



ASIA-PACIFIC DEVELOPMENT JOURNAL

Vol. 12, No. 1, June 2005



United Nations
ESCAP

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

ESCAP is the regional development arm of the United Nations and serves as the main economic and social development centre for the United Nations in Asia and the Pacific. Its mandate is to foster cooperation between its 53 members and 9 associate members. ESCAP provides the strategic link between global and country-level programmes and issues. It supports Governments of the region in consolidating regional positions and advocates regional approaches to meeting the region's unique socio-economic challenges in a globalizing world. The ESCAP office is located in Bangkok, Thailand. Please visit our website at www.unescap.org for further information.



The shaded areas of the map are ESCAP Members and Associate members.

ASIA-PACIFIC DEVELOPMENT JOURNAL

Vol. 12, No. 1, June 2005



United Nations
New York, 2005

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

ASIA-PACIFIC DEVELOPMENT JOURNAL

Vol. 12, No. 1, June 2005

United Nations publication
Sales No. E.05.II.F.20
Copyright © United Nations 2005
All rights reserved
Manufactured in Thailand
ISBN: 92-1-120431-3
ISSN: 1020-1246
ST/ESCAP/2372

The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

The opinions, figures and estimates set forth in this publication are the responsibility of the authors, and should not necessarily be considered as reflecting the views or carrying the endorsement of the United Nations. Mention of firm names and commercial products does not imply the endorsement of the United Nations.

This publication may be reproduced in whole or in part for educational or non-profit purposes without special permission from the copyright holder, provided that the source is acknowledged. The ESCAP Publications Office would appreciate receiving a copy of any publication that uses this publication as a source.

No use may be made of this publication for resale or any other commercial purpose whatsoever without prior permission. Applications for such permission, with a statement of the purpose and extent of reproduction, should be addressed to the Secretary of the Publications Board, United Nations, New York.

This publication has been issued without formal editing.

Advisory Board

Members

PROFESSOR KARINA CONSTANTINO-DAVID

Executive Director, School of Social Work
University of the Philippines, Quezon City, Philippines

PROFESSOR PETER G. WARR

Sir John Crawford Professor of Agricultural Economics
Research School of Pacific and Asian Studies
Australian National University, Canberra, Australia

PROFESSOR SHINICHI ICHIMURA

Counselor
International Centre for the Study
of East Asian Development, Kitakyushu, 803-0814, Japan

PROFESSOR REHMAN SOBHAN

Executive Chairman, Centre for Policy Dialogue
Dhaka, Bangladesh

PROFESSOR SYED NAWAB HAIDER NAQVI

President, Institute for Development Research, Islamabad, Pakistan

PROFESSOR SUMAN K. BERY

Director-General, National Council of Applied Economic Research
New Delhi, India

PROFESSOR JOMO K. SUNDARAM

Professor of Economics, University of Malaya
Kuala Lumpur, Malaysia

PROFESSOR LINDA LOW

Associate Professor, Department of Business Policy
Faculty of Business Administration, National University
of Singapore, Singapore

DR. CHALONGPHOB SUSSANGKARN

President, Thailand Development Research Institute Foundation
Bangkok, Thailand

MR. SHAHID AHMED

3 Magnolia Close, Kingston upon Thames
Surrey, KT2 7JF, United Kingdom

EDITORS

Chief Editor

MR. RAJ KUMAR

Editor

MS. SHAMIKA N. SIRIMANNE

Editorial Statement

The *Asia-Pacific Development Journal* is published twice a year by the Economic and Social Commission for Asia and the Pacific.

Its primary objective is to provide a medium for the exchange of knowledge, experience, ideas, information and data on all aspects of economic and social development in the Asian and Pacific region. The emphasis of the *Journal* is on the publication of empirically based, policy-oriented articles in the areas of poverty alleviation, emerging social issues and managing globalization.

The *Journal* welcomes original articles analysing issues and problems relevant to the region from the above perspective. The articles should have a strong emphasis on the policy implications flowing from the analysis. Analytical book reviews will also be considered for publication.

Manuscripts should be sent to:

Chief Editor
Asia-Pacific Development Journal
Poverty and Development Division
ESCAP, United Nations Building
Rajadamnern Nok Avenue
Bangkok 10200
Thailand
Tel.: (662) 288-1902
Fax: (662) 288-1000 or 288-3007
Email: escap-pdd@un.org

ASIA-PACIFIC DEVELOPMENT JOURNAL
Vol. 12, No. 1, June 2005

CONTENTS

		<i>Page</i>
<i>Biswajit Nag</i>	Trade cooperation and performance in East and South Asia: towards a future integration	1
<i>Mario Arturo Ruiz Estrada</i>	The cooperation effect creation scheme (CEC-Scheme)	31
<i>John Conroy</i>	APEC and financial exclusion: missed opportunities for collective action?	53
<i>Prabir De and Buddhadeb Ghosh</i>	Effects of infrastructure on regional income in the era of globalization: new evidence from South Asia	81
<i>Kakali Mukhopadhyay and Debesh Chakraborty</i>	Is liberalization of trade good for the environment? Evidence from India	109
<i>Book Review</i>		
<i>Saman Kelegame</i>	<i>Economic Policy in Sri Lanka: issues and debates</i> , by Saman Kelegama, Sri Lanka: Sage International Publications, 2004; 520 pages, ISBN: 0-7619-3278-X (Hb)	
United Nations Economic and Social Commission for Asia and the Pacific	<i>Implementing the Monterrey Consensus in the Asian and Pacific Region: Achieving Coherence and Consistency</i> , United Nations publication, Sales No. E.05.II.F.8, ISBN: 92-1-120418-6, ST/ESCAP/2351	

Announcement

This is the last issue of the *Asia-Pacific Development Journal* I will lead as I am moving from 1 July 2005 to take a new assignment at the Office of the Executive Secretary of ESCAP. At the same time, I wish to introduce Ms. Shamika Sirimanne, who is the Chief of the Socio-economic Analysis Section in the Poverty and Development Division of ESCAP, as the new editor of the *Journal*.

I would like to thank the Advisory Board and all those who contributed to the *Journal* and hope that you will continue to support the new team.

Raj Kumar
Chief Editor