

Malaysia, Thailand and Vietnam; Okabe on Korea and Thailand; and Pepinsky on Singapore, Malaysia, Indonesia and the Philippines. This mixture of in-depth and cross-country comparison bolsters the persuasiveness of their shared historical institutionalist conclusions.

The book runs into an important problem in comparative methods that is most noticeable in the Introduction. The Introduction and the Conclusion present the Asian financial crisis and global financial crisis as a like-like comparison, where both financial crises are treated as exogenously caused by rapid and volatile global financial flows. This is a very debatable claim unless one argues, at the risk of a tautology, that all financial crises are exogenous to the affected economies and are all caused by volatile global financial flows. These flows are a structural constant. As is covered widely in the literature on the Asian financial crisis, the improper sequencing of financial sector liberalization is a common problem for the economies and states in East Asia, and particularly for those at the epicentre of this crisis — Korea, Thailand, Indonesia and Malaysia. This sequencing problem is a common problem in many other country or region-specific financial crises beyond East Asia, suggesting a powerful endogenous cause for the crisis. Yunhan Chu's chapter on Taiwan explains how that country was able to avoid both financial crises by the proper and calibrated sequencing of financial liberalisation policies. The two crises are not a like-like comparison.

Area studies, by definition, brings scholars of different disciplinary backgrounds together to study a country or a region and helps divide the world into smaller-scale units of study. This book, by selecting only political economists with strong backgrounds in Southeast Asian studies and Northeast Asian countries, reflects and benefits from area studies' unity and diversity. Unfortunately, the effects of the Asian financial crisis did not correspond with the typical geographical division in East Asian Studies — between Southeast Asia and Northeast. Only one of seven Northeast Asian economies was at the centre of the Asian financial crisis — South Korea

— while three out of ten Southeast Asian ones were — Thailand, Indonesia and Malaysia. Yet, only Indonesia, among these four, had a chapter solely devoted to it, as did the much-less affected China, Japan and Taiwan. Unfortunately, only one of the subject-matter chapters, Yasunobu Okabe's on Korea and Thailand, compares the national effects of the chosen crises on directly affected states in Southeast and Northeast Asia. The geographical divisions of East Asian studies are reflected in the book. Those of the Asian financial crisis are not.

Despite these drawbacks inherent to any project like this, the benefits of buying the book and its contribution to the literature on financial crises and East Asian economies are clear and compelling. This is particularly so given the proclivity of financial crises and their significant economic and political ramifications.

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DOI: 10.1355/ae33-3j

***Economic Change in Modern Indonesia.* By Anne Booth.** Cambridge: Cambridge University Press, 2016. Pp. 261.

Anne Booth has once again written an authoritative, comprehensive economic history of Indonesia. In fact, with the publication of her *Economic Change in Modern Indonesia*, this pre-eminent economic historian has seemingly combined two books into one in terms of target audience. The book's first six chapters comprise a rather straightforward narrative of Indonesia's economic history that appears to aim at an advanced undergraduate or graduate student audience. In her informative introductory chapter, this recently retired historian from the School of Oriental and African Studies at the University of London makes the incisive point that twentieth century Indonesian history has

been punctuated by three watersheds: (1) the 1949 transfer of power from the Dutch to the Republic of the United States of Indonesia (a federal arrangement that swiftly collapsed thereafter); (2) the forced transfer of power from Sukarno, Indonesia's flamboyant first president, to a trio of army officers led by General Suharto in March 1966 (this occurred amidst the massive slaughter of Indonesian communists and those accused of being such, that Suharto's army was orchestrating); and (3) Suharto's resignation from the presidency in May 1998 in the context of the economic chaos caused by the 1997–98 Asian Financial Crisis (AFC). In Chapter 2, Booth describes a colonial regime that was more interested in extracting natural resources from the islands than developing the colony for the benefit of its inhabitants, despite Dutch-developed infrastructure (which in fact was largely confined to the increasingly crowded island of Java). Chapter 3 covers Japan's World War II occupation of the archipelago and the immediate independent state. Here, Booth shows that the central government, ravaged by a brutal occupation and a subsequently bloody revolutionary war, was not able to build a strong state capable of realizing the nationalist ideals of a just and prosperous society. Mainstream economists typically describe this period (1942–66) as a time of economic disarray characterized by runaway inflation, abysmal economic management, brazen corruption, and declining investment. Booth, however, interjects a partial correction to this dominant discourse by highlighting improved education and health standards for ordinary Indonesians as developmental achievements of this period.

In Chapter 4, Booth strives to give a balanced assessment of the New Order's (1966–98) economic record. She examines the recognized economic accomplishments of Suharto's regime — decades of strong pro-poor growth and responsible economic management highlighted by an ability to adapt to changing external environments. Notable in this regard is the collapse in international oil prices, which forced government technocrats to push through a structural transformation by

shifting the economy away from reliance on oil tax receipts towards a greater role for export-oriented manufacturing concentrated in the greater Jakarta area. Mainstream economists tend to focus on Suharto's unwillingness to liberalize the economy when criticizing the New Order's economic policies. Instead, Booth reserves her criticisms in this chapter and the next (Chapter 5) for underscoring blots on the New Order's developmental record — from slowing rates of poverty alleviation and growing inequities to environmental degradation and corrosive corruption. Like many of her colleagues, she describes Yudhoyono's two presidential administrations (2005–15) as a period of unfulfilled expectations where reasonable but ultimately disappointing economic growth figured prominently.

Following this narrative in history, Booth then shifts target audience to scholars of Indonesia in order to examine thematic issues that she has researched for many years (as evidenced by the many self-citations): economic nationalism and the role of the state in the economy (Chapter 7); trends in poverty and income distribution (Chapter 8); and central-regional government relations (Chapter 9). The dual structure of the book necessitates some repetition in these latter chapters, but they do constitute excellent overviews of the many studies and conclusions that have been reached in these areas. Here, Booth, who draws on the work of Indonesian economists intelligently, and again tries to present a balanced view of the evidence. This is most pronounced in Chapter 8. She reviews a mound of conflicting evidence on poverty trends and income distribution in the Suharto and post-Suharto periods. The takeaway from this thoughtful chapter is the exceeding difficulty in comfortably concluding anything about poverty in Indonesia beyond the conventional wisdom that it declined under the New Order as well as under the post-Suharto democratic governments (except for the 1997–98 AFC and a blimp in 2005–06 due to an intentional rise in the domestic price of rice). Beyond this, conflicting evidence is so glaring, competing estimates so confusing, and failed attempts at defining a proper poverty

line so pronounced that any conclusion reached must be treated with extreme caution. That said, it is sufficiently clear, as Booth underscores, that poverty remains a persistent problem in Indonesia and eradication remains elusive. Worse, a number of Indonesia's development indicators are on par with perennial economic laggards such as Myanmar, Cambodia and Laos, which makes for disquieting reading. While one might have appreciated a little more attention paid to express political struggles and debates beyond non-governmental organizations and civil society (political parties and the rise of Islam are scarcely mentioned), there is much to recommend here. Scholars of Indonesia will greatly appreciate Booth's balanced and commanding evaluation of key economic debates in Indonesia to which the book's second half is devoted. For those with less prior knowledge of the country and who are looking for an incisive introduction, a careful reading of *Economic Change in Modern Indonesia* will be richly rewarding.

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DOI: 10.1355/ae33-3k

***Income Inequality in Singapore.* By Pundarik Mukhopadhaya.** Oxon, UK: Routledge, 2014. Pp. 189.

Dr Pundarik Mukhopadhaya's analysis on Singapore's income inequality from 1980 to 2012 is both insightful and comprehensive. The book opens with an introduction that situates Singapore's economic development in a global context, followed by theories on income inequality in Chapter 2. The subsequent four chapters discuss income inequality within and between the

following demographic groups: age and occupation (Chapter 3); residents with different educational levels (Chapter 4); gender (Chapter 5); and older women (Chapter 6). Chapter 7 briefly examines the trade-off between equity and efficiency in Singapore while Chapter 8 summarizes key points of the book.

The book identifies human capital development as the government's primary tenet to reduce income inequality during the period studied. Using available data, Mukhopadhaya explains the role of education and explores the gender dimension in inequality in Singapore. The author successfully achieves this objective via careful explanation and weaving in policy details into each chapter.

A major strength of the book lies in using the Theil index to explain inequality between and within the demographic groups — a tool that was either not available or not as popularly used in an earlier book of the same name by Rao and Ramakrishnan (1980). While the Gini coefficient is also employed in this book, the Theil index allows the author to explain nuances in the data that cannot be revealed through the Gini coefficient. The author decomposes income inequality and finds higher inequality within, rather than between, age groups. While the expansion of educational opportunities led to better educated workers over time, it also widened the educational experience within age groups. This is especially prominent among older workers (aged 45 and above), who tend to take jobs at extreme ends of the income spectrum such as a managerial position in a bank, which is relatively high paying and requires tertiary education, and as a cleaner, which has low pay and does not reward workers based on educational attainment or experience. This framework is again used in Chapter 4 and Chapter 5 to explain inequality among residents with different educational levels and within gender groups. Again, readers can observe that the government's focus on education as an indicator of productivity had an effect on income inequality, albeit favourably in these two cases: it reduced the inequality between educational levels as a larger proportion of the population gained tertiary