indifferent to having paternity leave, those who articulate the ideal and reality of fatherhood think otherwise; and (7) high-income persons tend to emphasize the importance of raising children who can excel in the world of work, and are therefore less inclined to have more children. The findings show that the various incentives are ineffective in tilting the balance in favour of having more than one child, suggesting that the state ought to pursue a “more generous and progressive pro-natalist” policy (137) and that because the people targeted by population policies are heterogeneous, the measures used should be calibrated, and not be “one size fits all.”

All in all, Sun’s book is insightful and informative, a useful contribution to the literature. However, her selection of participants could have been more systematic to enable her to capture the broad range and configurations of social characteristics in the population. Moreover, with the questionnaire she already has, she could have conducted a survey to complement the qualitative data. This would enable her to determine the correlation between population incentives and actual fertility behaviour. Finally, while it is logical to conclude that social policies in Singapore could be more generous, and thereby more effective, one wonders if the current situation facing the Eurozone would alert us to the necessity to explore policies which are more sustainable.

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Malaysia’s development in the post-1997 Asian Crisis era has a distinctly unspectacular tone. Yet there is a sense that Malaysia in the 2000s can do better than its record so far. Its stasis in the upper-middle-income category presents a steep challenge to government and academia. Explaining modest and supposedly under-achieving performance is often more difficult than outstanding success or failure.

Malaysia’s Development Challenges engages the subject in an informative and insightful volume, spanning economic, political, social and environmental aspects. Hal Hill’s introductory chapter contributes a lucid, thoughtful and measured overview of Malaysia’s achievements, shortcomings and challenges ahead. Notably, he points out the dualism in Malaysia’s political economy, with Malays predominantly participating in nontradables, the public sector and government-linked companies, while Chinese and foreign firms are concentrated in tradable sectors and private enterprise. Hill also highlights a lack of research on foreign low-skilled labour and segmented labour markets, in spite of the importance of this structural feature of the Malaysian economy.
In chapters 2 and 3, Joan Nelson and Edmund Terence Gomez bring political angles to bear. Nelson expounds on institutional change and political liberalization, with reference to the Korean and Taiwan experiences, where the dismantling of military regimes avoided deeper political unrest, facilitated economic upgrading, and laid groundwork for expansion of social protection. Necessary reforms in Malaysia remain constrained by structural power in the political system, exemplified in the watering down of the New Economic Model, especially its calls for liberalization and transparency.

Gomez surveys corporate development policies, bringing us up to speed with recent reforms under Abdullah and Najib, which oversaw persisting shortfalls in developing Bumiputera enterprise. The critique is substantial, but on the policy front, more could be offered than advocating an end to race-based policy while recognizing the political difficulties of such reform. Having acknowledged deep partisan strictures and vested interests, the pressing questions surround the possibilities and practicalities for Malaysia to change, and what sorts of rapprochements need to be negotiated between the public sector, government-linked companies, and the private sector.

Chapters 4 through 6 place Malaysia in a macro perspective. Malaysia is deservedly recognized for its record of stable macroeconomic management. At the same time, the disruptions of three major financial crises—of 1985-86, 1997-98 and 2007-09—warrant attention. Premachandra Athukorala assesses the domestic and global causes and implications of the crises and the need for continued and improved macroeconomic policy, especially in fiscal efficiency. This is well complemented by Suresh Narayanan’s contribution on public-sector resource management, which outlines Malaysia’s federal debt, limited revenue sources and still imprudent expenditures, and underscores the need for cutting waste and extravagance as requisite measures to garner credibility, before diversifying revenues.

Michael Meow-Chung Yap and Kwek Kian Teng present a concise primer of monetary policy, the financial system and its regulatory framework. Their advocacy of a stricter inflation targeting regime for Malaysia, however, merits more conceptual and empirical substantiation, in view of the US subprime loan crisis and structural economic woes, which expose how inflation targeting can suppress real wage growth and divert capital to speculative, volatile and highly leveraged financial instruments.

The next section of the book shifts to a microeconomic orientation, with chapters on the policy frameworks and sectors. Addressing the overarching regulatory regime, Cassey Lee summarizes key developments, specifically privatization, industrial policy and competition policy, and explains where and how Malaysia’s overall record in these areas has been poor. Some improvements in rules and regulations have been instituted in recent years, but much room for improvement remains. On the services sectors, Tham Siew Yean and Loke Wai Heng also shed light on shortcomings in introducing complementary policies to induce competition and quality
delivery. Rajah Rasiah’s chapter on the electronics industry, Malaysia’s largest export sector, reports results from a sectoral survey administered in 2000 and 2007. He finds evidence of noticeable but inadequate gains in research and development and technological upgrading, and underscores the need for effective measures to raise innovation, particularly through addressing human resources constraints.

The subsequent chapter by Lee Kiong Hock and Shyamala Nagaraj engages one of the most crucial elements of Malaysia’s graduation from the middle: the education system, which by the authors’ estimation, is in crisis. Declining standards and enduring ethnic polarization undermine the capacity of education institutions to equip graduates effectively and productively and to foster diversity and social integration. Lee and Nagaraj issue a clarion call for education to be fundamentally depoliticized and transformed.

Chapters 11 to 13 round out the book by studying challenges in engendering equitable distribution and sustainable growth. Ragayah Mat Zin provides an overview of the main patterns and explanations of poverty reduction and income inequality since the New Economic Policy started in 1971. Poverty rates have markedly declined, but inequality stays persistently high. Although the chapter avoided critiquing Malaysia’s poverty line determination and level, it broadened the discussion of relevant policies to accessible quality education, social protection institutions, and tax reforms. Gavin Jones’ chapter on demographic and labour force dynamics discusses the challenges of an aging population, which weigh heavily on many high-income countries but only moderately impact Malaysia. However, while providing for the elderly is a relatively less urgent problem, dependency on low-skilled foreign labour poses a major challenge. The book’s last chapter by A. A. Hezri and S. R. Dovers tracks Malaysia’s record in environmental conservation, noting the lack of an integrated perspective in development planning. Politics and policy have recently co-opted the sustainability agenda, although the genuineness and efficacy of rhetoric remain to be seen.

On the whole, this volume contributes a broad and informative set of chapters. The editors assembled leading scholars, and ensured that the papers offered updates on recent developments and recommendations on graduating from the middle-income class. Nonetheless, some issues integral to Malaysia’s prospects were omitted, such as the financialization of the economy and the escalation of contract workers and labour insecurity. The volume’s contribution to policy discourse could also have been strengthened with a synthesis of how the advocated reforms—many of which are politically unpalatable and disruptive to vested interests—can be negotiated and implemented.