thy people you're dying* is one of the most interesting and important books I've read on resource management. Of course the songs are also an important part of the book, as is the short conclusion, the frontispiece and the book cover (which features the work of a former student, produced as a response to Richard Howitt's resource management course).

The aim of writing the book is to 'rethink resource management systems' (p. 65). The book is a conversation between the author and the reader. The world is turned upside down again and again in the early pages of the book as Howitt readies his readers for the parts that introduce different ways of seeing, thinking and doing. Drawing upon his own experience of working with Indigenous communities in various parts of Australia and linking these lessons with examples drawn from other countries such as Canada, the USA and New Zealand, Howitt writes about resource management in countries with different histories of colonization. His material is mainly drawn from developed countries with a history of English colonization, but readers should be able to relate this to experiences in other contexts. Howitt's thought has been influenced in various ways by authors such as Karl Marx, Paulo Freire, JK Gibson-Graham, David Harvey, Neil Smith, by his students such as Sandra Suchet and, probably most importantly, by many indigenous people. This learning is communicated in a high-quality publication which is accessible, rich with boxed case studies, helpful diagrams and interesting photographs that relate closely to the ideas in the text.

Rethinking resource management contains six parts divided into 15 chapters. Part One, titled 'Introduction (and disorientation)', is an introduction to mainstream resource management and 'the world turned upside down'. At 69 pages this is one of the longest book introductions that readers are ever likely to find – yet it is indeed an introduction into many years of work.

Part II is about 'Ways of seeing', focusing on

the problems of believing and interpreting what may be visible. This is followed by four chapters in 'Ways of thinking', where Howitt develops ways of envisioning 'both the focus and context of resource management as part of a more holistic, complex, dynamic and human totality' (p. 108). The four chapters in 'Case Studies' include material on case studies as a research tool, mining in northern Australia, disputes between Navajo and Hopi people in the south-western USA, and hydropower in Quebec (Canada) and Norway. Part IV contains four chapters under the heading 'Ways of doing'. These chapters focus on professional practice, social impact assessment, policy arenas and co-management, including how to move beyond co-management as a concession by governments to Indigenous people. The various parts and chapters of this book are well signposted and the reader can easily understand the connections that Howitt intends.

The final section of the book is called 'From theory to praxis'. After nuanced critiques of geography, resource management, political systems and current professional practice, Howitt deliberately concludes optimistically. He recites stories of his own experiences in the Kimberley area of north-western Australia in the 1980s, and how he came to realize the importance of his own music for Indigenous people at a time when despair was starting to take hold. Howitt's optimism also derives from his role and impact as an educator, which has ranged from a small country town school to his current position at Macquarie University in Australia's largest city.

Perhaps not surprisingly, the principal audience for whom Howitt writes is 'young university-based trainee professionals in the general field of resource management' (pp. 65–66). He also 'seeks to offer something to those who are already working in the field as practitioners, beneficiaries, administrators, regulators, opponents or victims of its currently dominant paradigms' (p. 66). My initial impression on reading these lines was to ask, who's left? I'd have to say, over 320 pages later, that Howitt does indeed offer something very useful to people with a variety of experiences of resource management.

The book is suitable for undergraduate and postgraduate students, as well as experienced resource managers in the broadest sense of the term. It is particularly suitable for geographers,

even if their interest is not resource management, but it is also useful for anthropologists, sociologists and people interested in environmental and development studies. The book is unlikely to date quickly, and some chapters, such as those on ethics and case studies, are excellent references that will be useful for a very long time. Case studies from Richard Howitt's own life and various writing have been assembled in one accessible publication, while case studies by other authors about Norway, the Three Gorges Dam and many other locations are summarized in a clear and helpful manner.

Rethinking resource management is an important and timely book. It will probably help many people to make sense of their own experiences, perhaps clarifying or explaining their own frustrations with the dominant paradigms of resource management. Readers will likely appreciate the complexity of resource management and experience the journey from relative naivety to greater awareness and sensitivity that has been a part of Richard Howitt's life. Perhaps even more importantly, this book may help many future resource managers to build their own professional praxis on the foundations of sustainability, equity, empowerment and participation. In this way, as Howitt notes on pp. 314–15, resource management can move from being part of the problem to part of the solution.

This book has been worth the wait. *Rethinking resource management* is an impressive book, not just for its size, academic quality and knowledge, but primarily for its wisdom. I recommend this book be purchased by anybody who is developing a library on sustainability, resource management and development issues. I suspect that it will often be taken down from the shelves.

Phil McManus
The University of Sydney

Inkster, I. 2001: *Japanese industrialisation: historical and cultural perspectives*. London and New York: Routledge (Routledge Studies in the Modern History of Asia 9). xi + 324 pp. £60 cloth. ISBN: 0 415 24444 7.

Japan's escape from colonialism and its subsequent industrialization has taken its

economy to the second place in the world. This comprehensive book, *Japanese industrialisation: historical and cultural perspectives* written by Ian Inkster, analyses how this rapid development occurred and the impact it has had on East Asia and the world at large. Taking a wide range and focus, Inkster looks at the history of Japan's industrial development in a social and cultural context. There is a strong focus on technology transfer and institutions throughout the book. Compared to many other books on Japanese industrialization, this book takes a longer period into account (from 1603 until 2000) and has a stronger focus on foreign interaction, in particular with the US and China. In the preface Inkster writes, 'I hope to have attracted an audience beyond that of specialist students and academics' and 'The book hopes to be an interesting analytical statement in the guise of a textbook' (p. ix).

One of the main strengths of this book is that it is extremely comprehensive and detailed in its account on foreign influence, technology transfer, endogenous institutional capabilities and social engineering, also concerning the years before the Second World War. In this respect the parts on the Tokugawa economy (1603–1868) and Meiji industrialization (1868–1912) are highly interesting and make it clear that they play an important, yet often neglected role in understanding Japanese industrialization. The book is well structured and contains three parts (The beginnings, The expansion of Japan (1912–73) and Modern Japan) which are introduced with a short summarizing text. At the end of each chapter Inkster gives some hints for further reading.

The book, however, has several weaknesses. First, the book presents too much detailed information to be of interest for an audience beyond that of specialist students and academics. There are numerous extremely detailed accounts of technology transfer projects and commentaries in Japanese newspapers. Secondly, the book is weak in providing sources to the information presented; there are few sources mentioned in the text and no sources tell us where the information comes from that is presented in the tables. Furthermore, the author imprecisely quotes colleagues. After word-for-word quotations no page numbers are mentioned and at some points in the text; no source is mentioned at all. Throughout reading the book I asked myself what kind of logic is

behind the listing of references at the end of the chapters, as they are neither alphabetically nor chronologically ordered. For a book which is presented in the Preface to be 'an interesting analytical statement in the guise of a textbook' (p. ix), it is not easy to read, with extremely long sentences at some points. Moreover, Japanese expressions are only explained once. A glossary with Japanese expressions would have been a must in a textbook introducing Japanese industrialization.

For readers interested in development studies, the chapters on relationships with neighbouring Asian countries are potentially of great interest. However, little is written about the extent these neighbouring countries copied Japanese industry policy. The flying geese hypothesis, for instance, is not discussed. This hypothesis refers to the development trajectory in which latecomers (the Newly Industrializing Countries) replicate the developmental experience of the countries ahead of them (Japan) in the formation. The replication does not only point at investment patterns, but also at industry policy, which has been most clearly the case concerning South Korea copying large parts of Japan's developmental state model.

Overall, this book is certainly a highly interesting read for social scientists and economists interested and specializing in the industrialization of Japan. It is, however, of much less value as an introduction to Japanese industrialization and as an account of implications of this industrialization for wider development issues.

Robert Hassink
University of Bonn, Germany

Kasperson, J.X. and **Kasperson, R.E.**, editors, 2001: *Global environmental risk*. London and Sterling, VA: Earthscan, and Tokyo, New York and Paris: United Nations University. xvii + 574 pp. £60.00 cloth, £24.95 paper. ISBN: 1 85383 800 4 cloth, 9 28081 027 8 paper.

In 1995, Roger and Jeanne Kasperson, and Billy Lee Turner II, co-edited an influential book entitled, *Regions at Risk* (Oxford University Press). The book sought to discuss different approaches to human–environment relations at the regional scale, with particular attention to the concept of 'criticality', or, how specific envi-

ronments or regions may be considered to be more susceptible to rapid environmental degradation than others. The book was couched largely within the terms of regional or local environmental changes, such as deforestation, pollution, or agricultural intensification, and cited specific regions such as Sahel or Middle Hills of Nepal as examples of 'regions at risk.'

In *Global Environmental Risk*, these themes are explored further in relation to the debate about global environmental change. Sixteen chapters present different, and often complementary, approaches to questions of criticality, with specific reference to risks of a global variety, such as anthropogenic climate change. In addition to the examination of 'risks' coming from these kinds of changes, the book also considers the concept of 'vulnerability' with its implications for social and economic debates. The book also applies some of the global risks to specific ecosystems or landscapes, such as mountainous regions, Bangladesh and Nile deltas, the North Sea, or for precise countries such as Canada or Mexico.

The book is a strong summary of some of these debates and of the approach typified by much research on global environmental change. It remains somewhat reserved, however, in its acceptance of critiques of these approaches from debates within science studies or cultural ecology about the social influences on how risks are understood or created. Chapters 1 and 2, authored, amongst others by Jeanne and Roger Kasperson, Vicki Norberg-Bohm and Bill Clark, represent what may be called an orthodox epistemologically realist position that accepts both the results of much current modelling of changes and the proposed negative impacts of such changes. They do not acknowledge more recent debates about how social framings may influence how changes are perceived, or how global models and assessments may reflect norms of practices of people undertaking such assessment.

This central theme of the book is shown in the second chapter that discusses a simple causal model in which 'human activities' lead eventually to 'consequences to humans and that which we value'. The chapter elaborates upon this simple model well, but does not question the varying evaluations of changes over time and between different social groupings, the importance of changes beyond human activities, the potential co-construction of scientific

method and results, or political concerns and scientific explanations. Yet such concerns are increasingly apparent in questions about the applicability of orthodox explanations of land-use-cover-change debates and the universality of the I=PAT equation (or the model adopted since the 1970s that has alleged a linear relationship between environmental impacts population, affluence and technology).

One chapter by Silvio Funtowicz and Jerry Ravetz (further discussing their concept of 'post-normal science') is an acknowledgement of these debates about the relationship between public participation and epistemology, particularly in fields with competing expertise between modellers and a variety of subjects or users of science. This theme is not really adopted in other chapters. The flavour of the book remains largely within the framework of large-scale environmental assessments and the analysis of biophysical changes as a guide to risk, rather than approaches that emphasize the role of local social and cultural norms as guidelines to how such changes are interpreted as risk (such as Brian Wynne's work), or those that show how the norms and narratives of researchers have influenced how they project risk (e.g., Peter J. Taylor). Indeed, the book's concluding chapter by Patricia Benjamin, Jeanne and Roger Kasperson, Jacque Emel and Dianne Rocheleau, provides a fascinating history of the social visions of global modelling. Apart from one reference to cultural theory, however, this chapter does not mention the now widespread literature that seeks to illustrate the institutional bases of global projections. From this side of the Atlantic, such an omission seems difficult to justify and detracts from the otherwise comprehensive and authoritative summaries it contains.

Such concerns, however, should not detract from the book's many positive aspects. Kirk Smith's discussion of the 'risk transition' and developing countries provides a neat summary of the transition debate with regards to epidemiology and demography, with implications for rapid industrialization. Diana Liverman, in two chapters about vulnerability, does make the point that impacts of global change are influenced by local characteristics of ecosystems and people, as well as the magnitude of physical changes. Liverman (pp. 204) distinguishes the biophysical from political economy approach to vulnerability, which – although falling short of

the epistemological critique – does highlight the political forces that make poor people vulnerable and discusses the importance of social divisions such as gender. Liverman's second chapter spells out such concerns in Mexico, also illustrating the historical context within which hazards are experienced. This qualitative approach compares with James Broadus' econometric discussion of impacts of project sea level rises in Bangladesh and the Nile. Side-by-side, these chapters make useful methodological comparisons for different ways of assessing risk. Subsequent chapters on the North Sea (O'Riordan) and on the Sea of Japan (Ikeda and Kataoka) give rare attention to the impacts of changes on sea levels in temperate zones and further analytical comparisons of different management strategies between the Netherlands and the UK. Such chapters mean that this book provides useful teaching material for anyone wishing to cover a variety of topics relating to global environmental change.

This is an important and informative book on a wide variety of topics relating to approaches to global environmental change. Its strengths are its variety of chapters and information. Its weaknesses are that – for the most part – it still fails to acknowledge the growing epistemological critiques of much global modelling or alternative, more localized, approaches to risk; yet, it should be read by anyone working in this field.

Tim Forsyth
London School of Economics

Lall, S., editor, 2001: *The economics of technology transfer* (The International Library of Critical Writings in Economics, Volume 139). Cheltenham and Northampton, MA: Edward Elgar. xvii + 503 pp. £120 cloth. ISBN: 1 84064 566 0.

Few people have contributed as much to the debate of technology transfer as Sanjaya Lall. In this edited volume, Lall presents 20 classic articles on technology transfer that were published between 1975 and 1997, and which present an impressive summary of key debates and important themes relating to technology transfer. The book follows the standard format of publisher, Edward Elgar, of reproducing papers as they were published in the form of a

'reader'. Lall presents a brief introduction to the subject, but there is no conclusion, and no subject index (although there is a name index). The book therefore largely stands as a historical collection of important academic papers that may interest advanced students, rather than a state-of-art summary for beginners to the field.

The focus of this volume is indeed the 'economics' of technology transfer. Many papers include some element of econometric or modelling-based approaches of analysis. The papers focus mainly on the regional or international impacts of technology transfer, rather than on more localized institutional approaches of how specific companies can engage in technology transfer. The book therefore is of assistance for debates in general economic development, regional economic and technological policy, and debates about multinational companies and international development at macro scales, rather than the mechanics of transferring specific technologies, or in building technological capability within firms. This focus may therefore mean that the book is of limited interest to readers seeking to learn about practical means of implementing technology transfer, or for specific themes of technology transfer such as environmental or health and safety policies.

The book is divided into five main sections: theory and concepts; multinationals; the general relationship of technology transfer and development; a specific focus on developing and transitional economies; and developed economies. The discussion of theory and concepts ranges between Edwin Mansfield's 1975 classic review article of international technology transfer policies, and Lissoni and Metcalf's 1994 summary of diffusion theories. The twenty-year gap between the publications reveals the advances made in the field, and the diversity of debates included in technology such as economic geography, international trade, regional development, and multinational competitiveness.

The selection of papers on multinationals includes D.J. Teece's widely quoted 1977 paper on resource costs of transferring technology, plus more recent papers by John Cantwell (globalization of technology, 1995) and John Dunning (the consequences of transfer, 1981). The section focuses largely on the themes of Teece's paper on the resource costs of transferring technological know-how and the implications for

developing international networks to exploit regional centres of specialized production. François Chesnais' 1988 paper outlines the defining characteristics of multinational companies, the differing theoretical approaches in Marxist and non-Marxist thinking concerning international investment, and the shared production and dissemination of technology by companies and host countries. This paper lists a useful categorization of agreements most frequently used by firms in different categories of industry to achieve technology transfer (p. 131), and thereby demonstrates the complex and varying nature of this term. Cantwell's discussion of the globalization of technology represents an important contribution to this field and one with value for papers throughout the book. The discussion of the product cycle and multinational investment focuses on whether technological development is better off within the host country, or within foreign locations; a theme also discussed in the book's last paper by Archibugi and Michie (1995) on new taxonomies of globalized technology.

The sections entitled, 'Technology transfer and development' and 'Developing and transitional economies' contain ten papers in total. The objectives again are to indicate the influence of foreign direct investment and technological investment on local technological growth, specialization and competitiveness. Mowery and Oxley's 1995 paper, for example, highlights the role of national innovation systems in making inward investment more effective for enhancing local expertise, using history from East Asia. Pack and Saggi (1997) look specifically at policies that can integrate multinational investment with local and regional development. Sanjaya Lall's only paper reproduced in the book (1993) looks at the relationship between the import of technology and the generation of indigenous investment in technology. Paper such as these highlight the relationship between capability building, technology transfer, investment inflows and competitiveness.

Other papers provide examples of specific countries and regions. Carlos Correa's 1995 paper on innovation and technology transfer in Latin America provides a useful statistical summary. Mike Hobday's 1995 paper on East Asian latecomers focuses on the institutional mechanisms by which new electronics companies gained technological expertise from

earlier, better established companies. Other papers consider electronics in Taiwan and Singapore. There is only one paper on Eastern Europe, by Slavo Radosevic, on the challenges of 'catching up' under post-socialist reconstruction.

The book's final section considers trends in so-called 'developed economies'. Here, Keith Pavitt's classic 1985 paper on industrially advanced countries provides an overview of the problems of analysing technology when it is cumulative within firms, diversified and varied between sectors, and increasingly subject to national interest (German, or Japanese, for example) yet presented as being 'global'. This paper could easily have been an introduction to the book in general. Archibugi and Michie's 1995 paper on globalization and technology provides perhaps the book's most comprehensive analysis of what it means to produce and share technology globally through international research and development joint ventures and patenting, and how to integrate such functional mechanisms with theories of technological accumulation between nation states and independent multinational companies.

The book in general provides many interesting and informative papers that will undoubtedly act as a kick-start for research students or for academic centres specializing in technology transfer. Such papers need to be read by anyone working on economic geography, technology investment, and regional and multinational development. The downsides to the book are that the simple reproduction of papers with only a nine-page introduction by Lall seems somewhat empty of comment. The reproduction of some older papers seem to be more of interest for noting what was debated at that time, rather than for their current contribution. Such downsides, of course, are to be expected in a collection of classic papers. Yet, together, these papers demonstrate a variety of different questions and approaches to technology transfer that should prove inspirational to teachers and future researchers.

Tim Forsyth
London School of Economics

Lavigne M. 1999: *The economics of transition. From socialist economy to market economy* 2nd edition. New York: Palgrave. 328 pp. \$65.00 cloth, US\$ 22.95 paper. ISBN: 0 31222 088 X cloth, 0 31222 089 8 paper.

Marie Lavigne's book satisfies all the requirements to become a classic textbook on the economy of transition. The author, Emeritus professor of Economics and world-known specialist in the topic, bases her analysis on the wide knowledge of the literature, on her own visits to transition countries and on regular contact and discussions with the scholars from different countries and institutions. All this experience, combined together with the simultaneous comparative analysis of all of the European transition economies, as well as the permanent effort to take into consideration the historical path of development of these countries allow a deeper understanding of the first years of transition. This review is written some years after 1998 (the end of the period studied in the book).

The book starts with a profound analysis of the basic features of the socialist economy and justifies the intrinsic necessity of its reform. The socialist economy was based on non-market planning principles and shaped by the overall communist (independently of the exact name of the party) control. This control and, in general, the leadership of the party were based on the so-called *nomenklatura* system. All executive positions in the economic sphere, from the government members to the enterprise managers, were listed and any appointment on a listed position had to be approved by the corresponding level of the party.

This strong administrative structure defined many failures of following transition period. The abolition of the party control provoked a general disorganization. The members of *nomenklatura* were, in general, highly technically qualified, but had no economic background and were unaccustomed to taking the initiative in organizing enterprise activity. Planning was always the main prerogative of the central authorities. The economic life was characterized by the predominance of big and the lack of small and medium enterprises. The non-economic wasteful method of intra- and inter-enterprise relations in these big state industrial entities considerably obstructed transition. The reader understands the relative narrowness of the

window of possibilities opened after the crash of the socialist economy and the inevitability of many negative processes accompanied the transition, as well as the perspectives and the dangers of this crucial period.

At the same time, the author does not restrict herself only to the analysis of the internal economic situation in each socialist country. One of the doubtless merits of the book is a detailed analysis of international economic relations of former socialist countries: inside the socialist camp, with Western and with the developing countries (in particular, the latter group of countries rarely benefited from such an analytical elucidation).

After the analysis of the pretransition central planned economies, the book continues with the proper description of the transition process: the first steps of the transition; the collapse and the disintegration of the old system; the macroeconomic stabilization; the privatization and structural reforms, and finally, the long journey to reintegrate the world economy. The author compares different strategies of macroeconomic stabilization and briefly exposes existing theoretical approaches to this key economic issue. The wide comprehensive coverage of different aspects of reforms is other appealing point of this work. This part is less analytical, probably because the studied period is still too close to us. It still collects an impressive amount of well-classified information about the recent historical events and proposes to other scholars, taking into account the last years of transition, an already fallow field of research.

The topic of foreign assistance during transition period is also discussed in this work. First, the author points out the ambiguous character of assistance, which especially benefited Western suppliers of good and services, professional consultants and academic institutions, and thus has had low positive impact on the development of transition countries. The book equally underlines: (1) tied or conditional character of the assistance, which accordance depended upon the application of a list of economic policy measures and the achievement of some specific targets; (2) the choice of programs by the West (such as nuclear safety or environmental protection) when, from the East's point of view, other programs were priority-driven; (3) last but not least, the absence of adequate financial infrastructure to absorb the assistance. The drawbacks of the assistance

provoked a growing disappointment both in the East and in the West. The author postulates the necessity to replace assistance by partnership and 'dialogue' and hopes that the experience of assistance to transition countries could be useful for developing countries.

Finally, the author builds a bridge between the past (yes, transition period still continues, but it also already belongs to history) and the future: modern post-transition society. Transition has shaken the military-industrial complexes in all big countries, hardly influencing traditional left-right political rivalry (death or radical change of many communist parties, the absence of a real opponent for the Right), deeply modifying North-South i.e., West-South relations (no alternative method of development for poor countries in existence) and changing the whole political landscape. The beginning of the new century with the catastrophe of the 11th September underlines the necessity of the total rethinking of the values and goals of the new world politics and 'the future of capitalism'. The author asks if the transition of the socialist countries is not a prelude to the world-wide transition and, in general, Lavigne's book supplies interesting historical material and analysis to reflect upon.

This book is easy to read which makes it accessible to a large audience of readers. This audience could range from scholars and Ph.D. students specializing in the subject to first year students or people who are just interested in understanding the reasons behind such an abrupt economic crash of the 'second world' socialist economy. Nevertheless a deep understanding of this work requires an extensive knowledge of the historical details of transition. Due to extent limitations, many important facts and ideas are just sketched here, so this book could be also considered as a guide to further reading.

Anna Weinberg
University of Geneva

Levy, D.C. and Bruhn, K. with Zebadúa, E. 2001: *Mexico: the struggle for democratic development*. Berkeley: University of California Press. xx + 362 pp. US\$48.00 cloth, US\$18.95 paper. ISBN: 0 520 22808 1 cloth, 0 520 22831 6 paper.

In *Mexico: the struggle for democratic development*, Daniel Levy and Kathleen Bruhn (with Emilio Zebadúa) undertake an ambitious project that explores the complex relationship between development and democracy in Mexico. While primarily focusing on the contemporary period, the book covers wide swaths of Mexican history, exploring the 'trade-offs' over time between economic growth and political stability. Levy and Bruhn define 'development' largely in terms of macroeconomic growth, downplaying equity and social justice, and they frame political stability in terms of the social and political conditions that foster such macroeconomic growth.

The central message of this book is that while economic growth in Mexico historically (through the 1970s) required political stability at the expense of democracy (Chapter two, 'Legacies of development'), over the last two decades a 'democratic imperative' has emerged in Mexico's political economic system (Chapters three through five, 'The rise of political competition', 'Difficult democracy' and 'The state and the market').

In Chapter two Levy and Bruhn provide a well-researched and clearly written review of Mexican history, covering a variety of topics in quick succession, from the role of the military to the influence of the Catholic church. Their analysis, however, tends to simplify Mexican history through an analytical lens that valorizes economic growth and 'modernization', and obscures contradiction and questions of social justice. For example, they point to the 'substantial' achievements (p. 42) of the Porfirio Díaz dictatorship (1876–1910), emphasizing the degree to which Díaz secured the political stability 'necessary' for economic growth. While they make passing reference to the deepening inequalities and repression of the Porfiriato, their narrow definition of 'development' (i.e., economic growth) and stability allows them to downplay the question of which groups in Mexican society were systematically oppressed, impoverished and destabilized during that regime. Interestingly, Levy and Bruhn draw many parallels between the Porfiriato and the

years of the 'Mexican Miracle' (1940–1970) when the PRI (*Partido de la Revolución*) was at the height of its power. Both regimes, they contend, provided 'development through political stability' for which the 'only alternative' was 'destructive political instability [and] a crippled economy' (p. 43).

The book turns rather quickly from its historical discussion to an exploration of post-1982 transformations in Mexico's development model and political system. Levy and Bruhn see a strong causal connection between 'internationalizing' (neoliberal) economic reform and democratization (p. 149), repeatedly characterizing the transformations since the early 1980s as a process of political and economic 'normalization'. They assert that 'internationalizing development,' as they call it, has unleashed forces that promote political competition, transparency and accountability, creating a democratic imperative for maintaining political stability: 'Mexico's recent progress toward democracy is broadly consistent with classic modernization theory [...] And it is where Mexico is most developed socioeconomically – where it is well-to-do or middle class, best educated, and most urban – that freedoms are most vibrant and accountability advances furthest. Moreover, growing international influences appear to be having a net positive effect on democratization (p. 148).'

To justify these assertions, they claim, for example, that neoliberal reform fosters political competition and inhibits corruption because 'foreign investors fear putting money into countries whose economies lack transparency' (p. 138). Levy and Bruhn do not ask, however, whether entrepreneurial transparency for foreign capital translates easily into *political* transparency, including political accessibility for, and accountability to, Mexico's most marginalized citizens. They avoid specifying exactly how internationalizing development will help the majority of citizens living in poverty gain access to the 'vibrant' freedoms, or to the mechanisms of accountability, currently reserved for the middle classes.

The question of democratic development that lies at the heart of the book is a crucial one for scholars of Mexico and other countries of Latin America, yet *Mexico: the struggle for democratic development* largely sidesteps the thornier and most perplexing contradictions that emerge when thinking through development and

democracy in these contexts. Under what conditions can formal democratic institutions provide political access and empowerment for all citizens, particularly in the context of inequalities exacerbated by 'internationalizing development'? As neoliberal restructuring reduces the role of the state, how can democratic institutions respond to popular development needs and demands? Finally, how might a robust democracy, including a participatory civil society and a responsive state, change the very trajectory of development and 'modernization'?

At various points the authors mention the persistent issues of inequality and marginalization in Mexico, but they avoid bringing these issues into the center of their overall thesis concerning 'development' and 'democracy'. In Chapter three, Levy and Bruhn briefly remark on the role of civil society in creating pressure for democracy in the 1980s and 1990s (pp. 68–69). Rather than bring the issue of civil society to the forefront of their approach to democratization, however, the authors pass over civil society rather quickly, avoiding the fact that attention to civil society might complicate their broader claim that neoliberal reform drives democratization. They gloss over the complex, and often highly critical, debates about democracy and development raised by these same social movements and civic organizations.

In Chapter three the reader finds additional passages that contradict the book's more boldly stated thesis, contributing to a lack of cohesion between different chapters. These passages examine more closely the ways that neoliberal globalization provides particular opportunities for political pluralism, while simultaneously constraining other democratic processes and efforts to create a more equitable society. Using the example of organized labor, they note that recent political economic shifts and institutional reforms have stimulated a 'growing number and volume of voices' in the labor movement, and broken down 'old patterns of control' (p. 78). At the same time, they point out that neoliberal reform not only weakens (profoundly) the structural position of organized and unorganized labor, but it also limits state capacity for responding to the needs of the working class and unemployed. It was refreshing to see some reference to these kinds of paradoxical tendencies within 'internationalizing development'; that the emergence of some

democratizing forces occurs in conjunction with growing socio-economic and political marginalization in other arenas. Unfortunately, these paradoxes are not brought to the forefront in *Mexico: the struggle for democratic development*, nor are they read against the prominent claims made in other chapters that the 'free' globalized market is the engine of democratization.

The last two substantive chapters of the book, 'Mexico in a U.S.-led world' and 'Bilateral issues' (Chapters six and seven) are clearly written and synthesize existing research on a wide array of topics, from Mexico's foreign policy during the twentieth century (and its current 'normalization') to the politics and economics of the drug trade and migration between Mexico and the United States. Unfortunately, these two chapters provide little new analysis of these topics and are quite disconnected from previous chapters to the extent that chapters six and seven are linked to earlier arguments about development and democracy; the connection is simply that 'internationalization' and 'normalization' in Mexico demands closer integration with the United States.

Mexico: the struggle for democratic development is a tightly researched and well-written book, one that provides a timely synthesis of a broad range of political and economic issues in contemporary Mexico. While the book could have gone much deeper, and more critically, into debates about democracy and development in Mexico, students and non-academic audiences will find it a useful introduction. Particular chapters could be used effectively in the classroom in conjunction with sources that provide a more critical interrogation of the meaning and scope of 'democracy' and 'development'.

Lise Nelson
University of Oregon

Ling, L.H.M. 2002: *Postcolonial international relations: conquest and desire between Asia and the West*. Hampshire and New York: Palgrave. 269 pp. US\$45 cloth. ISBN: 0 333 64155 8.

Reviewing this book turned out to be a more demanding task than I initially imagined. Students of international relations (IR) who are tuned into North American debates and discourse are likely to share my initial reaction

to Ling's study. For the book not only is a demanding (yet extremely rewarding) read, but it also presents a challenge to our established ways of thinking about and doing world politics; the ways students of International Relations have internalized over the decades. By so doing, Ling presents an alternative way of understanding the relationships between world orders (the one between Asia and the West is discussed in detail) and suggests that the options for developing countries encountering the West need not be limited to 'clash' vs. 'cooptation'. Presented as such, Ling's approach (labelled as postcolonial international relations) may be to understand contemporary world politics that are characterized by seemingly contradictory phenomena encompassing the September 11 attacks against New York and Washington, DC, European integration and expansion, the interaction between 'Asia' and 'the West' and the so-called intractable conflicts in Israel/Palestine and Kashmir.

However, in presenting an alternative approach Ling does not bypass the current debates; on the contrary, she recognizes the prevalence of (neo)realism in North American IR and engages with it. Her main argument is that (neo)realism cannot address the complexities of world politics as it conditions students of international relations to think of the relationship between Self and the Other as a clash, and blinds us to the processes of learning that has led both Self (the West) and the Other (Asia) to transform themselves. Ling suggests that the relationship between world orders need not be understood solely as conflictual but also as being characterized by borrowing, absorption and even transformation (as seen in the example of the historical relationship between Asia and the West). In order to grasp this relationship, the author maintains, we need a new set of conceptual lenses in that of postcolonial international relations.

Ling presents postcolonial international relations as a hybrid of postcolonial theory and constructivist methods. Although postcolonial theory has left its mark in literary and cultural studies, it has been rather slow to make inroads into international relations. This is partly because the writings of postcolonialists (such as Franz Fanon, Gayatri Spivak, and Edward Said) have proven difficult to absorb and partly because postcolonial theory's concern with the personal/subjective/particular is often not

considered unfit to meet the stringent standards of 'scientific conduct' and 'intellectual/methodological rigor' demanded by established ways of thinking about international relations. Yet, given the problems (neo)realism has faced in explaining the September 11 attacks (i.e., actions that involve 'any type of reasoning that transcends narrow definitions of rationality as self-interest or immediate, material interest' (p. 16) – the need to move beyond rationalist/institutionalist approaches to IR becomes apparent.

This, Ling argues, could become possible if we couple postcolonial theory's concern for Self/Other relations and its insight into the ways in which this relationship is transformed with the methods of constructivism. This hybrid approach, Ling maintains, could provide the basis of our understanding of the clashes between cultures/civilizations/world orders, which do not leave them as they are but hybridizes them. Our thinking, argues Ling, should recognize this phenomenon if we are to cope with contemporary world politics.

The title of Ling's book suggests that the relationship between Self and the Other is one of 'conquest and desire'. This, in turn, hints at the linkages between 'thinking, doing and being in international relations' (p. 15). Ling's book is structured around three dimensions of this relationship we have with international relations. Recognizing the inter-relationships in between thinking, doing and being, in itself constitutes a challenge to the established approaches to international relations. For years, these approaches have taught us to start from the assumption that 'thinking' is a task which is isolated from our 'being' in international relations and by which 'doing' international relations could be informed, but should by no means affect our 'thinking'.

To summarize, Ling's study makes a must read for students of international relations interested in international theory and/or globalization. Students of development studies are likely to draw additional benefit from the author's discussion of Asia's transformation in response to Western 'conquest'. However, the uniqueness of her approach is likely cause problems for those who would try to integrate her study into reading lists.

Pinar Bilgin
Bilkent University, Ankara, Turkey

Mayers, J. and Bass, S. 1999: *Policy that works for forests and people. Policy that works for forests and people series no: 7 series overview*. London: International Institute for Environment and Development. xxiv + 324 pp. US\$22.50 paper. ISBN: 1 904 03537 X.

Bass, S. 2000: *Participation in the Caribbean. A review of Grenada's forest policy process. Policy that works for forests and people no. 10 Discussion paper*. London: International Institute for Environment and Development. x + 94 pp. US\$15.00 paper. ISBN: 1 904 03548 5.

At the beginning of the twenty-first century, forests and forest policy have taken higher profiles in parts of the world. Forest loss and degradation continue, often at rates that will contribute to the impoverishment of millions for generations. The entire field of 'forestry' is being transformed from an emphasis on wood and fibre production to that of maintenance of a range of badly needed ecological services, the relationships of which to market are rarely clear or direct. The role of both the state and the market, indeed their inter-relationships, are being transformed by various, often conflicting, processes of globalization. In response, there has been a heightened appreciation for the need for forest policy, sometimes even autonomous from both the state and market forces, as a means to direct the distribution of benefits and costs.

The *Policy that works for forests and people* series, of the International Institute for Environment and Development (IIED), represents a milestone in a field where rigour in theory and policy has often been lacking. For many countries, comprehensive policy for forests, especially linked to social development, has been an oxymoron. The blending of discussions of both rich and poor and north and south nations represents an achievement that can rarely be repeated. The key title in the series, *Policy that works for forests and people*, is the best illustration of the tensions, conflicting pressures and contradictions in the overlap of forestry, forest land use and conservation planning, and development theory at the end of the twentieth century. This dense and well-illustrated text represents one of the best policy primers ever written on forests. There are gaps, however, and allusions to the past age of forestry oriented towards timber, which are perhaps more representative of the declining schools of thought in the profession of forestry than the perspectives

of the authors. The authors try to take an optimistic view of policy developments, even for countries where the prospects for forests, tree cover and associated biodiversity and watersheds are bleak. In the midst of disheartening projections, this ambitious series tries to be almost paradigmatic. Indeed *Policy that works for forests and people* might have created a powerful new framework for decision-making about forests if the concept of 'works' could have been fully developed and applied in a clearer manner. That would have required showing how most of contemporary policy is being made to *not* work for 'forests and people'. Instead, we are left with an exceptional set of policy tools that have probably 'worked' for one set of stakeholders somewhere or another. At the end of a century that has seen more destruction of forests than at any point in human history, such a densely packed, and sometimes chaotic and obtuse, toolbox is perhaps all that can be expected in struggling to construct a broader conceptual framework of forests and social development.

Policy that works for forests and people codifies some key innovations that, until recent decades, had rarely been entertained in forest policy. The strongest is one of the book's mantras of 'looking beyond the forest reserves' to develop broader policy on trees and vegetation cover. The tools for linking forest policy to rural land use planning remain poorly described. More promising is 'improving learning through policy' (with its Newspeak edge) and the broader notion of opening and managing of information flow in forest agencies that have been notoriously lacking transparency (when not outright corrupt). Unfortunately, corruption, one of the major forces in what actually happens to forests, still tends to be marginalized in this policy primer. Recent discussions of corruption and its influential, official and *de facto* forest policy are largely omitted, as are some recent discourses on implementation. But how to mention such issues, even just sources, and continue to have the IIED invited back to a host country? Perhaps this policy primer is the limits of what a nongovernmental organization, in contrast to an academic press, can offer.

Perhaps the weakest aspect of *Policy that works for forests and people* is in how it avoids much discussion of the major development in the field in the last decade: that as forests have declined, the role of ecosystem services around protection

of water, biodiversity and even recreational resources have tended to predominate over interests for wood and fibre production. Instead, these two titles in the series, the second being on Grenada, represent a queasy and often unsteady shift from concerns for wood production to those for a more diversified set of ecosystem processes, with nebulous valuations often less tied to shorter-term market indicators (or even those of social development). By downplaying such new perspectives and stakeholders, there is little acknowledgement of the forest conflicts of recent decades and how they are now sometimes shaping local political economies and land use decisions. In the face of these sometimes-violent social processes, another axiom from the primer, that 'argument is healthy,' is understated. There is no clear reckoning of the increasingly direct links between policy- and decision making with more precise spatial dimensions. As the forestland base has shrunk, policy making and conflicts have become increasingly spatialized.

In contrast to the dense primer, *Participation in the Caribbean* is a pamphlet describing one of the first more comprehensive efforts at stakeholder involvement in the development of forest policy from that region. The achievement here is to get a government and a few key groups thinking together about forest policy for the first time. Rather than squarely dealing with competing state and nongovernmental narratives and priorities, this little report largely truncates stakeholder analysis to the groups which the government agencies of Grenada can deal with. Except in the acknowledgements, there is never a list of stakeholders and acronyms of organizations which are not always explained. There is fleeting mention that some stakeholders, including an environmental organization, were not initially welcome. The whole question of acknowledgement and inclusion of stakeholders is given scant attention, with virtually no discussion of the marginalization of certain groups. Both books lose some currency by inferring that concerns for biodiversity and biological resources are largely from outside and global interests, ignoring almost universal articulation of local concerns for some species and habitat whether or not those groups use the word 'biodiversity'. Given all of the recent discussions on its relevance to social development, the role of local knowledge is barely explored.

Representing the unresolved legacies of (largely unsuccessful) efforts to manage forests over the past century as much as any innovative effort to reshape the relationship between people, forests and political economy for coming years, these two books are clear indicators of the current muddled state of thinking around this corner of *social* policy. With a fractured body of knowledge and theory, and a discourse on social development still in its infancy, it will be difficult for policy making to not contribute to further forest loss and ecological and social impoverishment. In wading through these dense though often truncated case studies we can find a few new approaches that could well lead to the reversing of some of the worst of these trends.

Gordon Brent Ingram
University of Victoria, Canada
and
Pakistan Forest Institute

McCulloch, N., Winters, L.A. and Ciera, X. 2001. *Trade liberalization and poverty: a handbook*. London: Department for International Development (DFID) and Washington, D.C.: The Brookings Institution. 405 pp. £25 paper. ISBN: 1 898 12862 6.

The book under review has two parts. Part one has seven chapters. These discuss the costs and benefits of openness to trade, a framework for explaining economic poverty, a framework for understanding how trade liberalization affects poverty through its effects on wages, profit, employment and government revenue, and policies of trade reform and of poverty-reduction. Part two contains 11 chapters. These deal with ten specific aspects of trade liberalization including trade in agriculture, services and manufacturing, and labour and environmental standards.

The authors start with the proposition that the persistence of widespread poverty in the world amidst affluence is shocking. As if to counter the claim of dependency and similar views, they say that 'Poverty is not a direct result of international trade.' 'Rather, [poverty] arises from [the ways] such phenomena as lack of assets, poor access to communal resources and public services, geographical isolation, poor health and education, powerlessness and vulnerability

interact with public policy and institutions' (p. 6; 57). A major problem with this view is that there is no coherent framework that holds these different aspects together, no discussion of the structure(s) underlying these different characteristics of the poor. There is also no reflection on the extent to which government policies and institutions are (inherently) biased against the interests of the poor.

The authors take a risk approach to poverty. They say that poor people suffer from insecurity because of risks from a wide variety of sources. They group risks from nature with macroeconomic risks. There is no analysis of the structural origin of the latter. They are naturalized, as if it is inevitable that the poor have to suffer from risks. The authors' assumption is that poor families can only *react* to risks rather than try to *undermine* the origin of risks, which come from the way society's production system is socially organized. Empowerment of the poor is a buzzword in the current poverty discourse. The authors have a very narrow view of it, however. It is reduced to what can be done to counter discrimination based on gender, etc. They say nothing about how the poor lack control over the way society's resources are produced and used. Indeed, liberalization by increasing the power of market – the power of those who control resources – is one of the most powerful factors that undermines the conditions for empowerment of the poor. The authors do not acknowledge this.

They rightly say that the elimination of absolute poverty should be the single greatest challenge to public policy (although, in my view, an exclusive focus on absolute poverty at the expense of inequality is problematic on theoretical and policy grounds). Trade reform is one aspect of public policy that can reduce poverty, they believe. A constant theme of the book is that 'openness to trade is good for growth and that growth benefits the poor' (p. xxii). Trade liberalization will generally increase average income, providing more resources with which to tackle poverty, but without complementary government policies in areas of social and physical infrastructure, market facilitation, competition and governance, trade liberalization, they admit, may fail to generate growth. The authors do acknowledge that most trade reforms will hurt some people and might push them into poverty and that some reforms may increase overall

poverty. In particular, trade liberalization may result in job losses in formerly protected sectors and in the loss of government revenue, which might affect state's ability to reduce poverty. Trade liberalization is nonetheless the most efficient anti-poverty strategy for them.

The authors say that the impact of trade liberalization on poverty is country-specific. This is a part of a more general claim, popular among geographers and others, that effects of a given global or general process will be place-specific. The implication of this sort of geographical view is that policy makers can develop suitable national policies to make it possible for the poor to gain from trade liberalization. In my view, this approach can potentially counter the structuralism of classical dependency theory. What is debatable, however, is whether, and to what extent, less developed countries (or their nation-states) have the power to counter the adverse impacts of trade liberalization, which is driven by the interests of major multinational companies based in developed countries whose states wield enormous power? Besides, this approach ensures that *global* agencies striving for trade liberalization can safely put the blame for the anti-poor effects of neo-liberalism on *nation-states*.

Any given material practice tends to produce and/or reinforce a given way of thinking. Trade liberalization has contributed to a way of thinking which privileges markets in all spheres of life in the name of efficiency. That itself undermines human concerns with poverty and the importance of public policy. Poverty becomes an issue mainly on political grounds; too much poverty, the authors warn, could create political conditions that might make trade liberalization difficult. Now, with the ascendancy of neo-liberal thinking that the book promotes, albeit with some qualifications, people are being exhorted in many countries (e.g., India) by their leaders to rise above party politics and to support the governments' policy of 'economic reforms', as if economic policy is above political discussions. It is interesting to note what the authors themselves say in this regard: 'Whether or not a trade liberalization should proceed should depend on the economic analysis' presented in the book. This wrongly assumes among other things that multinational companies and other *economic* actors are not *political* agents' (p. 34). In short, this way of thinking depoliticizes the economic and

undermines the democratic culture. This view smacks of market fundamentalism, the idea that if trade liberalization decreases poverty, proceed; if it does not, proceed as well and just use appropriate complementary policy to reduce poverty. An underlying premise of the book, therefore, is that market is basically a 'good' institution and that its specific negative effects can be handled by the government.

There is another interesting aspect of the way in which the authors of this book conduct their so-called economic analysis of liberalization. Benefits of trade openness or virtues of market are discussed with very few qualifications, while the costs of openness or virtues of state interventions, as pointed out by critics, are dealt with lots of qualifications. For example, they say that it is not universally agreed that the East Asian countries benefited extensively from state interventions and that therefore the merits of anti-poverty interventions are disputed, meaning that it was the market that reduced poverty there. Can one not say that the merits of liberalization are also not universally agreed (look at Argentina), and therefore liberalization need not be considered a necessary development strategy?

The book covers a wide variety of very relevant topics. It is very well written. Each chapter starts with a layout of its main points in a box and ends with a good summary of the issues covered. It contains a lot of recent data pertaining to poverty and trade as well. Development scholars and policy makers with an interest in understanding liberalization would like to read it, although many of them may not agree with its overall thrust.

Raju Das
University of Dundee

Perry, G., Whalley, J. and McMahon, G., editors, 2000: *Fiscal reform and structural change in developing countries* (2 vols). Basingstoke: Macmillan, St Martin's Press. xv + 249 pp. (vol 1) and xiv + 354 pp. (vol 2). £52.50 per volume cloth. ISBN: 0 333 58883 5 (vol 1) and 0 333 58882 7 (vol 2).

These two volumes contain 21 essays, all apparently written in about 1994 or earlier. Most of the statistics end in the very early 1990s, as do the descriptions of taxation in individual

countries. This renders the book very considerably out of date. It also undermines one of the book's intentions, which is to provide a commentary on global trends in tax reform. It does this for the 1980s and the first year or two of the 1990s, but of course does not cover what has happened more recently. Given that statistics are seldom up-to-date, some of the statistical analysis derives from truly ancient data. For example, the model of Argentina uses a 1984 input-output matrix, updated for 1986. A minor quibble is that the footnotes should, as is now easily managed, have been at the foot of the page as they are not confined to references. It is a bonus that each volume has a lengthy index.

Two of the essays are introductory, one in each volume (which is rather confusing, as both appear to attempt to summarize not one but both volumes, despite having been written by overlapping groups of the editors). Eleven of the essays are country studies, covering seven individual countries. There are two essays on Argentina, Mexico, Cote d'Ivoire and Colombia, with one each on Singapore, Philippines and India. The last two chapters of Volume 2 have general titles, but are about Korea and Taiwan. The remaining six essays cover general topics relating to tax reform: fiscal federalism, incentives for investment, macroeconomic adjustment, trade reform, economic structure, green taxes. The general emphasis on Asia and Latin America is reinforced in the more general essays which take most of their examples from the same areas.

What, then, is one to make of this rather curious collection? There is a serious attempt to pick out patterns of tax reform common to developing countries and to identify a convergence of tax systems in recent years (recent, in this book, means the 1980s and the early 1990s). This is not particularly difficult. There has indeed been some convergence. The authors suggest that it could be based on 'new-found economic wisdom based on efficiency'. This may be so, although a more likely explanation is that many developing countries have been forced into similar reforms by the International Monetary Fund (IMF) and the World Bank, while those few countries fortunate enough not to have an IMF programme have tended to follow the international fashion. To the extent that this is true, tax system convergence could be derived from new-found economic wisdom, but only if the International

Financial Institutions are correct. More convincingly, the authors argue that tax reform, and more generally fiscal reform, in the 1980s was driven by the overwhelming need to reduce budget deficits, particularly in Latin America.

General equilibrium analysis is used in six of the chapters: tax compliance and factor mobility in Argentina; trade and tax reform in Mexico; tax incidence in Colombia; tax collection costs in the Philippines; response to exogenous shocks in Cote d'Ivoire; and, the general efficiency of the tax system in Singapore. There are more general essays on some of these countries (not the Philippines and Singapore), describing their tax systems, their evolution, and to some extent the political economy of reform. The model of Singapore is used to excellent effect to provide convincing answers to some interesting questions. The use of the model for the Philippines was also convincing. The results are well argued, and particularly interesting because they are counter-populist. The close fit with globalization theory, however, was bound to arise because of *assuming* that tariffs distort efficiency. The model of Cote d'Ivoire is useful up to a point, but it only considers how to raise more tax revenue when export prices fall, on the assumption that government spending has to be sustained. However, in a poor economy, so highly dependent on coffee and cocoa exports, large losses of income from exogenous shocks probably do require a planned reduction of government services. If this is not planned, then it tends to happen inefficiently. The model of Colombia evaluates, with great care, tax reforms introduced in 1990. The results are that the combination of VAT, tariffs and income/corporate taxes caused a welfare loss of a quarter of the revenue raised, because of their interaction with rigidities in the economy, but the changes did favour rural areas and urban lower income groups.

In contrast, the computable general equilibrium model for Argentina is at times incomprehensible. Some technical terms are never explained, headings are not clearly identified in the tables, and there is some opaque use of the language (for example, 'the impact of the burden of external debt honouring on public finances'). These issues should have been sorted out by the editors. The use of a Computable General Equilibrium (CGE) model of Mexico also appeared rather unsatisfactory. The author fails to explain why the particular

scenarios were chosen and the interpretation of results either picked on relatively uninteresting issues, or appeared trivial, e.g., 'increasing tax compliance was successful in raising government revenues'.

The more descriptive country chapters are generally satisfactory, although the long delay in publication means that a reader will be required to supplement them with more recent publications. The more general chapters suffer from the same problem, although the general principles probably change more slowly than the tax systems of individual countries. The chapter on fiscal federalism suffers because most examples are from developed countries, with only one reference to Africa, and only one poor country mentioned (India). The authors, perhaps significantly both Canadian, admit disarmingly that 'much of the above discussion has been abstract and has been based on principles . . . conceived largely for industrialised countries' (p. 25). Enough said.

The chapter on tax incentives for investment is wonderfully well informed and thoroughly balanced. Its conclusions should be compulsory reading for those on both sides of the argument; they are two numerous to mention here, but among the most important are that incentives should only be considered in a nondistorting macro environment, where there is a stable political and administrative system – which limits candidates to a few middle-income countries. The chapter on macroeconomic adjustment and tax reform contains an enormous amount of statistical work, although much of it seems to establish the obvious. It may be useful in providing statistical backing for many standard beliefs. Yet there is so much cross-sectional analysis, and so many differences (acknowledged) in both structure and circumstance, that generalizations are not particularly useful. It might have been better if the authors had concentrated on fewer issues, and thereby made the chapter more accessible to policy makers.

The chapter on trade theory is very interesting theoretically (particularly that tariff reform takes no account of taxation theory), it is good at pointing out the inconsistency of standard recommendations and is well written, but it would be very difficult for a student to read who had not studied public finance theory in some depth. The chapter on taxation and economic structure is, in contrast, very simple, and also very clearly

written. It makes a very good introduction to some of the basic points that people should know about taxation in developing countries. The chapter on green taxation is particularly fascinating, not least because green taxes are argued to provide a free lunch. Ordinary taxes have a dead weight loss, but taxes on pollution reduce the dead weight loss of providing the government with equivalent revenue (they have a negative 'excess burden'). The devil lies in the detail, however, as the authors acknowledge. The chapter on the problems of taxation in rapidly growing economies is a touch disappointing. It provides a great deal of information and comparison of the tax systems in Taiwan and Korea, and therefore describes the way their tax systems have changed during extended periods of rapid growth. That is not quite what the title promises, however. The final chapter on tax incentives and economic development is also concerned with Korea and Taiwan, the use of tax incentives to encourage savings and investment, capital formation and export promotion. Unfortunately, one of the main conclusions regarding the Korean success in promoting exports is that it is not possible to distinguish between the impact of tax incentives and directed lending.

Overall, there is a great deal of value in this book, although it only partially succeeded in making the case for the use of general equilibrium models to analyse taxation issues. Unfortunately, it is not clear to this reviewer that the potential reader would not be better off using a textbook on public finance in developing countries, combined with up-to-date articles on individual countries.

Charles Harvey
Institute of Development Studies Sussex

Teitel, S. 2000: *Technology and skills in Zimbabwe's manufacturing: from Autarky to competition*. London: Palgrave Macmillan. xi + 275 pp. £50.00 cloth. ISBN: 0 333 65224 X.

Policy makers in Zimbabwe face the difficulty of trying to accelerate economic growth while attempting to liberalize their economy. Given the improvements in education, Zimbabwe still lags behind in modernizing its manufacturing industries that have survived with limited capital investment and restricted access to

imports. Although independence has brought political freedom, the economic and social improvements have been constrained. This could be because Zimbabwe has historically had a strong inward market orientation. This study also deals with the reactions to liberalization and their asymmetrical effects across sectors.

The study, based on a detailed analysis of a survey of manufacturing firms, shows the origins and usage of adopted technologies, the skills and training being applied in production and some policies that could favourably affect future industrial development. The small sample of 41 firm interviews, of which 31 were from Harare and ten from Bulawayo, limits statistical validation. In spite of the small sample, the book presents some interesting results that support most a priori expectations.

One of the most favourable parts of the book is the description of the level and evolution of Zimbabwe's sectoral production (Chapter 2) and the clear summary of its technological adoption (Chapter 4). Much of this description is grounded on international trade theory and the abundance of factors of production. This is where the book could be most useful for academic reference, but it also illustrates the lack of awareness of some of the most up-to-date theory. For instance, literature on sector-biased technical change and its effects on economic growth and labour markets is increasing (see Berman, Bound and Griliches, 1994, for the US, Haskel and Slaughter, 1999, for the UK and Machin and van Reenen, 1998, for a cross section of developed countries). The rate of innovation or adoption of technology can be the result of, amongst other things, factor market distortions or a response to levels or changes in factor or good prices. The book would be improved by a more rigorous analysis of any sector-biased technological change that has occurred in Zimbabwe, but this may only be

possible with a larger sample and recognition that some technological change may be skill-biased.

The book is very accessible and an excellent resource for students studying the evolutionary effects of technology on a small African economy (but not so if they are looking at the general equilibrium effects of technological adoption on the nation's welfare and labour market). I would recommend this as a good book for background reading for third year undergraduate students of trade and technology in developing countries, but it may not be sufficient as an in-depth analysis that complements the current and fast-evolving theory. Nevertheless, the book provides the reader with an extremely valuable analysis of an African economy and its adoption of technology that provides plenty of scope for students and policy makers of similar economies to chew on profitably. The work has been skilfully written and, whatever one thinks of purely empirical studies, it is an interesting read.

Don J. Webber
University of the West of England
and
Leeds Metropolitan University

- Berman, E., Bound, J. and Griliches, Z. 1994: Changes in demand for skilled labor within US manufacturing industries: evidence from the Annual Survey of Manufactures. *Quarterly Journal of Economics* 110, 367–97.
- Haskel, J.E. and Slaughter, M.J. 1999: *Trade, Technology and UK Wage Inequality* NBER Working Paper, 6978. Cambridge, MA: National Bureau of Economic Research.
- Machin, S. and van Reenen, J. 1998: Technology and the skill structure: evidence from seven countries. *Quarterly Journal of Economics* 113, 1215–44.

Copyright of Progress in Development Studies is the property of Arnold Publishers and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.