The eleven chapters are divided among four parts, supplemented by five appendices and an impressive array of maps and figures. In spite of its encyclopedic coverage, the book does have an overarching theme and policy agenda: the Middle East is resource rich, conflict prone, and in all likelihood the necessary target of American military intervention. For the authors, geographic factors are both causes of regional conflict and constraints on policy choices. Much of the work is a subtly structured argument supporting this view, directed toward a policy audience more than the international relations literature or regional specialists in political science. The Caspian basin, for example, is included not only to highlight its impending significance as a source of energy, but to show that it holds little immediate promise of replacing the Persian Gulf.

The work’s general persuasiveness may depend on the extent to which one already accepts the authors’ initial premises, for their evidence is anecdotal and their logic will not convince more skeptical readers. Thus, in arguing that “there is no technologically, economically, and environmentally viable alternative” to oil, the authors’ citations include a study of ethanol by the American Gas Association and a statement by the president of the American Petroleum Institute (p. 368). Comparable examples of preaching to the converted are found throughout.

Some readers, moreover, will miss a fuller analytical treatment of precisely how geographic factors interact with other variables to produce outcomes, for the work lacks a rigorous theoretical grounding. Technology and resources, for example, are deemed critical variables that combine with political ideologies and population dynamics to influence the effects of geography. An alternative approach from political economy, however, might counter that it is not the interaction of technology and geography that shapes patterns of conflict, and that such a claim confuses cause with consequence. Accordingly, it was not the development of transcontinental railroads that “catapulted the United States to world power status,” as the authors contend, but the underlying political and economic institutions that permitted the building of a unified railroad system in the first place (p. 450).

The book also may provoke some regional specialists with chapters like “Getting into the Middle East: Power Projection and Forward Presence.” Its discussion of “the impressive new technologies that provide rich countries such as the United States with the means to overcome geographical and political obstacles” (p. 229) and the use of evocative military jargon like “forced entry” (p. 326) could be supplemented by a closer analysis of the targets of intervention. In the absence of such, thoughtful readers may dismiss improbable scenarios like that of a hypothetical U.S. confrontation with “an Iran-Iraq alliance . . . in which Egypt, Algeria, and Turkey have all been taken over by Islamic fundamentalist forces” (p. 322). The authors here are inattentive to the domestic dynamics of these states, treating regional actors more like geographic obstacles to be surmounted than complex polities to be understood.

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Sylvia Maxfield provides a useful introduction to the international political economy of central banking in developing countries. She argues that politicians will increase central bank
independence in order to signal increased credit worthiness to potential international investors. The longer politicians expect to stay in office, the worse their economy's balance of payments problems, and the scarcer capital is in international markets, the more likely that politicians will use this device. After framing her hypothesis about developing countries with a discussion on the politics of central banking in advanced industrial economies, Maxfield presents case studies of the travails of central bankers in Thailand, Mexico, South Korea, and Brazil. She tests her hypothesis against many, but not all, competing hypotheses, specifically that central bankers' ideological predilections, the banks' legal status, and the states' need for seigniorage drive central bank independence. She then tests her argument with a brief regression analysis. Unfortunately, she regresses total investment rather than foreign investment against a legal measure of central bank independence after arguing strongly that legal measures of independence are not particularly useful and after structuring the book as an investigation of politicians' relationship with foreign investors.

Operationalizing these variables is very difficult, and I doubt that any wholly satisfactory solution exists. Maxfield assesses both independent and dependent variables in impressionistic ways, and her data are not comprehensive. Global financial supply conditions (an ecological variable) are used to characterize individual countries. She uses nominal interest rate deviations from the London Inter Bank Offer Rate (LIBOR) to measure credit worthiness, but ignores more precise ex ante measures like credit ratings. These, moreover, assess individual countries in relation to other countries. Regressing both ratings and real interest rates against some measure of bank independence would have been interesting.

The empirical difficulties in composing these variables stand out in the South Korean case. Maxfield argues that Korean politicians were not concerned about credit worthiness (how do we know this?) and thus happily subordinated the central bank to economic planners. Yet foreigners financed nearly 40 percent of Korean capital formation in the postcoup decade, which suggests politicians must have had some concerns. Foreigners for their part assured their worries by lending exclusively in hard currencies. The Korean case suggests that planning boards, currency boards, and foreign lenders are the gatekeepers of growth, not central banks, and that exchange rate risk looms larger for foreign investors than inflation.

Finally, while the book cannot be blamed for appearing after the recent Asian financial debacle, it does not deal with what should be a critical test of the argument, the mid-1990s. Central bank independence became a major issue in this period, finance ministries become obsessed with credit ratings, and the investors Maxfield thinks most sensitive to central bank independence—foreign portfolio investors—dominated financial flows. Currency boards, whose utility to foreign investors as guardians of exchange rate stability is much more obvious than either de facto or de jure central bank independence, also came into fashion. Currency boards are mentioned only briefly in Maxfield's survey of central banking changes in the 1990s.

In her favor, Maxfield admits that her argument is about necessary, but not sufficient, causes, and is compatible with other arguments about central bank independence. The more plausible competing hypothesis that lenders extort bank independence among other things as a price for finance during crises is mentioned and ignored, although arguably this may be the sufficient condition. So are other necessary conditions. Maxfield's argument is intuitively obvious, logical, and reasonable; but by focusing on only a few necessary conditions she leaves the reader hungry for more on what is a timely and important topic.

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