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There is often a disjuncture between political economists and development economists in their view of a country's process of liberalization, the impacts of national reforms on local life, and the successes and failures of trade on a country's poor. The authors of *Trade Liberalisation and Poverty in South Asia* argue that economic liberalization, generally, and trade policy reforms, specifically, have a role in the success (or failure) of economic performance poverty reduction efforts in South Asia.

The book can be divided into three parts. Chapter 1 sets the stage with some reflections of the relevance of analyzing the interrelationship between trade liberalization and poverty in the context of South Asia. Editors Athukorala, Bandara, and Kelegama place an emphasis on how South Asian countries have often turned to import substitutions due to the ideological value of such a strategy and its potential to help move developing countries away from commodity-dependent economies, which were allegedly created strategically by ex-colonial powers. The ability of (particularly small) South Asian countries to implement reforms that enable them to promote their domestic products while achieving economic independence from former colonial powers as well as from other regional and international powers remains a key struggle that is highlighted and revisited throughout the book. At the source of the book, there appears to be an underlying question: By understanding the liberalization process of a country, can we begin to understand why poverty is created and sustained? And further, can trade liberalization act as a potential solution to reducing poverty?

In Chapter 2, Bandara goes on to theorize the trade-poverty nexus while discussing lessons learned from other countries. Bandara rightly points out that the biggest difficulty with linking trade and poverty is that doing so relies upon the assumption that trade leads to growth, which is further presumed to lead to poverty reduction. However, such postulations leave out complex understandings of globalization and poverty and tend to create a linear result. Further, an in-depth literature review demonstrates that the search for a direct link between trade and poverty is elusive, as some research has shown that trade liberalization has decreased poverty, while other liberalization policies have increased poverty, thus making it impossible to see trade liberalization as a "magic bullet" for poverty reduction. However, this may be also seen as given, as no single factor could possibly begin to address as broad-based and challenging an issue such as poverty.

The third part of the book then consists of discussing the "problematique" from the perspective of seven South Asian countries, namely, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. Each country chapter focuses on themes such as the history of trade liberalization in the country as well as some specific objectives that were targeted; trends in trade, poverty, and inequality; and conclusions and policy recommendations.

How does one begin to implement trade liberalization and ensure that other reform processes follow suit? The Bangladesh case has shown that a lack of institutional reform alongside trade policy reform has made it challenging for the country to significantly contribute to economic growth and poverty alleviation strategies simultaneously. Thus, one challenge of implementing trade liberalization is ensuring that complimentary reform processes go hand in hand with one another.

The book highlights that in order to get out of the "dependency trap," countries often place an emphasis on limiting imports to key goods while focusing on the export

of important domestic products, despite some adverse effects. For example, the Bhutan chapter shows how despite an impressive rapid growth of exports, the country's dependence on imports and its small market continue to be inhibiting factors for the country to achieve a more liberal economy. Its reliance on trade agreements with Bangladesh and India and its over-dependency on public sector investment and on sectors such as construction and hydropower prevent it from diversifying its economy and adequately addressing poverty and unemployment.

The Maldives chapter, in contrast, outlines how even small countries with an economy based on few sectors (tourism and fisheries) can achieve rapid economic growth and trade liberalization while addressing poverty. However, although GDP growth has been exceptional in the Maldives and there exists a visible link between trade liberalization, economic growth, and national poverty reduction, there is still a need to diversify the country's economy towards other industries. Further, poverty reduction has not been effective nation-wide due to the geographic disparity between the capitol, Malé, and the islands of the atoll (which affects access to transport, services, markets, price reductions and better quality commodities); a dependence on an expatriate labor force; and a lack of skilled local labor.

The chapter on India shows how the country's export and import trade has grown at an extraordinary rate, making it number two in the world for the fastest growing economy. The authors of this chapter ascribe this to the positive impact of liberalization measures such as the diversification of key sectors like agriculture, manufacturing and services; a competitive labor market; and a reduction of custom tariff rates. However, does an effective trade liberalization process equal poverty reduction? Not necessarily. The India chapter demonstrates that different sector reforms lead to distinctive impacts on the poor in terms of employment and wage rates. Thus, despite possessing a diverse and high growth economy, India's ability to address poverty reduction through trade liberalization remains relatively minimal, showcasing the difficulty in attributing high trade reform to low poverty indices.

The Nepal case demonstrates that it is possible to reduce absolute poverty while experiencing low economic growth. One of the factors behind Nepal's reduction in poverty levels despite conflict and low growth can be assigned to the country's high level of remittances that families receive from workers abroad. However, the author stresses that there remains an inconsistency between urban and rural poverty in Nepal, with the latter experiencing a slower decline from 1996-2004. Further, it is mentioned that while national poverty might be reduced, such a reduction in national poverty may in fact cause higher income inequality as the gap between rich and poor becomes wider.

While the liberalization-poverty nexus is discussed in detail in each case study, there appears to be a lack of analysis in some chapters of how conflict has played a role in these issues. The Nepal chapter, for example, does not take the country's political crises or conflicts into consideration when analyzing the successes and failures of the trade liberalization processes. Considering this nation's history of conflict, this is a rather glaring omission.

Sri Lanka presents an exceptional case in which, despite a twenty-six year civil war and macro-economic challenges, GDP growth and macro-economic reforms have remarkably been sustained. While the interrelationship between political leadership and economic reform is highlighted, the chapter, like that of Nepal, fails to adequately take the conflict factor into account. However, the authors feature key insights into how trade, industrial employment, and poverty reduction have been successful in some geographical regions and sectors. Comparatively, they explored how other major sectors such as garment manufacturing and tea production have not only been

unsuccessful in reducing poverty but have instead contributed to its exacerbation.

The Maldives chapter discusses how the country's economy is extremely susceptible to external shocks such as economic crises or security issues. At the time of writing, the country was facing a crisis of leadership and violent riots after a presidential coup, which was having an effect on its main service industry, tourism. This will undoubtedly have an impact on the country's economy generally and the distribution of income within the tourism sector specifically.

The Pakistan chapter is one of the few chapters that does explicitly discuss the way in which conflict and political crises made the country vulnerable to shocks and how such crises have affected the country's ability to establish reliable trade partners, implement economic liberalization policies, and ensure competitiveness in South Asia. Moreover, the authors acknowledge the impacts that financial and political instability have had on Pakistan's poor particularly vulnerable with limited access to markets. The inclusion of politics and conflict as analytical factors in this chapter helps provide a more in-depth look into not only how but also why the country's economy has fluctuated the way it has.

The chapter on Pakistan notwithstanding, the book generally lacks an in-depth reference on how conflict and political crises have affected the economic development and policies in most of the South Asian country cases. While conflict should not take center stage in the discussion, it is undoubtedly a key factor that, when present, contributes both to the impact of trade liberalization reform as well as poverty reduction strategies. Additionally, although mentioned in a few of the chapters, there are also other factors that would have warranted more emphasis as related to the trade-poverty nexus, including gender, caste, religion, and spatial issues as all of these issues have an impact on one's access to wage rates, employment, and resources.

As there is a dearth of statistical and empirical data analyzing the trade-poverty nexus, there remains a need to continue to carry out both quantitative as well as qualitative research on this topic. This book is an important contribution to literature on understanding how trade liberalization in South Asia has developed, but more specifically, how this has had both a positive and negative impact on poverty reduction in these contexts.

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