
Book Reviews

Michael M. Cernea and Amir H. Kassam (eds), *Researching the Culture in Agri-culture: Social Research for International Development*. Wallingford, UK: CABI Publishing, 2006. xxv + 497 pp. £75.00/\$140.00 hardback, £35.00/\$65.00 paperback.

Development research is more often evaluated than it is studied. Take the work of the centres composing the Consultative Group on International Agricultural Research (CGIAR); evaluated in volumes of so-called 'grey literature', often by renowned scientists. Yet few have studied it empirically, as Robert Chambers points out in this unique volume edited by Cernea and Kassam (p. 368).

Imagine fifteen international research centres with some 8,500 scientists and staff, having functioned for over thirty-five years, and responsible for breakthroughs in agri-science and technology. Opinions abound on the CGIAR, but few systematic attempts have been made to understand the dynamics of this unique global knowledge network. The present volume attempts to correct this lacuna and reviews the role of social scientists in international agricultural research: who are they, how do they collaborate, what do they produce, and how relevant are the results?

The title of the book is intriguing: *Researching the Culture in Agri-culture*. Cernea argues that there is an 'ontological' rationale for the title since the 'fundamental building blocks of agriculture *do exist* in real life . . . they must be the object of scientific social research in CGIAR' (p. 7). He follows Robert Merton's path-breaking (1979) work in the sociology of science and thereby provides a welcome theoretical context for analysing social science contributions. Eyzaguirre elaborates the notion of culture, as containing and transmitting bodies of knowledge. He argues: 'Perhaps it is the very centrality of culture with agriculture that made it so difficult for agricultural scientists and development experts to see it for so long' (p. 265). Unfortunately, his elegant paper is also the only one which elaborates systematically on the book's thought-provoking title.

The book is composed of three parts: introductory papers on 'Social Research for Agricultural Policies'; twelve 'Insider's Views'; and seven 'Outsider's views'. Most authors have had some relation with the CGIAR, as employees, evaluators, advisors or donors and are therefore involved observers of the system. Most (forty-six) are social scientists, and only a minority (ten) are natural scientists by training. This is surprising, because in 'CGIAR reality', social science research is NOT done by social scientists, as Rathgeber shows on the basis of her empirical research (pp. 57–8). She found that 70 per cent of the 'social researchers' were trained in other disciplines. In addition, 'scientists with their highest degree in the social sciences spend the least amount of time on research' (p. 74). This book shows that social scientists doing social research in CGIAR are few, far between and dwindling. Few, because in 2002 there were only 124 social scientists, dwindling from 163 in 1995 (p. 35); they were far between and unevenly distributed, with some centres having none at all; moreover the single largest group were economists — over 50 per cent (p. 437).

Why? Why is it that the donors providing research funds have argued for decades that agricultural science and technology need to be considered a public good (p. 438)

and must therefore be poverty-oriented, demand-driven and socially relevant? Yet 'the size of social research is unexpectedly small and under-resourced' in Cernea's words (p. 3). The book does not resolve this paradox. Surely, disciplinary blinkers and lack of credibility among natural scientists complicate the problem and surely there are donor driven agendas plus a service role of social science (pp. 134–6); surely there was a bias in favour of quantitative models and traditional 'pipeline' paradigms as Chambers argues (p. 362). But there is more, especially on the side of the social scientists. There is also a lack of professionalization, which allows for marginalization; there are borderline squabbles between economists and other social scientists; and, of course, there is the marginal position of these social scientists in their 'home' disciplines. I recall, for example, the roaring laughter at a social sciences conference when I was introduced as a 'crop sociologist — or rather . . . a cassava-sociologist'.

The value of this book lies in what it offers: insider views of an emerging profession. The empirical data lead to the startling discovery that people without formal training in a social science do most of the work in this field. Moreover, those who did get such training do little research. This leads to the conclusion that Cernea and his co-authors provide for this emerging profession — a daunting challenge: how to make the case for reasonably productive agro-social sciences at a time when governments are cutting budgets for tropical agricultural research and innovations for small farmers are therefore less and less likely to be produced.

That is an issue which urgently needs good empirical research, instead of time-consuming evaluations.

Reference

Merton, R.K. (1979) *The Sociology of Science: Theoretical and Empirical Investigations* Chicago: University of Chicago Press.

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Paul Collier, *The Bottom Billion: Why The Poorest Countries Are Failing and What Can Be Done About It*. New York: Oxford University Press, 2007. xvi + 205 pp. £16.99 paperback.

This is a splendid book on a set of countries that are among the poorest and are 'falling behind and often falling apart' (p. 3). These are concentrated in Africa and Central Asia, and include a billion of the global population of six billion. They are caught in one or more of four traps: the conflict trap; the natural resources trap; the trap of being landlocked with bad neighbours; and the trap of bad governance in a small country. A huge amount of careful empirical work on each of these traps, done by Collier and his collaborators, is distilled here in a format that should attract a large readership. Not only are these traps described with utmost clarity, the barriers that the bottom billion face in escaping them are discussed with an admirable coherence. What is refreshing and remarkable about this book is the author's optimism that the rich world can contribute significantly through a specific set of instruments (aid, security, laws and charters, and trade). In elaborating their potential, Collier makes three important observations: (i) the real impulse for reform must come from within the poorest countries for it to be sustainable; (ii) multilateral development agencies, international NGOs, G-8 countries

and ordinary people have specific roles; (iii) co-ordination of these instruments, both within and between countries, is likely to be difficult but feasible.

Why should the rich worry and engage in a massive development effort to bail out the bottom billion from these traps? Collier's response is that this is a moral obligation for each one of us as citizens and if these problems are not tackled forthwith, 'our children are going to face an alarmingly divided world and all its consequences' (p. 191). In other words, both moral obligations and collective self-interest of the rich world point towards this imperative.

Collier provides rich and insightful analysis of how these traps can be avoided. There are two points of intervention: post-conflict and prevention. As half of all civil wars are post-conflict relapses, much could be done to reduce their occurrence. There are four possible instruments to achieve this. (1) Trade is unlikely to help. A case in point is Afghanistan. (2) Aid has to be phased over a decade or so rather than 'dumped in a rush' (p. 177). As governments typically lack the capacity to deliver services, an independent service authority could help provide key services, co-ordinate donor efforts and monitor progress. (3) A somewhat controversial but not implausible suggestion is that security in post-conflict situations requires an external military presence over a long period. This must be accompanied by the post-conflict governments downsizing their own armies. (4) A long-term commitment on the part of donors as well as international security forces is essential. Elections may make a difference, but there is a risk of overstating their importance in reducing the risk of the reversion to conflict. As emphasized by Collier 'Elections during the post-conflict decade . . . shift the risk. In the year before an election the risk of renewed conflict goes sharply down, perhaps because the various groups direct their energies to the electoral contest. In the year after an election the risk goes sharply up; presumably whoever has lost the election . . . is likely to explore other options. So elections may be desirable for all sorts of reasons, but they do not seem to make the society safer' (p. 153).

As an assessment of progress, Collier points out that the risk of reversion to conflict is lower as aid and military intervention improve (until the invasion of Iraq). Unfortunately, progress on international charters is lagging behind.

As conflict prevention is synonymous with development, all four instruments are needed. Collier's own work draws attention to the high risk of conflict in countries experiencing low income, slow growth and heavy dependence on primary commodities.

The author makes some interesting comments on changes needed from a broader perspective in the way aid is disbursed and trade policy is designed. As far as aid is concerned, he is emphatic that aid agencies ought to concentrate more on difficult environments. In other words, they should be prepared to accept more risk, and a higher rate of failure. They should intervene strategically to promote export diversification. The author is brutally frank in his comments on the WTO. Trade negotiators bargain to get the best deal for their own countries, 'defined in terms of the least opening of the home market for the maximum opening of the others' (p. 171). The author goes on to assert that 'As long as it is merely a marketplace for bargaining, the bottom billion have no place in it' (p. 171). What would work better is to add a *transfer* role to its *bargaining* role. The transfer could take the form of an unreciprocated reduction in trade barriers against the bottom billion. Given the imperative of export diversification of labour — intensive goods for the countries in which the bottom billion reside — and the fact that India and China have already emerged as leaders in these activities, there is one option: effective protection against these Asian giants. Whether such a temporary protection system can be negotiated is of course debatable.

While I enjoyed this book and its provocative tone, I must confess that some of the numbers underpinning key arguments left me uneasy. Let me illustrate: 'A typical low-income country faces a risk of civil war of about 14 per cent in any five-year period. Each percentage point added to the growth rate knocks off a percentage point from this risk. So if a country grows at 3 per cent, the risk is cut from 14 per cent to 11 per cent; if its economy declines at 3 per cent, the risk increases to 17 per cent' (p. 20). Having seen some of the technical work of Collier and his collaborators, I am inclined to be wary of such precision.

That said, the book is still a major contribution to development literature.

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David Chandler, *Empire in Denial: The Politics of State-building*. London: Pluto Press, 2006. xii + 221pp. £50.00 hardback, £15.99 paperback.

Although state-building has become a major project of the international community in recent years, most of the literature dealing with this type of intervention avoids analysing the position international state-builders hold in post-conflict societies. Likewise, policy makers and international organizations often fail to understand how their presence and actions in post-conflict societies lead to unintended outcomes. An obvious premise of both academic literature and Western actors is that intervention always presents a solution, instead of creating problems. Blame for persistent societal problems and conflict is instead regularly attributed to indigenous elites perceived to be interested only in their own power and wealth, rather than the welfare of their societies. State-building literature thus often reads like a practical handbook for international agents about how to deal with such stubborn actors.

Addressing this gap, David Chandler presents a highly critical analysis of Western discourses and practices of state-building. His basic premise is that state-building is not merely a technical exercise requiring good intentions and administrative know-how, but a highly political intervention. This of course sounds banal, but Chandler convincingly argues that intervention agencies continually deny their political role, presenting themselves as neutral experts merely assisting in 'capacity-building' projects that are 'owned' by the respective countries and peoples. Western states, which send and finance these agencies, are thus able to evade the responsibility that comes with the power they wield. At the same time, the abundant material, military and symbolic resources of such enterprises actually strip exactly those local authorities and institutions of the powers they are supposed to strengthen. Even elected governments are reduced to following orders and implementing bureaucracies, resulting in superficially sovereign 'phantom' states devoid of meaningful power, but which can nevertheless be blamed for continuing societal conflicts, and which seem in need of more Western capacity-building. The Western rationale for this discursive denial of imperial powers Chandler traces back to Western elites' lack of vision after the Cold War. Being in the historically unique position of uncontested global leadership, Western elites are actually loath to embrace their possibilities and responsibilities. Rather, the state-building project enables the pushing through of agendas while simultaneously denying any self-interest.

The book is divided into seven chapters, of which the first three deal with the general ideological aspects of *Empire in Denial*. The rest of the book takes a closer look at

state-building practices in south-eastern Europe, the region to which Chandler has devoted much of his empirical research in recent years. The curious denial of state-builders' political role is most clearly described in the chapter on the 'governance of government' as well as in the final, more empirical chapters. Here Chandler argues that before the 1990s democracy was regarded as an institutionalized arena in which conflicts could be processed in a peaceful manner. Currently, however, such internal political processes, which could give rise to truly democratic procedures, are seen as too dangerous. Academics and policy makers reason that institutions capable of protecting democracy and the rule of law should thus be designed by outside experts. Only then can the political processes be liberalized. Democracy has thus come to be regarded as an end, whereas before it had been understood as a means. However, the absence of politics cannot be attributed only to intervention missions themselves, but also to Western states' discourses on international relations. Since the Cold War ended, the author argues in his analysis of the 'ethics' of state-building, the notion of real national interests of states has lost credibility. Instead an imagined 'other' has been constructed, whose needs should and can be protected by technical measures such as humanitarian intervention and state-building. This universal 'other' has thus become the main subject of foreign policy. Global governance has replaced interest-based and conflictive power politics in favour of a perceived consensus about the global public good.

Chandler's work is a most valuable contribution to the debate on state- and peace-building interventions. It moreover hints at the inadequacy of literature that lumps Western states, intervening agencies and post-conflict societies into one analytical field. While Chandler's assertions about Western policies aiming to construct hegemony, while simultaneously denying it, are extremely plausible, his reasoning about motivations for doing so would be even more convincing if it were based on stronger empirical evidence. The author's expertise is obviously state-building 'in the field', but not so much political processes in Western societies. Another criticism concerns his interpretation of non-Western states emerging from intervention as powerless 'phantom' states. Even the author's own account of Bosnia implies that local elites are far from incapable of influencing their societies, often by appropriating international measures.

The book nonetheless represents an important contribution to overcoming narrow perspectives on either Western moral debates or political processes in post-conflict societies, taking instead a more encompassing perspective.

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David Audretsch, Max Keilbach and Erik Lehmann, *Entrepreneurship and Economic Growth*. Oxford: Oxford University Press, 2006. x + 227 pp. \$65.00 hardback.

One of the basic characteristics and building blocks of a market economy is the existence of entrepreneurs. Although several authors like Knight, Hayek and Polanyi pay attention to the role of entrepreneurship in economic growth, entrepreneurship is still not a dominant field of research in mainstream economics.

The endogenous growth theory developed in the 1980s by Romer focused on the importance of knowledge spillovers leading to increasing returns of scale. But the mechanisms through which knowledge spillovers might materialize and boost economic growth were not analysed. The authors of *Entrepreneurship and Economic Growth*, in this original and clearly written book, focus on entrepreneurship as one such mechanism. They argue that knowledge spillovers create the opportunity for starting new enterprises in order to commercialize the knowledge developed in an incumbent (large) firm or university. Particularly in high technology industries these opportunities arise from the creation of new technological knowledge at the industry level. Statistical evidence shows that industries with heavy investment in new knowledge have high start-up costs. Entrepreneurship is an endogenous response to opportunities created but not always exploited by such firms.

The book presents empirical results for Germany, which is particularly interesting as many studies on the relationship between entrepreneurship, knowledge and economic growth focus on the United States. Germany, as the biggest economy in the European Union, is much less dynamic in entrepreneurial opportunities than the US. Entrepreneurship affects economic growth positively as it facilitates knowledge spillovers, increases competition for high technology workers and enhances diversity of economic activities. The authors show that introduction of entrepreneurial capital, especially high technology and ICT entrepreneurial capital — measured as the degree of start-up activity — in a Cobb-Douglas production function of German regions, leads to greater economic growth.

From the perspective of public policy the establishment of high tech start-ups in the vicinity of (technical) universities is important. The authors formulate a ‘locational hypothesis’, which states that knowledge spillover entrepreneurship will tend to be located near to the source of the knowledge, such as large incumbent firms and/or universities. Universities with greater knowledge output generate a higher number of technology start-ups in their vicinity. However, the quality of the university is relevant and can vary across several academic disciplines. Proximity to universities with meagre research output does not lead to better economic performance of start-ups. Entrepreneurial performance is only stimulated through close proximity to universities with a strong research record.

Whether the start-ups have sufficient capacity to absorb new external knowledge depends on geographical proximity as well as the education level of the entrepreneur and access to external finance. University spillovers exert a positive effect on the probability that an entrepreneur/director will hold an advanced academic degree in the case of the natural sciences. The quality of human capital on the board of management also correlates with the likelihood of getting venture capital, which is especially true for science-based and high-tech industries due to high risk and informational asymmetries of start-up investments in these industries. In the US venture capital is much more available than in Germany. The authors argue that as long as large, traditional risk-avoiding banks dominate firm finance in Germany, the number of technology-based start-ups will be low.

After the promising analyses in the first nine chapters the book becomes disappointing for two reasons. First, from a policy maker perspective, in chapter 10 the authors deal with entrepreneurial policies in a general sense and in the framework of a comparison between the US and the EU. This is disappointing for the reader as it does not have a direct interpretative link to the empirical results in the previous chapters. It is useful for framing the relevance of the research, but then it should have been

one of the first chapters. The formulation of hypotheses and the empirical analyses would lead one to expect some explicit policy prescriptions for Germany at this stage. Second, from a scientific perspective, the book lacks reflection on the shortcomings of the analysis, which could provide a research agenda for the future. The need for more data and further theoretical analyses of high technology entrepreneurship should spur other researchers to continue research on this important topic.

Nevertheless, this is a 'must buy' book as the authors convincingly show the importance of entrepreneurship as a knowledge spillover mechanism in generating economic growth in knowledge-based economies.

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Steven Brakman, H. Garretsen, Charles van Marrewijk and A. van Witteloostuijn, *Nations and Firms in the Global Economy: An Introduction to International Economics*. Cambridge: Cambridge University Press, 2006. xxvii + 446 pp. £55.00/\$95.00 hardback, £24.99/\$45.00 paperback.

Hubert Gatignon and John R. Kimberly (eds), *The INSEAD-Wharton Alliance on Globalizing: Strategies for Building Successful Global Business*. Cambridge: Cambridge University Press, 2004. xxii + 451 pp. £25.00/\$35.00 hardback.

State-of-the-art empirical and theoretical thinking in academia can often be found in edited volumes, whilst textbooks provide a check of the question whether various disciplines have already started to become integrated in mainstream thinking. This book review considers two examples. The first is an edited volume by Gatignon and Kimberly (2004) aimed at revealing the latest thinking in two leading business schools in the United States and Europe, and the second is a textbook by Brakman et al. (2006) aimed at undergraduate students of international economics.

Globalization and development are a difficult disciplinary match.¹ Mainstream academic thinking tends to develop on the basis of specialization within relatively strict academic and disciplinary boundaries. But societal reality often moves faster than academic thinking. This regularly provides a stimulus for the introduction of new research topics and the modification of old concepts within the existing paradigms. Sometimes, however, societal change develops so fast and is so all-encompassing that evolutionary transformation is not sufficient to produce the necessary knowledge.

The phenomenon of 'globalization' and its impact on 'development' provides a clear illustration of this problem. The talk about globalization is often sweeping claims about its effects (ranging from extremely beneficial to extremely detrimental for development) and the reasons policies are formulated (for instance to attract foreign direct investment by liberalizing regulation). But on closer scrutiny the phenomenon itself remains remarkably poorly understood and vaguely specified: 'globalony' instead of 'globalization'. This sad state of affairs in academia is due as much to organizational as intellectual causes. Understanding a phenomenon as broad as globalization requires moving beyond traditional academic divisions and the formulating of new paradigms.

1. For another integrative effort, see van Tulder and van der Zwart (2006).

Assessing the impact of globalization on development presents a large number of major research challenges: how to measure the negative or positive spillover effects of multinationals on domestic economies; how to measure the effects of liberalization and trade-openness on national development and growth; how to design the proper domestic institutions; how to define, design and organize international institutions to reap the benefits from globalization and prevent the drawbacks from materializing.

Two interrelated problems pose the biggest academic challenges: (1) assessing the role of foreign direct investment in development — foreign investment flows to developing countries have grown bigger than all official financial aid transactions combined. This means that the strategy of multinationals must be integrated in the study of macro-economic policy models, which requires a micro-elaboration and test of macro-models primarily developed by international trade economists; (2) assessing the impact of business strategies on society in general and on development in particular — multinational enterprises (MNEs) are increasingly formulating strategies relevant for development (fair trade, fair labour, etc.) and are increasingly considered ‘partners for development’, which requires a macro-extension of normally micro-strategic business models, primarily developed by international business scholars.

Each question presents challenges for measurement and choosing the proper level of analysis and the proper conceptualization. Mainstream paradigms are clearly deficient, but new paradigms have not yet evolved. In the past it was sufficient to deal with questions of (economic) development by studying international (trade) economics, international relations and development economics. Nowadays, equally relevant are academic disciplines such as international business, economic geography, strategic management, international business ethics and institutional economics.

The Gatignon and Kimberly volume illustrates the micro-approach — the societal side of international business — and is the product of a collaboration between the faculties of Wharton (United States) and INSEAD (Europe). Its formula is unique in that most of the articles are indeed jointly written by authors of the two business schools. It can be understood as representing mainstream business school thinking on the issue of globalization. This is neatly covered in the first chapter in which the editors state the challenges of globalization for managers: creating profitable businesses and generating returns for investors ‘by entering global markets, competing against international rivals . . . and finding opportunities in the shifting tableau of a world in continuous transformation’ (p. 1). And managers ‘need to do this in a way that is environmentally and socially responsible’ (*ibid.*).

The authors set out to explore how business firms can best respond to the opportunities offered by globalization ‘for the good of the people of the world as well as for their own sustainable economic development’ (p. 7) — observing that true global corporations represent only a small proportion of international firms. This also implies that firms have to take the less positive trends — the darker side of globalization — into account. The book then sets out to guide managers of firms on how to ‘chart a course through the crosswinds of globalization’. This is a nice metaphor for every macro-economist who tends to stress globalization as an evolutionary path. From the perspective of managers, the path is clearly more rocky, filled with uncertainties and substantial risk, and not necessarily profitable. The book distinguishes three different strategic areas: (1) corporate governance and leadership in the global context (‘leading the global organization’); (2) the complex terrain of global market entry, branding and capital markets (‘global market participation’); (3) the pitfalls and problems (‘managing risk and uncertainty’).

The number of articles relevant for the study of development and globalization in these three parts is rather disappointing. The term (sustainable) development is not mentioned again — contrary to what the introduction suggests — whilst developing countries/markets are only mentioned as a risk factor, for instance in global supply chains (standard reference to the tragedy at Bhopal in 1984). No mention of a popular theme like the ‘bottom of the pyramid’, scant attention for the United Nations initiatives to involve firms in development, no systematic analysis of codes of conduct or the growing monitoring of multinationals by international organizations. Only a passing reference to development problems can be found in a chapter on the ‘health sector’. But there is no mention, for instance, of the issue of intellectual property rights and pricing strategies in the health sector that has increased the cost of providing patented HIV/AIDS medicines and which precipitated the growth of a new generic medicine sector in India and Brazil.

Finally in the third part we find a chapter dedicated to corporate social responsibility (‘from corporate social responsibility to global citizenship’). It addresses the increasing expectations imposed upon companies to behave as ‘responsible citizens’ and mentions a number of the most difficult issues for developing countries. The chapter remains vague and concludes that companies should first identify the major social issues in their daily operations, look for partners with similar priorities and interests — including non-profit and governmental actors — and develop internal policies to involve important ‘constituents’ in the process of building a unique personality as a ‘global citizen’.

An important aim of the book is ‘to stimulate informed dialogue among those who are key actors in the unfolding story of globalization and managers facing the immediate struggles of globalizing their business’ (p. 13). The book has only partly succeeded in this objective. It remains rather vague and fragmented — a problem with edited volumes in general. More seriously, however, particularly in the area of sustainable development, the book fails to present state-of-the-art thinking at a number of other business schools around the world. Inviting contributions from scholars at other schools might have remedied this deficiency. Sophisticated analysis of the societal side of international businesses, which might have helped stimulate a dialogue between key actors, is sadly missing. The book represents rather old-fashioned management thinking on international business. It might also explain why many MBA graduates still suffer from the so-called ‘MBA disease’, which implies that students enter MBA studies with higher ethical norms and societal sensitivities than they leave with. The book — albeit unintentionally — aptly illustrates how leading business schools are still stuck in traditional divisions of labour between various departments, which considerably weakens their much needed contribution to the discussion on globalization and development. Policy makers and NGOs be warned.

The textbook by Brakman et al. entitled *Nations and Firms in the Global Economy* shows the ‘macro-approach’ — the business side of international economics. It argues that key topics in international economics — including issues of development — cannot be understood without a knowledge of international business and vice versa. The authors, four professors of international economics at various universities in the Netherlands, have written a very accessible book that covers most of the traditional theoretical terrain of trade theory, financial crises and economic growth. They also include the topic of foreign direct investment in general and multinational firm behaviour in particular. The book is a sophisticated attempt to illustrate the operation of international economic principles by looking at the strategies of multinational enterprises.

This provides a much needed first step in the integration of a number of separate academic disciplines (including economic geography and institutional economics). The authors have chosen to focus on 'theories and insights that help to understand the economic causes and consequences of globalization, as well as the role played by both nations and (multinational) firms' (p. xxii). They provide a good introduction to the global economy and a useful discussion about the relations between micro-level and macro-level accounting. This is followed by three interesting sections: (1) 'firms, trade and location', which complements the traditional trade and comparative advantage theory with solid insights on the operations of multinationals; (2) 'capital, currency and crises', which deals with international capital mobility (including foreign direct investment of multinationals) and puts into a nice historical perspective the recent financial/currency crises that have hit some developing countries; and (3) 'policy, dynamics and organization', which discusses the success and failure of national models of economic growth under globalization.

The conclusion confirms that globalization is really happening and discusses the implications for the study of international economics and business. The book is very strong in the first three parts in providing illustrations of macro-economic international economics models in micro-economic phenomena related to multinational firms. It shows that the academic discipline of international economics at the moment has profited more from insights from international business than the other way round. The book adds interesting information on development paths in countries that have chosen to invite multinational enterprises to invest in their countries. The authors stress the multifaceted nature of globalization. Globalization does not lessen the importance of policy divergence.

Despite their emphasis on 'diversity' the authors conclude that countries 'opening up' to globalization tend to be more prosperous. Here the book shows some inconsistencies. The authors base their macro-economic statement (in chapter 13) mainly on trade openness, whilst they elsewhere explain the growth success of a country on the basis of the investment behaviour of multinationals. However, they do not specify the degree to which the nation's openness has been based on 'home' or 'host' multinationals. The economic development path of Japan or South Korea (home multinationals) in that sense is not comparable to the economic development path of transition economies like China or Eastern European countries (strongly influenced by host multinationals). The very definition of 'openness' needs to be adjusted according to the investment pattern.

The authors could have profited more from their own integration efforts but stopped somewhere in the middle. That is not a criticism of the book but rather a stimulus to further elaboration. In the same vein, the authors could have profited from the work in the international business community on codes of conduct, issue management and corporate responsibility. The plea of the authors for a level of analysis that includes 'multi-level interaction' therefore remains extremely relevant, not least because it is made in the final chapter. The job of writing a textbook has probably prevented the authors from adopting a more ambitious research agenda. The book nevertheless remains an excellent first move by international economists towards more specialized international business scholars. The latter have only to take up this invitation. Then we will be able to develop sophisticated and context-contingent development models that provide the necessary tools for all developing countries to really profit from globalization.

Reference

van Tulder, R. and A. van der Zwart (2006) *International Business – Society Management: Linking Corporate Responsibility and Globalization*. London: Routledge.

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Frank Webster, *Theories of the Information Society*. New York and London: RoutledgeCurzon Taylor & Francis Group, 2006. viii + 317 pp. £23.99 paperback.

Terri Willard and Maja Andjelkovic (eds), *A Developing Connection: Bridging the Policy Gap between the Information Society and Sustainable Development*. Winnipeg: International Institute for Sustainable Development, 2005. viii + 210 pp. CDN \$10.00 paperback.

In the contemporary world of social science the Information Society (IS) has given rise to a prolific literature. At the same time, it has never ceased to be provocative and controversial since its emergence in the mid-twentieth century in the garb of the ‘post-industrial society’. While its development was mainly associated with the remarkable growth in the service sector it has been a subject, from various vantage points, of intense scrutiny by scholars — from the pioneering study of Daniel Bell to the contemporary works of Manuel Castells.

The two books under review, despite varying content and purpose, converge in analysing IS. The first seeks to cover the trajectory of IS from its earliest theoretical formulations to the current interpretations. The second book addresses a theme which, notwithstanding the existence of a huge literature on IS and sustainable development respectively, remains largely neglected — the dialectics between the two.

Webster’s exploration of the conceptual and theoretical trajectory of IS begins with the obvious question ‘What is an Information Society?’ — perhaps with a too straightforward discussion of its various dimensions. This initially lends the book a conventional textbookish character. But then he makes an instructive and more sophisticated *tour de force* of the works of major thinkers like Daniel Bell, Manuel Castells, Herbert Schiller, Jurgen Habermas, Anthony Giddens and the theorists of the French-dominated Regulation School. True to the spirit of social scientific exploration the key points of departure for Webster are the information and the society. With such a focus he distances himself from the ‘tradition’ of technocratic analysis in which hype and over-confident predictions about the potential of IS relegate the notions of both information and society to the background. The notional and conceptual complexities of both need to be addressed head-on, because such an approach makes us aware that more and more information does not necessarily lead to more and more meaning. It also leaves a vital question tantalizingly open — to what extent is IS a continuation of the previous form of society and to what degree is it a new incarnation?

In a way, Webster was bound to adopt such a challenging approach, because the scholars whose work comes under his purview never gave the proverbial last word on IS. Thus, Webster’s narrative captures the evolutionary ‘struggle’ of the IS. A noteworthy feature of the book is the ‘rehabilitation’ of Herbert Schiller who, perhaps for his left-of-centre critique, is ignored by the mainstream analysts of IS. But some

problems do remain in Webster's approach. There are a number of issues which he is able to raise and discuss, but somewhat paradoxically there are many which he could not take up because the range itself is limited by his choice of theorists. Thus, some vital dimensions like gender remain severely under-represented. It is indeed surprising that no entry for 'gender' is found in the book's index. On the other hand, analysis of the class factor in IS is mostly confined to Manuel Castells. The contentions of Alain Touraine who analysed the IS's class character in the early 1970s, thus find just a bare mention. Interestingly, Webster indicts Castells for scant mention of Touraine, but he himself does no better.

The second book contains informative and interesting case studies from South Africa, Kenya, Costa Rica, India, Brazil and Egypt. The themes designed, on the one hand, within the broader framework of relations between IS and sustainable development, and within the specific parameter of Information and Communication Technology (ICT), receive fairly good coverage in terms of local content, poverty reduction, participation of professional women, grassroots-level needs, reduction of regional inequalities and the role of the Geographical Information System (GIS). The thrust is overwhelmingly experiential and empirical, as it should be in these cases. What is also noteworthy about the volume is that each contribution is concerned with what can be called the local, grassroots-level view of things. This is particularly important because we have yet to see sufficient literature on how IS, which has been conceptualized and implemented overwhelmingly in the West, takes shape in non-Western sites. Also, insofar as the conceptualization and implementation of sustainable development is concerned, there is a yawning gap between the West and the 'rest'. No less important is the fact that, as the title of the volume itself reveals, there remains a policy gap between the IS and sustainable development.

The book succeeds in explaining that neither the IS nor sustainable development is a mechanical construct and that they necessarily have to have strong organic roots in specific economies, politics and cultures. However, a problem with such volumes, having the declared purpose of addressing the policy communities, is that the contributions tend to have too many sections and sub-sections. This affects the depth of analyses. Take a case in point. The case study on India seeks solutions in the empowerment of Gram Panchayats (GPs) — the base institutions of rural local government — and in the establishment of information kiosks. But many studies on rural India reveal that notwithstanding the constitutional mandate and some 'exceptional' instances, there is a lack of political will to empower the GPs with adequate finance and functionaries. The same is true of information kiosks which, if they exist at all, are devoid of local content. The researchers who conduct empirical studies from a policy perspective need to probe deeper into the hidden subtext of the political process to provide more effective policy prescriptions.

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Aihwa Ong, *Neoliberalism as Exception: Mutations in Citizenship and Sovereignty*. Durham, NC: Duke University Press, 2006. 292 pp. £22.95 paperback.

Ong offers a discussion on neoliberalism from the viewpoint of anthropology. As such, this work is not a one-dimensional critique of the economic effects of neoliberalism

but rather a complex analysis of neoliberalism as a tool of governance. This approach allows her to enquire how neoliberalism creates novel spaces of governance on the local, national and international level, often with different results (not always negative) for the individuals and communities involved. Crucially, this work outlines how race and ethnicity have a serious role to play in the way neoliberal policy tools reshape traditional areas of state competence, something Ong calls 'neoliberal re-territorializations'.

The book is focused on the effects of the spread of neoliberal policies in China and South East Asia and pays particular attention to the ethnic Chinese populations in these areas and beyond. It is divided into four main parts. The first part discusses the efforts of women to expand political rights, examining the tension between market values and religious and cultural traditions. It then moves on to consider the ability of new technologies to promote political action by ethnic groups across national borders. The second part analyses how neoliberal strategies create areas of 'exception' from national norms, offering as an illustration the ruthless capitalist rules governing special manufacturing and export zones in China. It also presents how ethnicized networks of production operate — both as zones of protection for their members and as areas of oppression and labour servitude.

Through this analysis Ong challenges the gurus of anti-globalization like Hardt and Negri for adopting the monolithic self-description of neoliberalism as a consistent all-embracing phenomenon synonymous with globalization. She does not see neoliberalism as a single movement or as signifying a single policy trajectory. She sees it rather as a methodology that can be employed with often contradictory results. For example, market-promoting policies have both enhanced bargaining and political rights for an increasingly powerful workforce in China, and at the same time have underlined the creation of a new slave class as illustrated by the 'army' of foreign maids of the new Asian middle classes.

The book's third part discusses the circulation of Asian citizens, primarily from India and China to the US in search of education and employment and then back to their home regions. It is this part which makes some of the most interesting points, as it shows the capacity of what Ong calls 'labour arbitrage' to exploit people of high technical expertise but also to create new businesses in the developing world. These people bring their skills and their 'adopted' work culture back home (and in doing so take investment out of the US). One of the striking contributions of the book is that it demonstrates how the supposed technological and knowledge advantage of the 'West' afforded by globalization is as capable of being whisked away to cheaper, 'more competitive' regions as was manufacturing capacity in the recent past.

This is a chilling message to Western policy makers who rely on the promise of the 'knowledge economy' to offset the dangers brought about by de-industrialization. The effects of this second wave of business migration on cultural norms and the creation of a sense of 'anomie' experienced by middle class males in the US is a potentially explosive phenomenon with global significance. The final part of the book explores the consequence of these trends with reference to the creation of new economic and social practices in Singapore and with reference to the rise of a new middle class in South East Asia with a particular 'neoliberal' lifestyle which creates new class distinctions and oppressions.

Interesting as it may be however, *Neoliberalism as Exception* is not a book for a mass audience. The main reason for this is that, unfortunately, many very valid points are rendered inaccessible by the language Ong uses. By adopting not only the methodological tools but also the language of authors like Michel Foucault, Ong writes

in a way guaranteed to put off the majority of readers who have an interest in intelligent deconstructions of neoliberalism but are unlikely to be attracted to decoding phrases like: 'Governmentality at a level of specificity refers to different styles of reasoning and problematization that are fundamentally concerned with transforming situations of uncertainty into calculative strategies' (p. 178).

In conclusion, while this book is brave in offering a thesis which explores neoliberalism beyond its direct economic results, it is less successful in adopting a style likely to appeal to those comfortable with the literature on economic development.

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Keshab Das (ed.), *Indian Industrial Clusters*. Aldershot: Ashgate Publishing Ltd., 2005. xx + 222 pp. \$99.95/£50.00 hardback.

The book *Indian Industrial Clusters*, according to Keshab Das, serves a dual purpose. The first is to contribute to a better understanding of the theoretical underpinnings of small firm clusters in less developed countries. The second is to indicate steps towards effective policy making. He points out that the book was not written according to a certain cluster framework.

Das links his interest in small industry issues to the reading of a copy of the *Institute of Development Studies Bulletin* in 1992, that was a special issue on the theme 'Flexible Specialization: A New View on Small Industry?'. Although he had never worked on small industry issues, this fresh idea made Das formulate a research proposal on the dynamics of small firm clusters in less developed countries. His passion and interest in the issue of small firm clusters continued during his studies at IDS at the University of Sussex as a visiting fellow 1995–6.

The first question that came to mind when I began reading this book was, 'To what do Indian industrial clusters refer?'. Das states that 'industrial clusters in India, as in most developing countries, often draw their sustenance through functioning as informal production regimes, wherein informality could be embedded in the labour process, production/technology sphere, flouting of fiscal/environmental regulations, markets and the whole gamut of networks that, ultimately, buttress the *net profit* accruing to the owners of the firms' (p. 5).

Das and his twelve expert contributors, who are both scholars and practitioners, present different aspects of Indian industrial clusters in the form of case studies based on their own field research. These case studies present detailed discussion of the functional dynamics of Indian industrial clusters as well as providing insights into inter-firm relationships, labour, technological and organizational flexibility, informality in the production process, forms of supportive institutional arrangements and the nature of linkages with agencies external to the cluster. Although the editor and contributors have relied heavily on literature reviews, the case studies they provide will no doubt be read by policy makers, researchers and small and medium enterprise practitioners.

This is an ambitious book. Its thirteen chapters provide a good review of key issues and research related to the question of what industrial clusters in India can and cannot do. Sentences are clear, paragraphs are coherent and chapters complement one another. It gives the reader the benefit of figures and tables to illustrate the text. Every section contains references and notes.

Das's book is particularly significant and original in its attempt to observe the impact of small firm clustering on industrial policy debate in India. Despite the inclusion of some excellent chapters touching on issues such as social security for workers, discrimination in work and remuneration guided by gender, caste, class and age, environmental concerns and influence of local political cultures, these themes are not sufficiently explored in effective policy making. As is known, every field of study has its evolutionary period. Therefore, there is plenty there to investigate. I look forward to seeing major extensions of this research in the future.

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Ashutosh Varshney (ed.), *India and the Politics of Developing Countries*. New Delhi/Thousand Oaks/London: Sage Publications, 2004. 272 pp. \$78.95 hardback, \$41.95 paperback.

Rajendra Vora and Suhas Palshikar (eds), *Indian Democracy: Meanings and Practices*. New Delhi/Thousand Oaks/London: Sage Publications, 2004. 448 pp. £35.00 paperback.

The longevity and the success of India's representative democracy has been a fascinating subject of study for students of comparative politics. Many Western scholars have consistently underlined the centrality of Indian politics as an area of enquiry for general theories as well as for the comparative understanding of the politics of the developing world. India's democratic consolidation has received scholarly attention from Indian analysts as well. The two volumes under review represent a wide array of scholarship on different facets of Indian politics. While the first volume contains essays mainly by Western scholars, the second one is largely devoted to Indian contributions.

India and the Politics of Developing Countries is a memorial volume dedicated to Myron Weiner — a leading scholar of comparative politics and one of the greatest Western scholars of India. Together with an introduction by the editor, it consists of ten essays on party politics and democracy, ethnic politics and political economy. Essentially, contributors to the volume engage with ideas, questions and insights emanating from Weiner's voluminous work. For example, Lucian Pye extends some of the arguments put forth by Weiner on India to the developing world in general and especially to East Asian democratization. For Pye, successful mediation between the centre and the locality and the manner in which the main party deals with the opposition have been crucial variables for the strengthening of democracy not only in India (as Weiner had pointed out) but also in East Asia.

One of the interesting essays is by James Manor who focuses on informal political functionaries (or fixers) and their role in state politics. Even though these local level political brokers perform useful roles for Indian democracy by bringing grassroots concerns to state elites, by striking deals and by accomplishing a lot of small but important business of political and economic life, they have remained under-studied by

students of Indian politics. Manor's essay has the potential to rekindle academic interest in this very promising line of enquiry. Kanchan Chandra questions the conventional wisdom that multi-ethnic parties are unstable. For her, internal organizational structure — more so than its social base — is the important determinant of stability of a political party. Christophe Jaffrelot delineates the way India's constituent assembly approached the problem of multiculturalism in comparison to France and the US. In the process, he points out many inconsistencies on the part of Indian political elites: India's affirmative action policies take note of caste but not of religious distinctions, whereas in the case of personal laws, religious distinctions are privileged. In a sense, the historical experience of partition and the visions of national identity appear to have shaped these apparently contradictory public policies.

Steven Wilkinson examines the relationship between political institutions and ethnic violence. While contesting Arend Lijphart's proposition that what India needs is a 'consociational' democracy (p. 150) and not a majoritarian one, Wilkinson demonstrates that consociational arrangements, on the contrary, lead to increased ethnic violence in India. For instance, affirmative action may respond to ethnic demands, but it triggers the formation of many more ethnic groups who also claim special group-based socioeconomic privileges. Not surprisingly, public policy spurs the process of ethnic identity construction rather than containing it.

On another level, the effectiveness of public policies is curtailed by India's hierarchical social structure and its cultural acceptance across wide swathes of decision-making elites. As Mary Katzenstein argues, cultural acceptance of social inequalities is a major stumbling block accelerating the decline in fertility and slowing improvement of reproductive health. It would be naïve to relate fertility rates to income alone and plead for faster growth in income to stabilize them.

In broader terms, Varshney probes the greater reliance on direct methods of poverty alleviation in a poor democracy like India. In his reading, democratic politics and market oriented reforms are awkwardly aligned at the mass level, for links between markets and mass welfare are not clearly evident. Even as people express their desire for less state interference in everyday life, they do not necessarily support the market mechanism. He notes, 'pressured more by mass politics than authoritarian systems, where people are not free to organise, democracies tend to be more inclined towards direct methods of poverty alleviation' (p. 211). Yet his contention about the greater effectiveness of indirect, growth and trade-based methods in alleviating poverty still needs to be empirically validated. The last essay is by Baldev Raj Nayar, who reinforces the oft-repeated argument about the centrist tendency of Indian politics by debunking the claims of economic nationalism of the Bharatiya Janata Party in relation to its economic policies as part of the National Democratic Alliance (1998–2004) government.

Indian Democracy: Meanings and Practices, the conference volume edited by Rajendra Vora and Suhas Palshikar, comprises sixteen essays outlining challenges to Indian democracy and its gradual evolution and transformation over the last half century. Substantively, it dwells on the politically significant developments in the 1990s: the crisis of Indian secularism and the attendant problems of communalism, the political assertion of the Other Backward Classes (OBCs), the volatility of the party system and the decline of social movements.

Gopal Guru offers a trenchant critique of the New Dalit politics and ridicules those who advocate a politics of 'authenticity' conceived essentially in primordial terms. A one-sided championing of authentic Dalit politics dissipates political energy of Dalits within localism and deprives it of 'the plan and potential to create a grand political

project' (p. 262). For Guru, Dalit politics has largely been an uninspiring narrative of political diffusion into insignificance as it failed to accumulate 'the moral hegemony that sustains radical politics' (p. 266). His honest assessment underlines the need for internal critique and makes a fervent plea for the eschewing of 'Dalit power brokers' and 'thick emotionalism' (p. 268) which prevents the growth of reason and radical consciousness.

Rajeshwari Deshpande, in her synoptic overview of social movements, stresses the point made by Steven Wilkinson in Varshney's edited volume: 'the state with its power to intervene in the social arena not only contributes to the construction of political identities but appropriates them' (p. 392). Gail Omvedt evolves a critique of the much celebrated Narmada Bachao Andolan. Rajni Kothari outlines issues before Indian democracy whereas D.L. Sheth delves into the crisis of political authority. Javeed Alam posits the 'hegemonic bourgeois condition' (p. 96) as the major stumbling block in the way of democratic progress. Jayanta Lele notes how the new middle class is replacing the older style Congress politics as a compromise between rural elites and bureaucratically supported bourgeoisie. Rajeev Bhargava discerns the tendency of giving primacy to individual and communal interest over social interest and the lack of ethical conception of the public good. Thomas Pantham summarizes the fertile field of debate outlining responses to communalism and secularism.

Rajendra Vora studies different trajectories of backward caste politics whilst V.B. Singh analyses the rise of the BJP and the decline of the Congress. Sandeep Pende is concerned with the predicament of the left politics in India. Sanjay Kumar explains the frequent changes at the state level in terms of fluctuations in party fortunes in the 1990s.

Although these volumes represent some of the well-known scholars in the field of political analysis, they hardly offer anything that is not already known to the student of Indian politics. For the uninitiated though, they may serve as introductory readings on contemporary political trends in India.

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Gillette Hall and Harry Anthony Patrinos (eds), *Indigenous Peoples, Poverty and Human Development in Latin America*. Basingstoke and New York: Palgrave Macmillan, 2006. xix + 308 pp. £68.00 hardback.

In this book, eleven contributors — ten of them economists — working under the aegis of the World Bank address the question of whether during the 1990s indigenous peoples fared better or worse in terms of changes in levels of income and access to social services than the rest of the population in the five Latin American countries where their presence is most significant (Mexico, Bolivia, Peru, Ecuador and Guatemala). Did poverty rates increase or decrease for indigenous and non-indigenous groups, and to what degree? Did trends in education and health sectors favour one segment of the population more than another? Was there equitable participation in poverty reduction programmes? Did the evolution of labour market earnings reflect to an equal extent the changing qualifications of people within indigenous and non-indigenous sectors?

Since the census and household survey information that must underpin any effort to deal with these issues is weak and inconsistent, one might expect a far more thorough

treatment of data adjustments than this book provides. The authors do, however, devote considerable attention to the problem of how to define indigenous and non-indigenous populations; and a useful contribution of the volume is its repeated documentation of the difficulties involved in doing so. Countries define 'indigenoussness' in different ways at different times: sometimes on the basis of self-identification (with marked variation in wording of the question), sometimes geographically, and sometimes on the basis of language (but here again, with a number of variants). For example, Mexican statistics include anyone who speaks an indigenous language, while in Peru respondents are asked about their 'mother tongue'. Difficulties are compounded when analysts attempt to combine several criteria and when decisions are taken about whether to attribute indigenous status to entire households or only to individual respondents.

In four country studies, authors are able to standardize definitions for a pair of household surveys, one around 1990 and one toward the year 2000. In the fifth case, Mexico, household surveys for that period did not include ethnic identification. Therefore poverty among indigenous groups could only be estimated by analysing survey responses for census regions where over 70 per cent of respondents reported speaking a language other than, or as well as, Spanish.

A further problem of definition arises, of course, when considering the concept of 'poverty' itself. Authors of country chapters experiment with different poverty lines, including both those determined by national commissions and the standard benchmarks equivalent to one and two US dollars purchasing power parity (PPP) established by the World Bank. In some cases, they use consumption data in their calculations, while in others only income data are available. They also confront complications arising from the inclusion of people of different ages in one survey or another. And they wrestle with the fact that established poverty lines are less adequate for certain regions or cities than for others.

The data and methods ultimately employed by members of the team generate a picture of disadvantage and discrimination like that described by many social scientists working with indigenous peoples in Latin America. The incidence, depth and severity of poverty — and of extreme poverty — is significantly higher for that group than it is for non-indigenous counterparts in the same decile of income, the same geographical context and even at the same level of educational attainment; and relatively little progress has been made in altering this situation. In two countries where, in the authors' view, national poverty rates did decline during the 1990s (Mexico and Guatemala), the situation improved proportionally less among indigenous groups; and in a third (Bolivia) it actually worsened. For Ecuador and Peru, where national poverty rates increased, the high proportion of the indigenous population in this category remained virtually unchanged.

Reported access to social services and poverty programmes expanded among most lower-income respondents in all countries between the beginning of the 1990s and the turn of the new millennium, but there are indications that these services often do not meet the needs of indigenous peoples. For example, higher dropout rates and lower levels of attendance among indigenous young people suggest that the quality and content of education — and especially of bilingual education — is inadequate. The persistence of widespread discriminatory practices in national labour markets provides a further reason for earlier abandonment of schooling among the indigenous population. After controlling for a number of other variables, the authors calculate monetary returns to education and they find that in most countries every additional year of schooling generates smaller returns for members of that group than for

non-indigenous counterparts. This difference increases with the level of education attained. It is also greater for women than for men.

The picture painted in country chapters is more complex than this general summary suggests; and there, when the quality of national data allow, one occasionally finds insights on gendered poverty. In Peru, for example, non-indigenous women appear to gain the most from schooling (even more than their male counterparts) while indigenous women gain by far the least. In Mexico, controlling for level of income, a girl studying in a predominantly indigenous setting has almost double the probability of dropping out before the age of fourteen than a girl going to school in a predominantly non-indigenous one. The difference is less notable for boys.

Such findings provide food for thought and should stimulate qualitative research. The value of the book is not enhanced, however, by its general introductory and concluding chapters which seem designed to superimpose a 'human face' on an essentially technical study. The first chapter, in particular, in which the editors rush through a summary listing of indigenous peoples' struggles to assert their rights, sounds formulaic and superficial. It also contains numerous factual errors. The last chapter ('Key messages and an agenda for action') seems little more than a list of good wishes. What else can be said, at this general level, except that greater efforts must be made to improve basic social services and reinforce affirmative action programmes for indigenous peoples? More specific policy-relevant conclusions could only flow from a far more detailed, territorially grounded analysis of factors generating disadvantage for well-defined groups within the indigenous population and within each nation as a whole.

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Douglas Southgate, Douglas H. Graham and Luther Tweeten, *The World Food Economy*. Oxford: Blackwell Publishing, 2007. xiv + 402 pp. £60.00 hardback, £26.99 paperback.

The World Food Economy is a new textbook on 'the global food economy as a whole' that has emerged out of an undergraduate course taught by the authors at Ohio State University. The book 'has been written to be read and appreciated by a general audience' (p. x) but is particularly targeted at students 'with an interest in international studies and who have little or no prior training in economics' (p. ix). I am in no doubt that such a book is needed, given the number of universities that now teach courses from a variety of disciplinary perspectives on the food system. Nonetheless, I do not envy the authors in choosing to undertake this task; a textbook has to be reasonably authoritative in what it seeks to do, with a deep knowledge of subject matter that is broadly conveyed in a manner that is accessible. Thus, *The World Food Economy* must meet a very high standard if it is to succeed.

There is a clear subdivision that the book could have used but does not, with chapters 2 through 8 dealing with food economy topics from the standpoint of economic theory, while chapters 9 through 15 offer regional evidence of food consumption and production dynamics. Thus, after a short introductory chapter that highlights the focus of the book, chapter 2 reviews the demand for food. Following a synopsis of the arguments of Malthus and his modern followers, the book quickly refutes the validity of those

ideas before offering a coherent and accessible account of the demographic transition. This leads into a discussion of the factors that contribute to or constrain demographic transitions. A focus on population, incomes and Engel's Law is then used to derive a series of simple projections of global food demand, which establish that there is a need to double aggregate food supply by 2050. In this light, then, chapter 3 reviews the economics of agricultural production, starting with a discussion of the benefits to be derived from specialization and trade.

This chapter, using the family farm as the basic model of production, demonstrates that increased production in the advanced capitalist countries during the twentieth century reflected improvements in total factor productivity, or 'intensification'. By way of contrast, in developing countries improvements in farm production in the first half of the twentieth century reflected increases in farmed area, or 'extensification', while in the second half of the century the development of 'Green Revolution' technologies improved total factor productivity in a number of developing countries. From this vantage point the chapter laments opposition to genetically modified organisms as being myopic, as these could be a means of sustaining intensive productivity growth.

Chapter 4 then examines the way in which consumption and production are 'aligned' over time. In fact, this chapter is about how equilibrium in competitive markets is established through the formation of market-clearing prices that equate the marginal value attached to food production to the marginal cost of producing food. This has led, it is suggested, to a situation in which food scarcity has eased even as global farm-gate prices have fallen. Rates of return on commercial farmers' assets have remained, it is argued, very steady over time — a level of profitability that reflects, in the view of the authors, reasonably competitive markets. Agricultural markets are thus portrayed as being quite competitive if left unencumbered. The key problem, thus identified, that prevents the emergence of efficient market-clearing prices is that of government interference in the operation of markets through such interventions as commodity support programmes.

International aspects of the global food economy are addressed using the basic tools of supply, demand and competitive market prices as outlined in chapters 2 through 4. Chapter 5 examines the relationship between agriculture and the environment, starting from the proposition that while market failures can generate negative externalities, failed government intervention distorts markets and results in very significant environmental problems. It is suggested then that the solution to environmental problems lies in the proper allocation of enforceable property rights, taxation measures that internalize market failure, and allowing markets the freedom to allocate resources so that once again prices, marginal costs and marginal benefits are aligned. Chapter 6 examines globalization as the logical outcome of the deployment of comparative advantage, which is reviewed, with globalization being conceptualized as fundamentally about trade and the mutual gains that can be had from its expansion. As part of the discussion, arguments regarding the need for food self-sufficiency and fair trade are aggressively, if briefly, debunked by the authors.

Chapter 7 examines the role of agriculture and economic development, arguing that structural transformation emerges out of the gradual spread of markets and market-based resource allocation, as well as specialization based on comparative advantage. As a consequence, efforts at governing the market in order to facilitate economic development do not work, and are refuted by the authors.

Chapter 8 examines the state of global food security, stressing that the most important means of achieving food security is through broad-based economic growth that

improves production and reduces prices. This can be achieved by following what the authors call the 'standard model' (p. 176), but which is more widely known as the Washington Consensus. To this, however, is added the need to transcend institutional failure through processes of sociocultural change that balances 'communitarian and egalitarian impulses' against the need for 'broad-based development' (p. 185). Chapters 9 through 15 finally review these issues on a regional basis, before chapter 16, on the global food economy in the twenty-first century, reiterates the case for market-based, technologically-driven productivity increases.

There is a need for an undergraduate textbook that unpacks the operation of the global food economy, but *The World Food Economy* is not that book. Reducing the economics of food in the global economy to demand, supply, prices and markets is highly limiting and will, as a result, give students using the book at best a very partial picture of how the global food economy operates. This is most clearly demonstrated by the lack of attention paid — little more than a couple of pages — to the role of global corporations in the operation of the world food economy.

A student reading *The World Food Economy* will not learn that transnational agri-businesses effectively control the operation of increasingly buyer-driven global agro-food commodity chains at critical points, and in so doing capture significant fractions of the value-added in production in markets that do not operate according to competitive principles. This is done through various mechanisms, which are not examined in the book. These include foreign direct investment, technological monopolies, demand-shaping advertising, as well as the use of outsourcing schemes that have increasingly served to industrialize agriculture and cumulatively render meaningless the claim that factory farms are 'exceptional' (p. 48). In this light the claim in chapter 3 that there is little evidence of 'monopolization . . . in global agriculture' (p. 47) seems to be at odds with the evidence. By effectively ignoring the role of global corporations in the operation of the world food system, by highlighting the role of competitive markets where often few exist, and by stressing the role of family farms in a world of industrial agriculture the authors paint a picture of an agrarian world that I do not recognize.

Those taking a course using *The World Food Economy* will come out of it with very little understanding of the dynamics of a world food system that reproduces untold poverty amidst a world of unparalleled plenty.

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Ashok Chakravarti, *Aid, Institutions and Development: New Approaches to Growth, Governance and Poverty*. Cheltenham: Edward Elgar, 2005. x + 190 pp. £49.95 hardback, £19.95 paperback.

The renewed interest in development assistance that is discernible since the mid-1990s has, almost inevitably, led to a wave of criticism about institutions and modalities of aid. Published a year before William Easterly's iconoclastic *The White Man's Burden*, Ashok Chakravarti's *Aid, Institutions and Development* has attracted much less attention, but is, at least with regard to some forms of aid and various donor institutions, no less critical than the former World Bank senior economist's book. Chakravarti, himself a senior adviser on democracy and governance for the USAID/Bearing Point South Sudan

Programme and a former adviser to the United Nations, has written an interesting book based on a mix of academic work and practical experience in the area of international development.

Chakravarti's main point is that the current system of aid provision is not functioning as well as it should, because aid donors pay insufficient attention to certain political and economic preconditions of successful economic development. Most notably, in his view, aid should be used to bring about changes in institutions, governance and policies, so that successful development is possible. In order to achieve this, Chakravarti calls for the establishment of 'development compacts' between groups of donors and individual aid-receiving developing countries. Such compacts should no longer rely on promises of economic and political reform in exchange for aid (the old-style conditionalities), nor on the selection of countries with 'good governance' (so-called selectivity or *ex post* conditionality), but must be 'contractual agreements', 'based on measurable and well-defined outcomes'. Such compacts 'need to be negotiated in advance, the parameters, penalties and benefits must be known, and they must be strictly enforced' (p. 162).

Chakravarti criticizes the international aid community for not sufficiently incorporating insights from important theoretical work on development assistance and economic growth. According to him, the impact of aid, which is largely channelled through recipient country governments, has historically been limited primarily because the provision of external funds has tended to lead to additional government spending on projects and activities with very low productivity and low economic rates of return (pp. 44–5).

Multilateral and bilateral aid agencies alike, Chakravarti argues, have failed to use aid to create the preconditions for economic development. A 'new paradigm for development' needs to be adopted. In the author's view, the new paradigm implies that aid be employed to: strengthen political structures that guarantee civil liberties, the rule of law and good governance; create high-quality public institutions with an efficient bureaucracy and the capacity to control corruption; pursue stable macro-economic policies, which should lead to low budget deficits, low inflation, realistic exchange rates and openness to trade; create a market-friendly environment that encourages entrepreneurship; and stimulate private investment in physical and human capital (p. 32). The implementation of development strategies should, according to Chakravarti, not assume that 'first-best' neo-classical policy precepts will work in developing countries, as many countries suffer from structural rigidities, weak institutions and market distortions, maintained by inappropriate governments (p. 85). Rather, second-best approaches are required that take into account country-specific characteristics and aim at removing major distortions and structural rigidities before starting to implement market-based reforms.

Chakravarti directs much of his criticism for the failure to understand the preconditions for economic development at the multilateral institutions involved in development assistance, most notably the World Bank. In his view, this institution, with the International Monetary Fund, has clung far too long to notions of policy reform in accordance with the neo-classical paradigm. In this respect, Chakravarti points at what he considers to be a fundamental flaw in the international aid structure: the situation that the World Bank is at the same time an important provider of development assistance and the largest development research organization. In his view, 'it would be naïve to assume that the Bank does not have a bureaucratic imperative to use its dominance in development assistance to prove the validity of its favoured ideas and policies . . . World Bank advice on development strategies could well be based on ideological considerations

rather than a scientific basis' (p. 94). *En passant*, Chakravarti argues for the creation of an independent multilateral development research organization that could take on the World Bank's research units, as well as those of various branches of the United Nations such as UNCTAD and UNDP.

Given Chakravarti's criticism of the multilateral development organizations, it comes as no surprise that the author is unfavourably disposed toward one of the key instruments of today's aid structure: the Poverty Reduction Strategy Papers (PRSP). PRSPs are criticized primarily because they do not pay sufficient attention to the preconditions for development that were mentioned above and do not reduce the aid dependence experienced by many developing countries. Instead of the poverty-reduction approach, Chakravarti advocates the adoption of new rules for aid allocation as part of the development compacts. Such rules would imply that the type of inflows into developing countries (private investment, programme and project aid and technical assistance) would need to be determined primarily by the nature of the economy and government. Countries with a low level of distortions and with good policies and institutions could rely to a large degree on investment flows through the private sector and would qualify for programme aid. Reform-oriented countries with high distortion levels and weak policies and institutions would qualify for public-sector oriented programme aid and project aid flowing through civil society. Countries with non-reform oriented governments, severe structural problems and weak institutions and governance would need to be assisted primarily through non-governmental organizations and other civil society groups in the form of project aid and technical assistance.

Overall, *Aid, Institutions and Development* is a thought-provoking and interesting book. The argument, however, is structured in a way that makes one lose track of the book's general message relatively easily. For this reason, the book will probably appeal mainly to academics with an explicit research-based interest or to policy makers with a professional background in international development issues.

Reference

Easterly, W. (2006) *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*. Penguin Press HC: London.

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Nick and Chris Lunch, *Insights into Participatory Video: A Handbook for the Field*. Oxford: Insight, 2006. 125 pp. £15.00 paperback.

As its title indicates, this publication is a handbook presenting in a detailed manner the steps in the participatory video process. It is more a technical account than an academic reflection on these processes though it does include some thoughts on ethics. The book includes a video with numerous clips which would be very useful for teaching purposes beyond video techniques. Films made by people about their lives and communities can be fascinating and in fact, watching some of these short documentaries, one starts to understand, see and feel the transformative potential behind the techniques. These films also have an advocacy value not to be under-estimated.

For me what matters most in participatory processes is the learning that can occur for people who are part of the process. Hopefully this necessary learning experience is the first step towards empowerment. Whilst many books on participatory techniques remain instrumental and concerned only about the effectiveness of the techniques, this one has the merit of combining some basic information on 'how to' with some reflection on the 'why', 'what for' and 'whose purpose'. The book and the clips demonstrate that people learn a lot about themselves in the process of filming or being filmed; it also emphasizes the facilitation skills required to promote the learning and all along the technical process it points to multiple creative ways of ensuring that the technology never takes over the inclusiveness of the process. Throughout the book the apprentice film maker is reminded not to forget the focus of the training, which is more about empowerment through film making than about filming. And the authors suggest many practical ways to maintain the focus.

This is a very commendable book which will also offer many ideas for action research work.

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