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– *Tara Iyer*

Saman Kelegama (Ed.), *Trade in Services in South Asia: Opportunities and Risks of Liberalization*, Sage, 2009, pp. xiv+306, Rs 750.

SOUTH Asia is a dynamic and vibrant region. Member countries are blessed with natural resources and favourable factor endowments. Yet the economic progress the region has fostered so far, is slower compared to East Asia. Reasons are many and varied. Socio-political factor is an important one. It's largely known to the researchers what has been the research mandate of this book, yet a holistic approach to any research problem encompassing socio-cultural and political economy provides a better judgement.

The book is a collection of essays which throws adequate analysis on the specific sector of the region. It details the importance of services sector in world economy and focuses on the opportunities and risk that are associated with the sector. It provides set of policies and strategies for various stakeholders to strike at opportunities and guard themselves with a sense of caution wherever it is necessary.

The book has dealt with the discipline in length and breadth and extremely useful from research point of view. Yet, it has not touched all the aspects. The book has been divided into many chapters. While going through Chapter 1, an interesting observation was made that a significant barrier to growth of trade in services is the lack of free flow of information. The author has highlighted the point to an extent where one understands that such dimension is critically dependent on the progress that developing countries would make in this sector. Their inability to provide a sophisticated aggregate information data bank

compels them to lose out potential gains that they would have accrued. In the current scenario such dimension may temporarily have been off the shelf because the global financial crisis has significantly affected the world-wide services sector. As theoretically services sector banks on intensive information driven process, such dimension will gather momentum soon. Time for developing countries to streamline this process in order to capitalize on future gains.

The author further has touched upon a point which needs systematic efforts to be made by SAARC countries. As most South Asian countries are strong in this sector, SAFTA is a viable forum to expand its scope. Political will and economic desirability should be there to bring this potential sector under the SAFTA framework sooner as there is a perception that South Asian region has more services complementarities than goods. The region remains largely unexplored.

There has been an extensive coverage on India's services sector. The potentialities and the gains that India has achieved in global trade services have been analyzed in a more comprehensive manner. Any case these dimensions are very much familiar to the people who have been consistently working on this sector. What is perhaps significant mentioned in this Chapter 2 is that there are large areas of similarities and complementarities among SAARC members in relation to services trade which can be mutually exploited to enhance their growth. However, the region by and large is a sensitive one and to make a decisive beginning in any cluster of services needs a strong political will and proper institutional and regulatory mechanisms. As is largely understood now that trade and investment are complementary in nature, therefore it would be an appropriate initiative to include investment and services as key areas of future discussions in any SAARC forum.

Services sector in *Pakistan* is growing and contributing to its GDP and employment. Being part of the South Asia, it continues to experience similar kind of buoyancy in services trade, but unable to accelerate its momentum. That's because the push that needs to come from the government or the state seems to be lacking. Pakistan is yet to create mechanism which can provide some statistics that is essential while formulating policies for prioritized sectors. Pakistan needs to follow the policies of other SAARC countries closely to realize how the sector can be a viable mechanism to register high growth.

Opportunities are huge in *Sri Lanka* to promote trade in services. However, it is observed that to convert these opportunities into real gains Sri Lanka has to undertake domestic reforms. It expects its ITES has a great potential and this needs to be harnessed. BPO sector is a sunrise industry and it currently lacks skilled talents to exploit those opportunities. For Sri Lanka, it's a supply constraint market. Lack of IT savvy and English speaking professionals are

becoming great obstacles to rise in BPO sector. Another significant aspect of Sri Lankan economy is that many firms are capable of delivering relevant services abroad but they are faced with serious barriers. The non-tariff barriers they face are curtailing their future growth. There is a need to undertake an extensive study to find out what are the barriers that these firms face in terms of investment and providing services abroad. It becomes the duty of Sri Lankan government to take its industry's concerns into appropriate forums to abolish or minimize such obstacles.

Bangladesh is a major Asian LDC. As current world economy is characterized by services sector, Bangladesh has managed to capitalize on these opportunities better than its African counterparts. There is a significant scope for Bangladesh to promote its mode 4 as skilled and English speaking professionals can deliver services at cheaper prices to world economy. The book has clearly delineated significant aspect of this dimension.

Nepal's challenge lies in prioritizing its sectors from which it should benefit maximum through the liberalization of trade in services. It's still a nascent economy trying to integrate itself with the world economy. Its slow process of integration is due to its long drawn political volatility and instability. The Chapter in the book doesn't capture this dimension which is important otherwise to be highlighted. Development and prosperity in Nepal is directly linked up to this issue. There is a massive movement of Nepalese from the mainland to other neighbouring countries like India where menial services are provided by these people. Such services however don't get reflected anywhere in Nepal's economy or statistics. How to quantify this service is a big challenge for Nepal.

Tourism though has been mainstay of *Maldives* economy, yet the island has opened up its various sectors by taking unilateral liberalization. Import of foreign labour is an important issue in the policy formulation of Maldives. It would have been interesting to know how the issue of foreign labour has impacted the aspect of domestic employment. This is one area which the book hasn't dealt with.

Chapter 8 focuses on *Bhutan*, a lower income country in South Asian region whose strength lies also in tourism. The economy is closely aligned with India by its strong trade and monetary links. Its late start to modernization and subsequently through a stable and careful government approach, the economy remains in a considerably underdeveloped state. 85 per cent of the population derives a living from agriculture and other activities in the traditional sector. Today in relation to services trade scope for financial and IT related services exist which needs to be systematically developed through domestic reforms and international help. The book provides a sketchy coverage of the economy.

The book brings into limelight the potentiality of trade in services in South Asia. It is perceived that region has a lot to benefit from this sector by undertaking liberalization in services. However, it provides a sense of caution that while trying to undertake and implement policies for trade liberalization in services, individual country and the government must ensure that such policies do not result in severe unemployment or social problems. The successful country will be that which simultaneously controls or prevents any harmful effect on society while trying to adopt measures to benefit from trade liberalization in services.

The compilation provides deep insight into the offensive and defensive interests in trade in services of the whole region.

Gerard Roland (Ed.), *Privatization: Successes and Failures*, Columbia University Press, 2008, pp: xix+231, Price: not mentioned.

Privatization has never been an easy task to handle for any government. Conceptualized as a better alternative to the public owned management, the subject aroused enormous passions during its initial days. Right conservative leaders like Ronald Regan and Margaret Thatcher spearheaded this movement in the 1980s. UK soon became the hot bed of this drive, though simultaneously witnessing demonstrations and rallies by politically sensitive party. Some by then had conceded to the fact that concept of welfare state in UK was fast losing its character. However, the success stories of English firms like British Petroleum, Jaguar Cars, English Channel Ferry Service, etc. had glorified privatization to such a large extent, global institutions like the World Bank and IMF had sought to prescribe privatization as the immediate answer to the governmental or publicly owned management failure. The issue soon gained legitimacy and was driven to the centrestage of global economic policies.

As most of developing and transitional economies were still struggling with low productivity and growth in the late 1980s or early 1990s, they were still wary of taking a plunge. Bold initiative came from the Latin America when Chile, Bolivia, Brazil, Argentina and Mexico swung into action by adopting privatization as a key initiative of their reform process. Latin America was ahead of such reform process compared to Asia and Africa. The article by Antonio Estache and Lourdes Trujilo has captured every bit and pieces to demonstrate what sequential and necessary privatization policies were pursued in different countries of the region. The article has brought out new insights to say that all is not well with privatization. A striking example has been when