

in studying and analysing the current state of play in social, economic and political domains of the region and recommending the future course of action. This study is the latest endeavour in that direction.

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***Routledge Handbook of Southeast Asian Economics. Edited by Ian Coxhead.*** London: Routledge, 2015. Pp. 438.

This weighty tome of nineteen chapters fills a long-standing gap in the literature — that of a comprehensive single-volume work on Southeast Asia's economies. Departing from the standard one country per chapter format, this book is comprised of thematic chapters, which enables in-depth analyses of specific issues, as well as a discussion of country-level developments and regional trends.

The first section consists of four chapters. In the first chapter, Coxhead sets out the rationale of the book, discusses the treatment of the region in the literature and identifies the volume's central themes. The following three chapters provide an overview of Southeast Asia's economic history. Williamson provides a fascinating long-run analysis of the region's trade patterns from 1500 to 1940, arguing that, contrary to prevailing opinion, much of Southeast Asia's trade performance was due to growing incomes and trade policy — rather than falling transport costs. Booth looks at developments from 1870 to 1970, spanning the height of colonial presence in the region as well as its denouement and the associated processes of state formation and transitions to independence. The last chapter by Phung, Coxhead, and Lian looks at Southeast Asia's sources of growth since 1970, arguing that one underlying reason for its

atypical high rates of growth is its proximity, and sensitivity, to Northeast Asian economic booms.

The second section looks at food, agriculture, and natural resources. The chapter by Timmer analyses agricultural development in the region and its success at ensuring food security for its population through — not just technological advances — but also political consensus and a relatively inclusive growth model. He subsequently looks at future challenges regarding food security in the region, such as those pertaining to food price volatility, increasing competition for rice exports, and climate change. Shively and Smith look at the region's continuing balancing act between resource extraction on one hand and environmental conservation on the other. While policy frameworks have evolved, the continuing importance of natural resource-based activities as well as increasing economic opportunity mean that consistent pressure will be exerted on the environment in the region.

The third section is devoted to trade, investment, and industrialization. Athukorala and Kohpaiboon look at the participation of Southeast Asian countries in global production networks, the subsequent incorporation of China into these arrangements, and what they both mean for the structural transformation of economies in the region. In his chapter, Sjöholm analyses foreign direct investment in the region, namely its stock and distribution across countries, before examining its determinants, such as investment policy, political stability, and geographic location. In the third chapter, Wignaraja analyses the frequency and impact of regional trade agreements, specifically the ASEAN and ASEAN+1 free trade agreements, from an enterprise perspective.

The fourth section focusses on population, labour, and human capital issues. Jones looks at the demographic evolution of the region, including population growth and density across and within countries, as well as urbanization, mortality, and fertility rates. Horioka and Terada-Hagiwara explore the determinants and long-term projections of saving rates in the region, namely its propensity to save excessively and under-invest. They establish significant variation in savings rates

across countries in Asia, and explore the impact of factors such as age structure of the population, income levels, and level of financial sector development. Phan and Coxhead look at education and human capital in Southeast Asia. Going beyond an analysis of educational “quantity”, they analyse issues such as the quality of and access to education, before looking at structural shifts in the global economy and what they mean for different countries based on their human capital. Sugiyarto looks at internal and international migration, linking up issues pertaining to urbanization, rural development, environmental management, population aging, and migration regimes.

The fifth section expounds on poverty and political economy. In his chapter, Warr examines the drivers of poverty reduction in the region. In so doing, he argues that rising per capita incomes and the sectoral composition of the economy played a role. Interestingly, Warr finds that poverty reduction was closely related to the growth of the agricultural and service sectors, not industrial development. In his chapter, Hill provides a very welcome political economy perspective. He seeks to understand the institutional and political conditions in which economic policy reform occurs through looking at specific macroeconomic and trade policy reforms in three Southeast Asian countries.

The final section brings together three thematic chapters and the conclusion, all of which deal with issues that will constitute key challenges for the region in the future. Nobles shows that while population growth, food security, and resource depletion are no longer prime concerns, Southeast Asia will have to contend with the dual burden of population ageing and increasing healthcare costs. Hill and Menon examine Southeast Asia’s experience with regional integration, comparing and contrasting the approaches favoured by its outward- and inward-oriented economies, studying collective efforts to boost integration, and laying out the key challenges for regionalism in the future. Nidhiprabha looks at the impact of the Global Financial Crisis on the region, and the macroeconomic policy responses implemented in response. Looking forward, he argues that

policymakers in the region will have to be increasingly aware of Chinese business cycles and exchange rate policy. The final chapter by Coxhead, Wie, and Yusuf discusses a number of structural challenges facing the region, before concluding with a discussion of lessons learned.

Overall, this book is well-structured and thought-out and benefits from a very judicious pick of authors. In addition to the compulsory treatments of agriculture, global production networks, and human capital, the Handbook also contains additional topics such as Southeast Asia’s historical development, environmental issues, and policy formulation. Its strong introduction and conclusion mean that the whole is more than the sum of its parts.

At nineteen chapters, it is hard to ask much more of a single book. However, there are a few minor questions and comments that emerge. First, it would have been good to have a standard typology or typologies adopted early on in the book to refer to the economies in Southeast Asia. This could have been ASEAN-6 and CLMV or other labels referring to income level or trade orientation. Regardless of the typology used, a common vocabulary across the chapters would have facilitated a discussion of trends.

In terms of themes, one lacunae that emerges is services. For Singapore, Malaysia, Thailand, and the Philippines, this is a vital and increasingly important sector. In addition, according to Warr’s chapter in the book, it has contributed to reducing poverty in the region. Furthermore, this connects to a vital ongoing discussion in policy-making circles, and the possibility of structural transformation afforded by services-driven growth.

Last, for an economics book, the rigorous inclusion of history and political economy are welcomed. That said, two additional topics stand out. First, it would have been good to have a discussion of models of capitalism looking at the role of government-linked corporations, multinational corporations, domestic conglomerates, and small and medium enterprises in the region’s key economies. And, the discussion of policy reform could have been complemented by an analysis of state capacity, looking at the quality

of the civil service, taxation patterns, and policy consistency of countries in the region.

However, these issues are quibbles at best. Coxhead and his colleagues are to be congratulated for this finely crafted tome.

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***Economic Integration in East Asia: Production Networks and Small and Medium Enterprises.***  
 By Charles Harvie, Dionisius Narjoko and Sothea Oum. Oxon and New York: Routledge-ERIA, 2015. Pp. 176.

This book is the result of research projects conducted by the authors and their team from 2009 to 2011. It has nine chapters, written with the aim towards a better understanding of the participation of small and medium enterprises (SMEs) in East Asian regional production and distribution networks.

The first three chapters set the motivation, background and the analytical framework of the book. The next five chapters contain their research findings, detailing the outcomes of two separate surveys. The first survey was done in seven ASEAN countries (Thailand, Indonesia, Malaysia, the Philippines, Vietnam, Cambodia and Laos) and China. It was completed in late 2009, with a sample size of 912 SMEs. The second survey was conducted in the second half of 2010, with approximately 1,000 firms from the same eight countries surveyed. Within these five chapters, two main methods are used: (i) rankings rated by SMEs surveyed (Chapter 4 and 6); and (ii) statistical and econometric analyses (Chapter 5, 7 and 8).

The eight countries covered represent key economies as well as emerging economies in East Asia's production networks. It is slightly disappointing not to have Singapore and Taiwan

included, as SMEs in these two more developed economies might provide us with a deeper understanding of how SMEs operate.

In Chapter 4, based on the first survey results, the authors attempted to identify key constraints to SMEs' growth. Most SMEs surveyed faced severe internal constraints such as "functional barriers" and "product and price barriers". Less than half received assistance from governments or non-governmental organizations. Financial assistance appears to be the most important area of support needed by SMEs, as it emerges as a theme in most chapters of the book.

Using econometric analyses, the authors examine the characteristics of SMEs that participate in production networks in Chapter 5. Firms that participate are notably and statistically different from those that do not participate — they are larger, younger and have more foreign ownership (p. 57).

Chapter 6 examines common as well as distinct experiences of two different groups of SMEs. The first group (A) comprises of more advanced economies, i.e. Thailand, Indonesia, Malaysia, the Philippines and China. The second group (B) is from less developed economies, i.e. Vietnam, Cambodia and Laos. The authors find that SMEs in group A appear to be bigger, older, have higher labour productivity, have more financial resources, and higher skill intensity than those in group B (p. 87).

Chapter 7 looks into the constraints and determinants of innovation among SMEs, and the role of governments in supporting them. Econometric analyses are used in this chapter. The authors find that among others, larger firm size, higher skill intensity of labour, and ability to overcome shortages in human resources are important for SMEs to increase their capability to innovate. The authors made an interesting observation as "foreign ownership" appears to be the least important factor in terms of SME capabilities in technology upgrading. However, exposure to foreign trade is important for innovation (p. 103).

Chapter 8 analyses SMEs' access to finance based on results in the second survey. The authors find that SMEs, although hoping to expand their

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