

and the EU, remain depressed — pressures for diminished planned aggregate investment, together with lower net export balances across the region, will most likely create or widen output gaps. These in turn will exert downward pressure on employment growth, wages and earnings, and will create new stresses on public sector budgets in economies where — as the editors remind us in their introduction — spending on infrastructure, healthcare, education and social protection is already inadequate. These stresses will be most evident where institutions are less robust and growth policies are less well designed. As long as global instability interacts with these challenging areas of domestic development, *Asia Rising* will continue to provide a valuable reference for Asia-focused researchers and policy analysts alike.

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***The Oxford Handbook of Asian Business Systems.* Edited by Michael A. Witt and Gordon Redding. Oxford: Oxford University Press, 2014. Pp. xvi + 735.**

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Containing thirty chapters and weighing in at more than 700 pages, the *Handbook* can credibly claim to be a comprehensive reference work on Asian Business Systems (ABS). The roots of this school of thought are rather eclectic, drawing on the Varieties of Capitalism literature that focuses mainly on Europe, as well as historical and political economy work that examines Asian economies. In essence, the ABS school focuses on the institutions “governing economic activity inside and outside firms”, thus seeking to understand how structural characteristics of different countries influence the composition and functioning of firms and business groups. Given its institutional roots and geographic focus, readers will also find many references to the East Asian Developmental State and Chinese business networks.

Due to the breadth of the topics contained in this work, as well as the overall high quality of the various chapters, this aim can be said to have been largely achieved. The individual chapters are excellently written, the main bodies of theory are systematically engaged with, the major economies in the region are covered, and the thematic chapters are very well chosen.

Excepting the introduction and conclusion(s), the book has three sections. The first, and longest, is comprised of thirteen chapters, each dedicated to one Asian economy. The standard Northeast Asian countries are included, along with India and the largest Southeast Asian economies. In addition, the book has the unexpected but welcome inclusion of Laos — a small and largely unexplored case. The strength of this section is that the various chapters follow a template — inspired by the ABS framework — that seeks to set out the principal institutional characteristics of each country as they are perceived to affect the workings of business groups. Thus, each chapter has a section on issues such as the role of the state; structure of the financial system; patterns of ownership; prevalent firm structures; and labour.

While this template is comprehensive and greatly facilitates comparison across countries, its effectiveness is hindered by several issues. First, the reader is not taken through the principle economic characteristics of each country, such as its overall wealth, structure, composition of exports, and openness to trade. These structural issues, surely, are vital to understanding the context within which business groups flourish (or not). Second, the various sections would have benefited from using standard statistics such as: tax revenue as a proportion of GDP (the role of the state); the size of the bank sector, bond market and stock market as a proportion of financial assets (the financial system); and the market value of the largest corporations (ownership and corporate governance). This second point is partially, but not completely, mitigated by chapters on corporate governance and financial systems in the subsequent section of the book. In addition, given the primacy afforded to institutions, the section on the “role” of the state could also be expanded to look at its structure and bureaucratic capacity.

Furthermore, while space is a constraint, China, India, and Indonesia need to be treated differently. Given their size, heterogeneity and multi-levelled governance structures, more attention should have been given to regional differences. The west coast of China is fundamentally different from the country's interior, India's southern and northern regions are markedly distinct, and Indonesia's eastern and western islands also differ. The author of the chapter on India, for example, was painfully aware of the constraints posed by this template.

The second section consists of eleven thematic chapters that explore how business systems across Asia are characterized or affected by different issues. Thus, there are discussions of topics such as: the composition and structure of business groups; corporate governance; financial systems; multinational corporations; research and development policy; and offshoring. These chapters are well done and contain much up-to-date information.

That said, this section also has a number of curious oversights. The first concerns small and medium enterprises (SMEs). While not generators of the bulk of a given country's value-added or exports, SMEs nevertheless constitute the numerical majority of firms in all countries, employ a large proportion of the workforce, and are often a source of innovation. Yet, the implicit focus of ABS on large corporations means that this topic is overlooked. The second concerns business associations and other intermediary organizations. There is ample research on the vital role that business associations can play in providing market-supporting and market-complementing services — even in contexts that are dominated by large business houses. Again, the implicit focus on large, established firm groups means that the potential role of business associations is overlooked.

There are two other, but more forgivable, oversights. First, it would have been good to have a discussion on the role of technology in reconfiguring the geography of production. Whether it be developments in logistics, workflow software or outsourcing, global production arrangements are becoming more flexible and far-reaching, and

these developments pose fundamental questions for corporations. The second point concerns trade agreements and the opportunities and costs they pose for business groups in the various countries. Thus, a chapter mapping out the various trade agreements and their implications would have been useful.

The third section seeks to trace the macro-level developments affecting ABS over time. The first chapter attempts to provide an overview of historical influences on business systems in the region. However, it is too broad-brush and does not pay sufficient attention to colonialism on one hand and state formation processes on the other, and overlooks important recent research on these topics. The chapter on “beyond production” is fascinating, as it goes beyond the standard focus on manufacturing operations to look at how large conglomerates are seeking to enter retailing. The third chapter explores recent developments in the Northeast Asian Developmental States and, in so doing, provides an update of how recent developments have reconfigured state-business relations in these countries. These last two chapters would have felt more at home in the thematic section of the book.

The final section has two concluding chapters. The first one is admirable in its scope, as it brings together all the business systems surveyed in the first part of the book and compares them. Some detail is lost in the process, but the chapter is solid. The second chapter is written more for the layman, and does not really fit the overall tone of the book.

While the book has a number of misses, it really is a solid work in aggregate, both for the breadth of the topics it contains, as well as for the overall high quality of its component parts. Whether as a reference or a first step into this interesting and eclectic school of thought, the *Handbook* will prove a useful tool.

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