

Shorter Notices

Noureddine Berrah, Fei Feng, Roland Priddle, and Leiping Wang. *Sustainable Energy in China: The Closing Window of Opportunity*. Washington, DC: The International Bank for Reconstruction and Development/The World Bank, 2007. 273 pages. Paperback. Price not given.

China's energy sector has accomplished a lot after the launching of its economic reforms programme in 1978. Despite periodic electricity shortages, the energy supply has broadly met the needs of the country's expanding economic activities. In large part the credit goes to major shifts in energy policy. These policies paved the way for competitive market system after the disintegration of state monopolies in the hydrocarbon and power sub-sectors. Despite impressive achievements in the energy sector, policy-makers are facing serious concerns about the country's future needs of energy. There are five major issues: massive future energy demand could pose major issues technically and in relation to resource adequacy; attempts to meet these demands could result in unacceptable environmental damage; dependence on oil imports and electricity shortages could seriously disrupt the economy; increased divide between energy policy needs and regulatory oversight; and China's energy and environmental institutions do not meet the country's needs.

This book-cum-report assesses China's future energy requirements and the resources required to meet them. It is divided into seven chapters. The first one is Introduction. The remaining six chapters focus on future energy demands, efficiency in the use of energy, environmental impacts of huge prospective energy growth, energy security, and getting right the pricing fundamentals of the sector.

The in-depth analysis here concludes that for sustainable development of the energy sector, a national energy policy is required to cover four main areas: to ensure efficient use of energy to keep energy consumption growth lower than economic growth to the greatest extent possible; to make optimum use of the country's sizable energy resources; to safeguard the environment from the adverse effects of energy production, conversion, and consumption; and to make vital energy installations more secure and be better prepared for supply disruptions.

This book is a useful guide for policy-makers in the developing countries.
[Afia Malik]

Competitiveness Support Fund. *The State of Pakistan's Competitiveness 2007*. Islamabad: Ministry of Finance. 85 pages. Paperback. Price not given.

Globalisation is an economic reality. Whether Pakistan benefits from or is a victim of globalisation will depend on its competitiveness. Competitiveness is a key to economic growth. The Global competitiveness report presents Business Competitiveness index and Global Competitiveness index which are most commonly used measures of competitiveness.

The State of Pakistan's Competitiveness Report 2007 is the first ever state of Pakistan 's competitiveness report. It provides an overall glimpse of Pakistan economy and prospects of growth based on Global Competitiveness Report. The objectives of this report are to present the global competitiveness rankings for Pakistan, to explain these results and to focus attention on potential areas of priority for improving competitiveness over short to medium term. The report provides country's ranking in Business Competitiveness Index (BCI) and Global Competitiveness Index (GCI) in 2006-2007 Global Competitiveness report. The gap between country's performance in these two rankings is explained by country's low scores in health and education, which are a part of GCI but not BCI.

The report is quite beneficial in understanding Pakistan's performance based on nine pillars of GCI. Nine pillars are institutions, infrastructure, macroeconomy, health and primary education, higher education and training, market efficiency, technological readiness, business sophistication and innovation. The report will foster broader understanding of Pakistan's competitiveness challenges as it documents strengths and weaknesses of the country based on GCI.

The report consists of four main sections. The topics covered are enabling Pakistan's ranking, enabling Pakistan's competitiveness, catalysing provincial development and looking forward, moving forward. The report presents specific recommendations to improve competitiveness. It specifically provides guidance by presenting four major strategies that can impact Pakistan's ranking among nations. If these strategies are implemented, Pakistan can improve its future ranking.

The overall comprehensive analysis gives a good snapshot of the strengths, weaknesses, and priorities to leaders, researchers, bureaucracy and policy-makers. It may help Pakistan to benchmark progress from year to year. [*Uzma Zia*]

Asian Development Bank. *Asian Development Outlook 2007, Growth-aimed Change*. Printed in Hong Kong, China, 2007. 371 pages. Paperback. Price not given.

Developing Asia's performance was exceptional in the year 2006. Regional GDP grew at 8.3 percent. The favourable external environment was responsible for growth which was fastest since 1995. The report presents highlights of Asian development on the developing member countries by focusing on performance in 2006, international outlook, prospects for developing Asia, challenges and risks. It gives a good assessment of recent economic performance for 43 developing member countries in developing Asia and the Pacific. It provides projections for major macro economic indicators for 2007 and 2008.

The outlook of the major economies is the most interesting part of the report. Sub-regional summaries involve Central Asia, East Asia, South Asia, South East Asia, and the Pacific. The report analyses the performance of developing Asia and presents some comparisons with other economies. The graphical analysis given in this report is supported by recent data. Most of the macro economic indicators are explained by using bar graphs, pie charts, and line graphs which captures the attention of the readers. It specifically provides a clear picture of new challenges and risks. A review of ten years after the crisis is a good addition, which gives facts and figures about investment and growth and governance indicators.

The report consists of three main parts. The first part presents a snapshot of developing Asia and the world. The second part is about economic trends and prospects in developing Asia, and the third part focuses upon growth aimed change. Statistical notes and tables are given in the end. The book will benefit the readers interested in world economic performance, and macroeconomic indicators of the Asian economies. [Uzma Zia]

Edward Whitehouse. *Pension Panorama: Retirement-Income Systems in 53 Countries*. Washington, DC: The World Bank, 2007. 234 pages. Price not given.

This book examines in details the facts and analysis of retirement-income systems in 53 countries around the globe. It describes pension systems and reforms in a cross-country comparison as well as an analysis of each country. As reform in pension systems is a vital policy issue in all countries, it seeks long-term planning by governments faced with several short-term factors. Pension systems at the national level are very complicated and difficult to compare with one another. There are institutional, legal, and technical factors that could make it impossible to transfer policy lesson between countries. This study is an effort to combine meticulous analysis with clear empirical investigation, but it does not support any particular kind of pension systems and reforms.

The first part of *Pension Panorama* compares the pension system across the countries. It consists of eight chapters that describes the parameters and rules of pension schemes and calculates the value of pension entitlements for workers at different levels of earnings. The second part proceeds country by country. It consists of five chapters that separate the analysis of each country in different regions. More detail on the parameters and rules in each country is provided, and country-specific results for pension entitlements are given.

The study suggests that the 53 countries have much variety in retirement-income systems. They differ in target replacement rate, redistribution and pension adequacy replacement rates, design of pension-oriented policies, and also in the relative role of the public and private sectors in pension systems. Of course these and other countries can learn from one another in designing and reforming their pension system. This study certainly facilitates transmission of constructive policy lessons between the countries. [Naseem Akhter]

Nagy K. Hanna. *From Envisioning to Designing e-Development: The Experience of Sri Lanka*. Washington, DC: The International Bank for Reconstruction and Development/The World Bank 2007. 222 pages, Paperback. Price not given.

In today's globalised world, all the countries, particularly developing ones, seek to connect to the Information and Communication Technology (ICT) revolution to develop public services, share local and global knowledge, and contribute to the growing global software and IT-enabled services industries. These developing countries face various obstructions in the access and use of ICT for e-development, and for a share of the knowledge economy and information society. So there is a need for practical guidance to translate the visions of information technology-enabled development into sound strategies and investment programmes, which have been missing from the literature on ICT previously.

This book documents the process of designing comprehensive e-development strategies and their early implementation for Sri Lanka. This is the first of the two volumes that focuses on preparation and design issues, and captures the useful knowledge generated in the process of designing e-development programmes. It also identifies the challenges in realising that potential. The second volume will cover the key elements of the strategy intended to transform government and empower communities.

After discussing the process and nature of e-Sri Lanka strategy in Part one, the book then looks at the potential for growth in the software and information services sector. In this regard, it concludes that Sri Lanka has the potential to develop competitive advantage and an attractive niche of the ICT industry; and the industry may be promoted and selectively supported because of the market failures that abound in the ICT industry. It also includes methods to develop workforce and to promote local and export markets.

Lastly, in the third part, the book examines how to extend access to an affordable information infrastructure for everyone with a special focus on those living in rural areas. The solution encompasses several parts: reforms to create well-functioning market in ICT services; demand-side measures such as setting up telecentres; and least cost subsidies awarded through competitive auctions. Telecentres programme is seen as a first step in extending the benefits of ICTs to marginalised groups and ultimately increasing economic growth and poverty reduction. It also proposes ways to address both the opportunities and the challenges facing the telecentre programme.

In a fast moving field like ICT, reporting the process and designing can guide other countries to prepare their programmes accordingly. In the end, the success of the e-Sri Lanka programme depends not only on its design but also on the local environment and capacity for implementation. Deterioration of the political environment or peace or political interference in the working of ICT agency, could be some of the major barriers in this regard. [*Nadia Zakir*]

L. A. Winters and S. Yusuf (ed.). *Dancing With Giants: China, India and the Global Economy*. Washington, DC/Singapore: The World Bank and Institute for Policy Studies, 2007, 272 pages. Paperback. Price not given.

In recent times, China and, more recently, India have occupied centre-stage in the eyes of the general public. This coverage has touched upon issues ranging from the consistently strong growth performance of the two economies to their impact on the global economy. In particular, with the crisis in the global financial market and spreading recession, eyes are turning to the East; more specifically to China, to help bolster other economies in the grip of the current turmoil. On the other hand, media coverage has, by and large, focused on the regional disparities that exist within the countries.

A collection of essays on this theme, the present book, *Dancing With Giants: China, India and the Global Economy*, presents a critical view of the growth of China and India, and considers several pertinent questions in this context. Where has the growth been occurring within these countries, and is it sustainable? Who has benefitted from the growth? What are the implications for the global economy? The latest data and analytical tools are used to tackle these questions with emphasis on growth, the global financial system, inflation and CO₂ emissions, and several findings are highlighted.

Most economies around the world will have opportunity to benefit from the growth and increased trade flows of the two Giants. However, the manufacturing sectors of these economies will have to adjust to compete with Chinese exports or take up the slack as Chinese product sphere shifts to higher technology products. There is a danger that these adjustment costs may outweigh the benefits for some Asian economies if they are not flexible enough to adapt to the changing economic environment.

Though the Giants will cause an increase in commodity and energy prices, they are unlikely to cause an increase in oil prices. The Giant's share in the global financial system will increase with further liberalisation efforts. There are also indications that the rates of reserve asset accumulation will fall, and China will adopt measures to reduce its current account surplus. Carbon emissions from the Giants are expected to grow, more so if the economic growth being experienced is not coupled with increased efficiency in energy use.

This book has also tackled the question of how other countries should respond to the opportunities and challenges emerging as a result of China and India's expanding role in manufacturing and services sector. In a nutshell, a country that is able to provide an environment that is conducive to investment while simultaneously investing in infrastructure and human capital, will be most likely to benefit from the rise of the Giants.

There are some relevant and specific conclusions drawn of the implications for middle income countries (among others) that are worth highlighting. Asian middle income countries that have served as staging areas for MNCs production efforts face the biggest challenge since China is most likely to expand into their product space. Wages in these countries are higher than in China and India even though education levels are comparable, so firms in these countries will have to enhance their efficiency levels and compete more effectively with those in the Giants in order to survive.

In conclusion, the book presents a complex issue in easily understood terms. Its seven chapters offer a clear, thoughtful, and detailed analysis of Chinese and Indian growth prospects and their much-feared impact on the development of poor countries and impoverishment of the developed countries. [*Usman Qadir*]

G. Batra, D. Kaufmann, and A. H. Stone. *Investment Climate Around the World: Voices of the Firms from the World Business Environment Survey*. Washington, DC: World Bank Publications, 2003, 154 pages. Paperback. Price not given.

Investment is known to have a crucial though oft-understated role of investment in economic activity, not only at the macro level (as evidenced by the aggregate demand relationship) but also at the micro/firm level. In particular, the behavioural role of investment at the micro level often escapes scrutiny, even though it is understood to be a key driving force behind a firm's ability to continue competing in an ever-changing environment. Against this backdrop, the book "Investment Climate Around the World: Voices of the Firms from the World Business Environment Survey" examines investment in a non-traditional fashion and studies the "voices", or perceptions, of firms regarding segments of the business environment impinging on their investment decisions.

The study is the product of the World Bank Group's Innovation Marketplace initiative, launched in 1998 and implemented through the World Business Environment Survey (WBES). Given the lack of any consistent and reliable survey or assessment of the business climate in a global context, the purpose of this project is to conduct systematic investment climate assessment via survey-based methods across countries/regions and over time. The book appears distinctly ambitious in scope. The data presented are the result of a research effort encompassing 80 countries and one territory. At the firm level, they provide a summary of the responses of more than 10,000 enterprises in a highly standardised form.

The first chapter provides a background to the importance of "listening" to firms' voices by focusing on general constraints affecting the growth and operation of the firms surveyed. In particular, the authors highlight the following four significant impediments; taxes and regulations, financing, policy uncertainty or instability, and inflation. Worldwide generalisations obscure differences across regions, particularly between industrialised and developing countries. As expected, the latter appear to pose a serious challenge in terms of corruption and infrastructural support, elements which are absent in the industrialised countries. It is worth mentioning that firm size is seen as having an influence on the type of constraints faced by firms.

The second chapter addresses the quality of public services with particular focus on overall government efficiency and the quality of specific public services. In developing countries, there seems to be a strong concern about the effectiveness of parliamentary institutions, departments responsible for public works and roads, and the judiciary and the courts. Again, firm size is identified as a factor facilitating/impeding environmental adaptation.

The third chapter is most interesting as it analyses the relationship between environmental constraints and enterprise performance in a quantitative fashion, employing sophisticated econometric techniques in the process. The findings illustrate that enterprise performance is significantly and positively correlated with environmental constraints. Moreover, small firms are seen as the most vulnerable in this scenario; private ownership, recent origins, foreign direct investment (FDI), and domestic orientation reinforce the comparative disadvantage. By contrast, large, state-owned, older, and export-oriented firms, which attract FDI, are less adversely impacted.

This is an excellent and detailed study that can have many pertinent policy implications. However, a detailed discussion of these implications is lacking, though understandable, given the fact that the survey covers the entire world and policy prescriptions are unlikely to be effective at the global level. [*Usman Qadir*]

MENA Development Report. *Making the Most of Scarcity: Accountability for Better Water Management Results in the Middle East and North Africa.* Washington, DC: The World Bank, 2007. 235 pages. Paperback. Price not given.

This report is the fifth in a series of flagship Development Reports that highlight key challenges facing the Middle East and North Africa region. Water in the Middle East and North Africa region is a source of major social and economic problems. The situation is likely to become even worse in the future unless current practices change: by 2050 per capita availability will fall by half, water quality will deteriorate further. Due to climate

change the situation will worsen further by increasing temperatures and causing more droughts and floods.

This report argues that social, economic, and budgetary consequences will be enormous if MENA countries did not adapt to meet these combined challenges otherwise. Cities will come to rely more and more on expensive desalination and will have to rely more frequently on emergency supplies. Service outages will put stress on expensive network and distribution infrastructure. In irrigated agriculture, unreliable water services will depress farmers' incomes. The economic and physical dislocation associated with the depletion of aquifers or unreliability of supplies will increase. This will exacerbate tensions within and between communities, and will put increasing pressure on public budgets. All of this will have short and long-term effects on economic growth and poverty.

This report suggests ways in which countries within their current political and economic realities can make changes to lessen these problems. The report sounds an optimistic message that water management reform is possible and can be effective in meeting the challenges of water scarcity.

Comprehensive water reforms have been put forward by water professionals for years and many countries have improved their water policies and institutions but still some of the most politically sensitive elements of reform remain untouched. This report suggests that a series of factors are now emerging that represents a potential opportunity to break this deadlock. Three things will ensure the potential to become reality: Recognising that water policies cannot act alone; but that water outcomes are often determined by other sectors, such as trade, agriculture, finance, and energy; Adopting reforms that respond to the dynamics of the political economy, and selecting policies and practices that make government institutions and service providers more accountable to the public.

The report is divided into five chapters. The first chapter sets water management within the context of economic development and shows how countries need to allocate both water and fiscal resources more efficiently. The second chapter discusses the progress seen in the region and problems remain. It highlights areas in which the region is in vanguard worldwide but still many problem remain both inside and outside the sector. Chapter three focuses on the drivers of the political economy of water reform. It said that necessary reform is often stalled because policy-makers perceive that the benefits to be less than the political costs of actions. However the circumstances outside the water sector are changing and it could potentially open up the political space for water reform. Chapter four argues that accountability is an important factor and without appropriate accountability mechanisms benefits could not be accrued out of the changing political circumstances. Chapter five suggests ways forward. Major changes will involve for developing an equitable, flexible and efficient water management system. It outlines different initiatives that helped other countries improve institutional capacity and external accountability.

This well-written report will be of interest to those working in the areas of agribusiness and markets, agriculture, urban and rural development, water supply, and water resources, as well as to policy planners in the areas of environment, economics, and social protection. [*Muhammad Jehangir Khan*]

Alex F. McCalla and John Nash (eds.). *Reforming Agricultural Trade for Developing Countries: Vols. 1 & 2.* Washington, DC: World Bank, 2007. 308, 261 pages. Paperback. Price not given.

This is a two-volume set comprising papers first presented at a workshop “The Developing Countries, Agricultural Trade, and the WTO”, which was jointly sponsored by the International Agricultural Trade Consortium, the World Bank, and Agriculture and Agri-Food Canada. *Reforming Agricultural Trade for Developing Countries* seeks to answer questions confronted in the ongoing Doha Development Round of World Trade Organisation negotiations. It mainly focuses on the influence of developing countries, at least in part due to their large and growing share of world trade. But whether this increase influence will translate into an agreement that is truly development friendly? It also focuses on the key ingredients of such an outcome of the negotiations and its relevance to the developing countries.

The first volume is subtitled ‘Key Issues for a Pro-Development Outcome of the Doha Round’ is issue-oriented. It mainly focused on specific concerns being confronted in the agricultural negotiations and setting the stage for dealing with them to arrive at final agreement that spur growth and reduce poverty in developing countries. The first chapter provides a summary of some of the issues that are fundamental to the Doha negotiations themselves and to the eventual implementation of the agreement. The rest of the volume is in two parts. The first six chapters address selected issues in Doha of particular importance to developing countries. The final two chapters examine country experience.

The second volume *Quantifying the Impact of Multilateral Trade Reform* comprises chapters that modeled trade reforms through different approaches and quantifying the resulting benefits and costs to different players in the negotiations. This volume is comprised of eight chapters. The first chapter provides a summary of some of the issues that are fundamental to the Doha negotiations themselves and to the eventual implementation of the agreement. The remaining seven papers present six different analyses of potential impacts of liberalisation.

This two-volume set is an important contribution to understanding the ground realities confronted in the Doha Round negotiations. It will be useful to policy-makers and stakeholders as it puts important analytical work in the public domain and may help improve the chances for a pro-development outcome of the Doha Round negotiations. [Muhammad Jehangir Khan]

Jennifer Bennett (ed.). *Scratching the Surface: Democracy, Traditions, Gender.* Lahore: Heinrich Böll Foundation, 2007. 369 pages. Paperback. Price not given.

This book collects short articles on democratic processes and concepts in South Asian countries like Afghanistan, Bangladesh, India, and Pakistan and provides an insight into the multifaceted nature of democracy and its complex demands. It looks into greater detail the conceptual anomalies, the structural inequalities and ethical defects, especially in the context of South Asian countries. It deliberates on how institutions and power are structured and distributed, and how these, as a process, have denied the real voices and spaces to the people. The book is divided into three sections. Section One is divided into

four sub-sections with the title of Traditional Societies and Democracy with a Citizen Approach to Development. This section focuses on aspects of citizenship while analysing the relation between traditional societies and democratic development. This section also provides insights into different aspects of the citizen, as the defining principle or people's agency, voice, and participation. Section Two is divided into five sub-sections with the title of Cultural Violence, Legal Pluralism, and Women's Rights. The nature of politics and democracy in many developing and traditional societies is complex. The complexity is embedded in the traditional ethics, norms, and practices of the societies, which, in the contemporary world, are pitted directly against the forces of the modernity and its ruling ethics. The section analyses this complexity by providing some of the theoretical concepts and explanations expounded by different scholars, who highlight power and violence, directly impacting women's lives. Section Three, 'Local Structures and Decision Making', is divided into eleven sub-sections. Experience shows that without including traditional forms of society in the national development process, the project of constructing a more inclusive form of democracy remains meaningless. Locating traditional structure within a democratisation project signifies dealing with several policy dilemmas. This section identifies the factors necessary for analysis, while discussing the theoretical aspects and characterisation of the experiences, within the socio-cultural context of the countries like Afghanistan, Bangladesh, India and Pakistan.

This book reflects various aspects of the democracy, traditions, and gender, and will be useful to those interested in further research in this field. [*Nasir Iqbal*]