

ambitious research agenda would include more detailed studies linking technological cycle-time, innovation and firm selection (entry-exit).

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***New Global Economic Architecture: The Asian Perspective.* Edited by Masahiro Kawai, Peter J. Morgan and Pradumna B. Rana. Cheltenham: ADBI and Edward Elgar, 2014. Pp. 288.**

This edited volume makes a distinctive contribution to the literature on financial crises, which has proliferated since the 1997–98 Asian Financial Crisis (AFC), because it is more than the usual post-mortem of causes and policy issues. The volume is more provocative than its subtitle suggests, as the trauma of the AFC has characterized Asia’s responses to subsequent financial crises and the new global economic architecture. It is not that the pre- and post-2008–09 Global Financial Crisis (GFC) architecture may be irrelevant in the ever-changing financial world or requires tweaking for greater influence. It is about customizing it to suit Asia’s socio-cultural and political economy, and fulfilling the ambitions of a rising Asia — notably China and the countries of the Association of Southeast Nations (ASEAN). There is, however, an implicit hint of judgemental rationalization as the volume unfolds.

Through globalization, emerging Asian economies — such as China and Indonesia — have joined the developed industrial states in the Group of 20 (G20). Indonesia is now often grouped with Brazil, Russia, India, China and South Africa as part of the emerging BRIICS grouping. The “Asianization” process of the global architecture is well on its way to completion. Yet, Asia’s emerging economies are aware of the implications of participating in the global economy. In the

introductory chapter, Kawai, Morgan and Rana explore the concept of a New Bretton Woods (NBW) system, and how it is presently “at an interregnum phase” although its “constitutive phase could fizzle out” (p. 23).

In Chapter 2, Rana differentiates between the pre-GFC architecture (led by the Group of 7 [G-7] and Group of 8 [G8]) and the post-GFC architecture (led by the G20). With the judicious use of tables and figures, it captures the historical development and decentralization of the global architecture with its new Asian emphasis. More suggestions to reform the global architecture follow in Chapter 3 (Cooper) and Chapter 4 (Siregar and Chabchitrchaidol). Cooper’s critical assessment of the G20 as “moving beyond the BRIC” (p. 33) is a refreshing narrative that involves the personalities of key policy-makers, balancing correctness in economics, politics and diplomacy while coping with changing eras and new financial tools. In Chapter 4, Siregar and Chabchitrchaidol discuss the challenges facing the Chiang Mai Initiative Multilateralization (CMIM) and its surveillance unit, the ASEAN+3 Macroeconomic Research Office (AMRO). Despite the steep learning curve for these new Asian financial institutions, they have “the strong support of ASEAN+3 governments” (p. 81) — indicating these states’ intention to ring-fence their economies from global economic shocks.

Chapter 5 (Hill and Menon) and Chapter 6 (Kawai and Morgan) provide assurance that Asian financial systems are being well finessed, despite being newer and smaller than the trinity of the International Monetary Fund (IMF), World Bank and World Trade Organization (WTO). However, Hill and Menon’s discussion of whether the CMIM is a complement or an alternative to IMF (pp. 92–99) is moot. The authors conclude that the CMIM remains unlikely to act as “a co-financier or a substitute” (p. 109) as the IMF remains the global lender-of-last-resort. Kawai and Morgan argue that the establishment of the ASEAN Economic Community is pivotal for financial regulation in Asia. Such Asian institutions seem to provide a forum for mutual recognition, regulatory harmonization and cross-border supervision. Yet,

it remains unclear if such institutions can muster the necessary political will and legal commitment for regional financial regulation.

The volume's comprehensive coverage is evident in Chapter 7 (Kawai and Wignaraja) and Chapter 8 (Plummer), which examine trade, foreign exchange rates, balance of payments, and official reserves — all part and parcel of financial crises. Kawai and Wignaraja detail how two usually sensitive trade sectors — agricultural trade (pp. 149–50) empowered by farm lobbies and services trade liberalization (pp. 150–53) — are simply excluded in Asian free trade agreements (FTAs). Plummer argues that increased FTAs between developed and developing economies have ensnared the emerging post-Doha agenda, proven by the failure of succeeding WTO rounds. He also examines the peculiarities of Asian regionalism: a hybrid peppered with geopolitics to challenge existing trade architecture, examples include the U.S.-led Trans-Pacific Partnership and the ASEAN-led (or China-centric) Regional Comprehensive Economic Partnership.

Finally, Nehru (Chapter 9) and Prada (Chapter 10) round up the volume with analyses of multilateral development banks in Asia. The Japan-led Asian Development Bank (ADB) co-exists well with the World Bank in executing infrastructural development. On a tangential note, China's recently announced Asian Infrastructure Investment Bank underscores the importance of this volume's theme of the Asianization of the post-GEC architecture.

Whether termed as “the Asian perspective” or “Asianization”, Asia's search for global credibility, recognition, legitimacy and leadership matters, as this volume illustrates. In fact, Asia's greater presence in the new global economic architecture may be for the better (or at least no worse) if it functions as a backstop to financial crises or a boost to infrastructure funding. After all, the effects of future financial crises — whether they originate from America, Asia or the Eurozone — will be felt globally.

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***Macroeconomic Policies in Indonesia: Indonesia Economy since the Asian Financial Crisis of 1997.* Edited by Anwar Nasution.** Abingdon and New York: Routledge, 2015. Pp. 330.

This edited book explores the key economic challenges Indonesia faced after its military-led authoritarianism was replaced with a multi-party democracy, and its state-led economy was replaced with a market-based one. After the fall of President Suharto in 1998, Indonesia undertook significant institutional reforms, characterized by a “messy” democracy, and since 2001, “big-bang” political and economic decentralization. The book argues that there are significant challenges in policy-making and sustaining much-needed reforms in the “new” Indonesia. Unlike the situation under Suharto's regime, the decision-making process is substantially more complex today. There is no mutual relationship between the government and a single-party majority; economic policies are hence subject to constant political bargaining.

In addition, decentralization delegated and transferred many powers to local governments, particularly at the district level. Since 2001, local governments have been permitted to manage their own economic strategies to achieve better growth and prosperity for their population. Unfortunately, this increase in local powers is not matched by sufficient technical capacity within local governments to understand economic challenges and identify the necessary reforms. Against this backdrop, the book assesses the progress made in some of the reforms introduced since the fall of Suharto.

The book has ten independent chapters in addition to an introductory discussion. The ten chapters cover a broad range of economic issues in Indonesia, such as the monetary and financial sectors, fiscal reform, trade, manufacturing,