

Islam, Iyanatul; Hossain, Moazzem: *Globalisation and the Asia-Pacific. Contested Perspectives and Diverse Experiences*. Cheltenham: Edward Elgar 2006. ISBN: 1-84542-579-0; 233 S.

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What is „globalisation“? Process or prescription? Something economic, political, or cultural? A grand narrative explaining the politico-economic progress of humankind? Or a buzzword foisted on unsuspecting masses by greedy elites? The work under review provides a framework to address the pros and cons of this worldwide process. Generated from a workshop on the „benefits and costs“ of globalisation at Griffith University in February 2003, this book is timely, given how the anti-globalisation movement draws so much attention. The book's strength lies in how it examines diverse economies of the Asia-Pacific region. Though one may wonder if investigating economies so different is prudent, a concern with socioeconomic inequities ties the various chapters together.

In the first chapter, „Globalisation, Economic Development and Economists: Voices of Dissent,“ Iyanatul Islam concisely establishes the terms of the debate and explores disagreements about globalisation. For instance, during the 1960s and 1970s, debates centered around inward-oriented (dirigiste doctrine: the state had a central role to play) versus outward-oriented (domestic economies are components of the global network built on free trade) understandings of globalisation. The inward-oriented approach (along with faith in a mixed economy) was prevalent until the early 1980s. Since then, the prevailing orientation has been „global neoliberalism“, which is a „post-dirigiste economic agenda“, institutionalized in international financial institutions (e.g. the IMF and the World Bank) that form the „Washington consensus.“ In terms of specific policies, neoliberalism has called for fiscal prudence, monetary restraint, low inflation, limited government, public sector privatisation, deregulation, trade liberalisation, and foreign investment. Moreover and significantly, the so-called Washington con-

sensus has become the „augmented Washington consensus“ which recognizes the need for democratic reform, a robust civil society, transparency, social safety nets, and poverty reduction (p. 18 has a convenient chart comparing the original Washington consensus with the „augmented Washington consensus“). Neoliberalism, of course, has its critics, and its spotty track record in former Communist economies has only intensified criticism. One major fault attributed to neoliberalism is its „one size fits all“ policy for rich as well as poorer economies.

Islam treats other relevant issues concerning analysis of globalisation: what metrics should be used and their accuracy; differences between inequality „within“ national states and „among“ them; the critical roles both states and markets play in global prosperity; the necessity of „context-specific approaches“; labor flows; and reform of global economic governance.

In the next chapter, „Keeping the Gains of Globalisation,“ Brendan Berne uses Australia as an example and notes the importance of property rights, education, health care, and physical infrastructure. Though arguably trade has many benefits (e.g. increased productivity, expanded market size, diffusion of new technologies and ideas, lower prices), if capital is injected into a weak economic institutional environment, a financial crisis may be created (witness the Asian financial crisis). Moreover, the pursuit of rents by elites endangers any productivity gains despite trade.

In chapter three, „Globalisation: Macroeconomic Management and Public Finance,“ John Quiggin challenges the benefits proclaimed by globalisation advocates, particularly those claimed by supporters of the Washington consensus. Quiggin writes that neoliberalist globalisation is, „in some respects, a return to the classical liberal economic orthodoxy of the nineteenth century.“ However, neoliberalism must be appreciated in its historical context as a reaction against the „social-democratic and Keynesian mixed economy which prevailed from the end of World War II until the early 1970s.“ Quiggin believes that we need not more market-oriented reform, but rather an updated and more internationalised version of Keynesian social democracy

(p. 71).

In „Macroeconomic Stability, Growth and Employment: Issues and Considerations beyond the Washington Consensus,“ Muhammed Muqtada discusses how the „counter-revolution“ of the 1980s and 1990s that introduced the neoliberal paradigm focuses on individual consumers, individual firms, free competition, and perfect information. Linking employment generation and poverty reduction to accelerated growth defines neoliberal thought (though this linkage has not always been asserted). Muqtada provides a thought-provoking list of „possible considerations in the design of a macroeconomic policy framework“ (pp. 98–101; emphasis in original).

Bernie Bishop, in „Foreign direct Investment Policy and Economic Development“ warns against uncritically accepting foreign direct investment. It cannot be assumed that eliminating restrictions will automatically lead to benefits from foreign direct investment. Typically, restrictions include local content rules, joint venture and technology transfer requirements, and limitations on investment in certain sectors. Bishop notes that „traditional policies towards FDI have been successful in developing local industry in some countries and in some sectors“ (p. 125).

In „Changing China’s Political Economy: Uniting and Dividing Impacts of Globalisation,“ Leong H. Liew skillfully explains how globalisation simultaneously divides and unites China by incorporating the weight of non-economic variables, such as nationalism, civil society, and local government. Mozammel Hossain and Clarisse Didelon, in „The ‘New Economy’ and India’s Integration into the Global Market: the Case of the Silk Industry,“ hold India up as a model of success. Looking at the emergence of India’s „new economy“ out of the modernized telecommunication network during the last ten years, they demonstrate how the silk industry progressed by embracing the services of the new economy sector. Jayatilleke S. Bandara and Athula Naranpanawa examine the impact of globalisation in Sri Lanka in „Globalisation, Poverty, and Disparities“. They note that globalisation means different things to different people, though basically it denotes closer integration among societies due to the dramatic reduc-

tion in costs of transportation and communication and the breaking down of barriers and borders to the flow of commodities, services, investment, knowledge, and labor (p. 167).

In the last chapter, „It’s the Government, Stupid! Globalisation, Government and Equality in Australia“, Tom Conley makes a series of connected claims: (1) inequality is increasing in Australia; (2) globalisation has become an important explanation of, and justification for, increasing inequality (i.e. it is used to explain why the state must limit its role); and (3) globalisation and liberalisation have not led to smaller government, specifically in terms of taxation and spending.

I conclude with several comments. First, consider the interpretive reliance on the national state as a basic unit of analysis. Though not necessarily a problem that hinders the book’s objectives, one still wonders, given the diversity and complexity within any given national state, whether other analytics might yield fruitful results, such as the family or even the individual. The danger with an over-reliance on the national state is that its priorities take center stage, thereby averting our attention away from other levels of analysis.

Second, consider one of this book’s major themes, i.e. economic inequality. What should be noted about inequity is that it is not only objectively measurable. In other words, it is subjective and contextual. Indeed, as Conley notes, the „determination of the level of inequality in a society has more to do with domestic political struggles than with globalisation“ (p. 219).

Finally, what is the relation between economic inequality and private property? Whether owned by „natural“ or „legal persons“ (i.e. corporations), private property is the building block of the postindustrialized world. Viewed as something acquired by the individual, property becomes a question of „liberty“ (i.e. freedom to obtain wealth). However, if seen as a resource to be shared within a community, property is conceived not as only private but public (i.e. „liberality,“ or freedom from want). Liberty is stressed in polities where, as Conley characterizes the sentiment, the „best that governments can do is to foster increasing self-reliance and self-provision“ (p. 219). The liberty–liberality distinction can

be seen in Muqtada's pairing of a „country's right to development“ and an „individual's rights to decent work,“ which if ideally developed together, would „underpin and reinforce the rationale for coordinated global employment strategy“ (p. 102). In other words, liberty and liberality need to be balanced in any modern complex society. However, in order to do this, the very nature of property must be understood, and then globalisation can be better appreciated. Islam and Hossain's volume provides a solid and informative foundation for addressing these highly important themes.

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