

perceptions that shape inter-state behaviour, a limitation that reflects an analytical as much as a methodological weakness. Relying almost exclusively on secondary sources, notably academic commentaries and newspaper reports, his interpretations would have benefited from empirical insights based on primary research data, such as official policy papers or in-depth qualitative interviews with key policy-makers, to the extent that such sources may be accessible.

In conclusion, this study makes a number of significant points about the Sino-Indian relationship, notably that Indian and Chinese leaders have recognised that 'there is more to gain from cooperation and coordination than rivalry and conflict' and that their 'great power aspirations do not necessarily point towards conflict' (p. 128). His call for theoretical pluralism, namely that 'theoretical insights from neoliberalism and constructivism can complement a neorealist framework for a complete explanation of Sino-Indian relations' (p. 6) is to be welcomed. However, this study should have explored further the linkages between economic interdependence and the emergence of cooperation and dependable expectations of peaceful change. The relationship between deepening economic ties and changing military strategems deserves more critical investigation. Further, the interplay of the neorealist calculus of relative gains and neoliberal emphasis on cooperation should have been further delved into on the basis of primary research data from first-hand government sources—in other words from the people actually shaping policy on Sino-Indian relations. This is particularly important given the Eurocentric and North American epistemic origins of these theories, whose applicability in explaining Indian and Chinese strategic thinking may be questionable and/or require significant revision. Even so, Athwal draws out and contextualises a number of important developments in the Sino-Indian relationship, providing a useful reference source, while his arguments should provoke further debate, research and introspection among scholars and policy-makers in the field of international relations.

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Saman Kelegama (ed.). 2007. *South Asia in the WTO*. New Delhi: Sage Publications. 296 pp. Rs 595, \$15 (HB).

Perhaps this book unintentionally brings more clarity to an old dilemma—whether to fully embrace free trade or to be cautious and remain sector closed—than it does to its main purpose, which was to present the discussions and findings at the International Conference on 'South Asia in the WTO' that took place in Colombo, Sri Lanka in mid May 2006, and hence to explore areas of opportunity for each of the six South Asian nations in joining the World Trade Organisation (WTO).

It brought more clarity to the dilemma of whether embracing free trade is the best choice countries have, as it is clear that merely discussing the matter implies

*Journal of South Asian Development* 3:2 (2008): 297–336

an analysis of the risks associated with such policy measures. Joining the major organisation for free trading would, some argue, represent reaching higher rates of growth and therefore poverty reduction. This issue becomes important in the light of the fact that almost 40 per cent of the world's poor live in those seven countries. Yet clearly embracing openness in economic growth would come with some costs. So how far and what areas offer the best chance to have both sustained growth and low social costs was and still is a matter for academic and political discussion.

The book comprises of nine chapters, seven of which are country dedicated, the introduction, and the final chapter where a panoramic view with some recommendations are presented. In the first line of the introduction Kelegama makes the distinction between what he calls developing and least developed countries amongst the seven in South Asia. India, Pakistan and Sri Lanka are developing whereas the remaining four are the least developed. There is however no further explanation about why this distinction is made.

While it could have served as a good basis to discuss the challenges and opportunities these countries face on entering the WTO according to their degree of development, the book follows a case by case presentation of papers with no further editorial effort. Emphasis is placed on the fact that the Doha Development Agenda (DDA) shaped the discussions and directions for negotiating at the WTO.

The introduction presents the background story of South Asian countries in relation to their experience with international trade negotiations. In general it could be said that the learning curve of how to negotiate with developed countries in the WTO has been slow and expensive from the Uruguay to the Hong Kong rounds. That experience outlines the general spirit for the round ahead where one of the biggest external issues clearly is the inequality in global trading. Internally issues are of heterogeneity in the degree of development, and therefore of sector specific differences amongst countries along with political aspects that impede the formation of a consistent common position.

Three themes have been taken up-front in the argumentation of the book as perhaps the most important factors that could lead to a common regional negotiating position. They are: the agricultural issue, whose dynamism in the region is rather uneven and needs further country to country revision of needs, the desire of enhancing non agricultural market access and finally the services liberalisation process. While this structure adopted in the India chapter provides the reader with a fairly good idea as to what the negotiating position of the country is exactly, unfortunately this way of exposition is not common to the rest of the chapters.

For example agriculture that is a highly sensitive topic to all countries differs in a number of aspects: to begin with, in country sizes and hence land availability that goes from an enormous country such as India to some of the smallest in the region such as, say, Bhutan. Secondly, in the level of intervention governments have in the sector via subsidies, India for example relies less on transfers and more

on tariffs in order to protect its sector. Hence its position is rather hard towards the elimination of tariffs in developed countries so that they can compete under relatively equal terms.

India's interest regarding agriculture, it is argued, owes to the fact that more than half of its population (about 650 million) depends on agriculture and related activities and that poverty in rural areas is higher and more severe in comparison with urban areas. In addition, India's agricultural competitiveness is based on its high elasticity of labour and low wages. A large number of people earn low incomes, hence enhancing the severity of poverty. These facts put India in a difficult position to negotiate, as a slight movement towards opening the sector to foreign imports would drag millions into further impoverishment, although having higher rates of growth. Major threats facing smaller countries have to do with lack of action to prevent agricultural goods from filling gaps in internal production. Hence necessities differ from one country to another and reaching agreement as to what to put on the table becomes a major regional issue.

Apart from the India chapter, the rest of the book is presented in a rather descriptive way. Emphasis is placed on highlighting export–import dynamics with relation to areas of opportunity as an alternative to sectors with low production, hence low capability to supply internal demand. A good example of this, although not very clear, is Pakistan's agricultural sector where lack of production leads to tariff free imports. Just to mention one of the tables aiming at presenting the picture of the Pakistani economy, Table 3.6 (chapter 2) describes the structure of countries that are the 'major sources of imports'. In the later periods this table only explains about 40 per cent of the imports and 60 per cent is left to 'other countries' category which can be misleading.

Unlike agriculture, it is a common desire across the region to further improve non-agricultural market access. Again disparities are obviously a factor stopping a common position, although the perception is that, unlike agriculture, agreements are at reachable distance with relatively little effort. The textile sector seems to be a common axis that brings the region together.

In addition, services liberalisation seems to be an area of opportunity that needs further consolidation. Recent trends show that in most countries in the region the services sector contributes about 50 per cent to the nations' GDP. Further regulation is needed as most of these activities are poorly regulated. The book offers explanations for possible modes services negotiation could go: mode 1, cross-border transfer; mode 2, movement of customers to the source of service supply; mode 3, service supply through commercial presence; and mode 4, movement of natural persons. Negotiations at WTO seem to point towards mode 4 with emphasis on allowing movements of skilled persons rather than the general public.

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