

BOOK REVIEWS

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***Emerging Knowledge Economies in Asia: Current Trends in ASEAN-5.* Edited by Dessy Irawati and Roel Rutten.** Oxford and New York: Routledge, 2014. Pp. 180.

The term “knowledge economy” was a catchphrase in economics during the mid-1990s and early 2000s, a period that witnessed the rise of the “new economy” driven by information and communications technology (ICT) and an increasing emphasis on human capital and technology for growth. It is a term that binds the various essays in this edited volume. But what does the term mean? The OECD (1996) defines knowledge economies as “economies [that] are directly based on the production, distribution and use of knowledge and information”. Although the book does not provide a strong definition of “knowledge economy”, the editors did provide several statements describing the nature of a knowledge economy such as: “knowledge is the most strategic resource and learning the most important process” (p. 1 and p. 5); “[the application of] knowledge in order to develop innovations” (p. 2); a “network economy” (p. 5). The book clearly focuses on innovation as a key aspect of the knowledge economy. Obviously, “knowledge economy” is a very broad term. This is reflected in the essays in the volume.

Emerging Knowledge Economies in Asia contains eight core chapters (2 to 9), each focusing on different topics: regional headquarters (Chapter 2); regional treasury centres (3); electronic commerce tax hubs (4); green supply chain management (5); automotive industry (6); public research and development (R&D) funding (7); national innovation systems (8); and creative industries (9).

The countries covered include: Brunei Darussalam (Chapters 3 and 4); Malaysia (5); Indonesia (6 and 9); Thailand (7 and 8); and China (7). Therefore, the term “ASEAN-5” refers to Brunei Darussalam, Indonesia, Malaysia, Thailand, and to a lesser extent, Singapore (which does not get an individual chapter but is discussed in Chapter 3).

In Chapter 2, Raharso and Goh provide a brief overview of ASEAN’s economic performance and draw lessons from the existing literature to provide support for regional headquarters in ASEAN. The chapter includes interesting discussions on the organizational aspects of regional headquarters’ operations, but would be more useful if it also included some case studies from the Southeast Asian region.

In Chapter 3, Polak, Roslan and Hamdan reflect on Brunei’s attractiveness as a centre for regional treasury centres and Islamic finance. They examine the competitiveness of key locations for treasury centres, especially Hong Kong and Singapore. Vital location criteria for treasury centres, such as type of tax system, flexibility of regulations and business climate, were then used to assess Brunei’s attractiveness as a regional hub. While they conclude that much needs to be done to transform Brunei into a regional hub, they are more optimistic about the country’s role as a centre for Islamic finance.

Hwangbo and Hazri (Chapter 4) look at another possible way in which Brunei can restructure its economy, namely as a regional hub (for ASEAN) in the area of electronic commerce tax. Their chapter is divided into two parts: the first focuses on the technical/regulatory aspects of taxing e-commerce; and the second reflects on Brunei’s potential as an e-commerce tax hub. The latter part of the chapter

is more interesting, but does not provide a strong perspective on Brunei's ability to succeed in such an endeavour. There is also no discussion of what other ASEAN member countries are able to offer in terms of the same. It therefore would be nice to see some comparative statistics on e-commerce in ASEAN countries.

In Chapter 5, Kairul, Ho and Azmawani provide empirical evidence to support factors driving the adoption of green supply chain management in the Malaysian manufacturing sector. Their study is largely preliminary as they interviewed firms from a rather small sample size of four. Despite this methodological weakness, the results of the study are interesting, especially as they reveal the role of foreign markets in prompting domestic firms to adopt green supply chain management.

Irawati and Rutten (Chapter 6) provide a broad review of the Indonesian automotive industry with a focus on the impact of Japanese foreign direct investment (FDI) on the sector. Whilst acknowledging the benefits of FDI (such as knowledge transfer), the authors also emphasize the dependence and inability of domestic firms with regard to undertaking industrial upgrading. They offer some broad policy recommendations but there remains much uncertainty as to whether Indonesia can progress towards developing more indigenous technological capabilities.

In Chapter 7, Kroll and Schiller compare public support for R&D in China and Thailand. The institutional differences in R&D funding between the two countries are very interesting. Due to institutional weaknesses in Thailand that include a lack of linkages between public and private sector support for R&D and poor governance of innovation programmes, the authors conclude that public support for R&D is more effective in China.

The chapter on national innovation systems by Yokakul, Promwong and Zawdie (Chapter 8) complements, to some extent, the preceding chapter by Kroll and Schiller. The authors provide a detailed description of the various elements within Thailand's national innovation system. Yokakul, Promwong and Zawdie are less critical about Thailand's institutional infrastructure than

are Kroll and Schiller but they provide more policy recommendations. Chapter 8 is also one of the few chapters in this volume that discusses ASEAN economic integration, albeit in a general manner.

Finally, Rahmawati and Irawati (Chapter 9) provide a refreshing analysis of the creative industry in Indonesia focusing on its economic contributions as well as the role of local entrepreneurs. It provides a useful discussion of Indonesia's role in ASEAN via collaborations between creative cities in the region. This includes cultural exchanges and cooperation between the cities of Sawahlunto (Indonesia) and Malacca (Malaysia).

In short, *Emerging Knowledge Economies in Asia* is likely to be of interest to students and scholars looking for specific topics related to the ASEAN member countries covered in this book. In this age of academic specialization, it might be difficult to find readers that would be interested in each and every one of the topics covered, but this is would not be the fault of the editors and contributors.

REFERENCES

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Vietnam's Economic Entities in Transition. Edited by Shozo Sakata. Basingstoke and New York: Palgrave Macmillan, 2013. Pp. 233.

This book examines the socioeconomic and institutional transformations that Vietnam's economic entities have undergone following the initiation of the *Doi Moi* (renovation) policy in