

developed ASEAN countries, and outsourcing of low-skilled jobs from those ASEAN countries to the less developed ASEAN member states. The latter chapter addresses the legal framework of intellectual property rights in ASEAN. In Chapter 9, Francis Cripps and Naret Khurasee compare forecasted baseline estimates of variables such as gross domestic growth, income and agricultural employment to a cohesion-policy-driven ASEAN, which is represented by strengthened cooperation in mitigating inequalities of income and wealth between the member countries by 2030.

Marc Lautier (Chapter 12) and Bruno Jetin (Chapter 13) assess social cohesion. The former chapter calculates a state effectiveness and social cohesion index to discuss the faster and more stable growth as well as the faster recovery after a recession in ASEAN countries compared to countries in Africa and Latin America. The second chapter relates poverty or inequality to social cohesion. Low trust, social mobility or high inequality in living standards may threaten social cohesion and hence political stability in those countries. Nathalie Fau (Chapter 14) addresses infrastructure investment in light of inequality within ASEAN and with other large economies surrounding it. Reducing trade costs and increasing connectivity to the rest of ASEAN or the world is essential to reduce the development gap, however, construction of trans-national infrastructure may also marginalize some social groups. Lastly, Chapter 15 by Christine Cabasset conducts a case study on the largest economy in ASEAN, Indonesia. She finds similarities to ASEAN in terms of spatial wealth and income inequality and in terms of difficulties in governance due to the many levels of government.

All in all, the book is broadly based and renders a great summary of what regional integration in Southeast Asia has achieved and depicts a good picture of what may happen if a wider regional economic community within East Asia is built. The authors do not sugarcoat poor outcomes, delays in policy implementation or other facts related to worries in ASEAN such as corruption, collusion or nepotism. Unlike other edited books, the chapters are for the most part consistent in

quality and level. Most chapters look at the latest available data to compare the different states of the ASEAN member states. In addition, Chapters 5 to 9 and 12 feature quantitative work which make them more demanding, although the theoretical models in Chapters 5 and 6 on exchange rates require an economics background to facilitate understanding.

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***Emerging Capitalism in Central Europe and Southeast Asia: A Comparison of Political Economies.* By François Bafoil, translated and revised by Michael O'Mahony and John Angell. New York: Palgrave Macmillan, 2014. Pp. 256; originally in French. Paris: Presses de Sciences Po, 2012.**

François Bafoil, based at CERI/Sciences Po, Paris, has written a stimulating comparative reflection on capitalist trajectories in Central Europe and the CMLV countries of Southeast Asia: Cambodia, Myanmar, Laos and Vietnam. These sets of countries share a similar Cold War economic history until 1989. Thereafter, the transition from communism to capitalism reveals two remarkable differences. First, whereas the countries under scrutiny in Southeast Asia are not governed by democratic principles — Vietnam and Laos officially remain communist countries — all Central European countries have become democracies. Second, communist economic arrangements in Central Europe collapsed in 1990 while the transition to capitalist arrangements in the CMLV countries is still ongoing (p. 141).

In ten chapters, including the introductory and concluding chapter, “the various incarnations of capitalism” are investigated. Chapters 1 and 2 introduce the two sets of countries and spell out the conceptual parameters, Chapters 2 to 5 deal

with the CMLV countries, and Chapters 6 and 7 with Central Europe. Chapter 8, then, compares the evolution of capitalist arrangements in light of integration into the European Union (EU) and the Association of Southeast Asian Nations (ASEAN), before the conclusion sums up the main arguments.

A major strength of this book is its conceptual clarity, particularly with respect to the relationships between political governance and institutional economic arrangements. In Chapter 2, François Bafail, inspired by Max Weber, identifies three systems of legal rule: one-person rule (Sultanism), rule by law and rule of law. Rule by law refers to a system or “implicit social contract” (p. 38), whereby the elite creates rules to maximize and protect their interest. There is room for a limited civil society and everyone is allowed to enhance their socio-economic situation, yet the bureaucracy/developmental state/authoritarian state controls labour and uses state-owned enterprises for its own goals. These three systems offer ample opportunities to scrutinize the various forms of capitalism: Sultanism in Cambodia (Chapter 5); rule by law in Vietnam and Singapore (Chapter 4); and rule of law in post-1990 Central Europe (Chapters 5 and 6). Other strengths of this book are the attention paid to foreign direct investment and national identity. Both sets of countries have seen a massive influx of foreign investments in many industries in the last two decades with serious repercussions for national identity; for instance in special economic zones in the CMLV countries where national sovereignty has been compromised in order to lure investments (pp. 54–61, 94–102) and the lack of endogenous research and development capabilities in Central Europe (pp. 136–37). This book also provides a good explanation of the special case of Eastern Germany and the way in which the German role model of approved to be “untransferable” and “irreducible” for Central Europe (pp. 128–35); mainly due to the absence of a rich uncle (of course Western Germany after reunification), and path dependent power structures.

There are also two weaknesses. First, the structure of the book is not entirely coherent and one wishes to see more direct comparison

of the two sets of countries. Only Chapter 8 comparing the roles of the EU and ASEAN succeeds in explicit comparative reflection. Chapter 6, however, while concerned with Central Europe, includes an important statement related to three principal Central European public policy successes relative to the CMLV countries (p. 135): (1) employment and training as a “cornerstone of Central European public policy”; (2) institutionalization in Central Europe; and (3) the “highly dynamic presence of the EU” through the European Structural Funds allocating millions of Euros to poorer regions. It would have been worthwhile as well to compare the evolution of agriculture in two relatively successful countries (Vietnam vs. Poland or Vietnam vs. Germany; see for instance Corson and Minghi 1994; Sutherland 2010), and to compare two relatively poor countries (Laos vs. Bulgaria). Comparing Vietnam with Singapore (Chapter 4) should be questioned since Singapore’s successes are also related to its advantages of the absence of a rural hinterland, simplifying political economy considerations to a substantial extent, and the extremely strategic location which enabled Singapore’s emergence as a hub. Second, insufficient attention is paid to two aspects in Southeast Asia: pockets of the rule of law in the Philippines and Indonesia in Chapter 3 and the concluding table on pp. 176–77 as well as trends within the Communist Party in Vietnam and Laos in Chapters 3, 4 and 7. Gainsborough (2007) and Laungaramsri (2012) show that they should not be seen as monolithic entities. There appear to be opportunities to set aside the Polit Bureaus’ instructions.

The concluding chapter, “Hybrid Forms of Dependent Capitalism”, shows that, rather than conforming to a purely coordinated economy or purely market economy, capitalism in both Central Europe and the CMLV countries is characterized by hybridity: “a particular combination of free market and protectionist features that are oriented differently depending on the specific principles that guide each region” (p. 179). The dimensions of foreign capital and regional integration partly determine the degree of dependency on international economic and political imperatives.

In general this book provides useful insights into the diverging trajectories of capitalism. Hopefully this line of comparative inquiry will be sustained. For instance, by investigating the evolution of hybridity in countries such as Myanmar where elements of the rule of law are introduced or Hungary where precisely the opposite is emerging — rising authoritarianism.

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Promises and Predicaments: Trade and Entrepreneurship in Colonial and Independent Indonesia in the 19th and 20th Centuries.
Edited by Alicia Schrikker and Jeroen Touwen.
 Singapore: NUS Press, 2015. Pp. 334.

Indonesia's economic history has been a fascinating area of research as it covers a large, heterogenous region with multiple ethnicities, a vibrant political economy and an erratic yet interesting structural change in the society. Indeed, there has been increased scholarly interest on the country's modern economic history over recent decades. In view of this, *Promises and Predicaments* attempts

to highlight key issues to better understand Indonesia's economic history.

The book, edited by Alicia Schrikker and Jeroen Touwen, two scholars from Leiden University, presents a collection of academic essays exploring the economic development in the sprawling archipelago during the nineteenth and twentieth centuries. The contributors to this book consist of a mix of young scholars and senior academics who have helped build the field over the past thirty years. The book is dedicated to Thomas Lindblad, a well-known economic historian, whose works over the past thirty years have included groundbreaking studies about colonial and post-colonial Indonesia.

Putting together many essays, covering a wide range of themes and approaches regarding Indonesian economic history, is clearly not an easy task. The editors of this book have done excellent work organizing sixteen independent essays under three big themes: the impact of trade and investment; changes in entrepreneurship; and changing political regimes. To help readers understand connections between different themes and approaches, they provide some interesting insights in the introduction chapter.

The first part of the book focuses on the economic and socio-cultural effects of trade and investment. Anne Booth addresses the impact of changes in the patterns of trade and investment on regional development in Indonesia (Chapter 2). By using statistics, she shows that Indonesia's exports have evolved since the nineteenth century and argues that this evolution has affected the economic balance between Java and the rest of Indonesia. In Chapter 3, Hal Hill examines the turning points in recent structural change in economies in Southeast Asian countries. He argues that turning points do not necessarily occur at particular development stages. This is because countries' turning points vary with economic growth, resource endowments, policies and institutions. Chapter 4 (Pim de Zwart, Daan Marks, Alexandra de Pleijt, and Jan Luiten van Zanden) tests the statistical relationship between trade openness and development using a long-term time series analysis. Using a Granger-causality test, they find a long-term relationship between