

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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EDO ANDRIESSE

*Department of Geography,*

*College of Social Sciences,*

*Seoul National University, Republic of Korea*

*email: edoandriesse@snu.ac.kr*

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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.

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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

trade openness and total factor productivity (TFP). Nevertheless, they find the relationship between openness and improved living standard is not straightforward. The last chapter in this part (Chapter 5 by Alexander Claver) is rather different. It studies the role of the colonial coinage system to trade in the indigenous economy. The author argues that the monetary developments within the colony were highly erratic but, paradoxically, in Java the coinage system worked well.

The second part of the book is centred on the economic actors and entrepreneurship in the colonial and post-colonial economies. Chapter 6 (Leonard Blusse) focuses on Chinese sailors in the service of the Dutch East India Company's (VOC). This chapter provides a rare angle of looking at the early division of economic role of the Chinese ethnic. Later, Chapter 7 (Freek Colombijn) studies the construction sector in Medan in the 1930s and early 1950s. The author describes the economic relationship between different ethnic groups as "*complementarisasi*", in which each side occupied a niche and complemented the work of the other. In Chapter 8, Roger Knight studies the international sugar trade between Java and Japan between the 1880s and the mid-1940s. He examines cooperation between ethnic groups and different nationalities in the Java-Japan sugar trade nexus and highlights that the agencies involved in articulating the nexus were Asian rather than European. Bambang Purwanto in Chapter 9 examines the increasing economic role of the military in post-independence Indonesia. He finds that the economic activities of the military are motivated by the need to earn additional income and to gain popular support. The last chapter of this part (Chapter 10 by David Henley) looks at how institutional structures affects economic development. He shows how the writings of two anthropologists, Roy Franklin Barton and Alice Dewey, both written more than fifty years ago, contain striking similarities with the New Institutional Economics literature in terms of the important role of transaction costs, which is determined by institutional structures, to economic development.

The last part of the book addresses the interaction between political economy and

economic development. Chapter 11 (Robert Cribb) studies the rice trade during the revolution period (1946–47), which is a short and understudied period in Indonesia's economic history. Chapter 12 (written by the late Thee Kian Wie) analyses the fragile country's economy immediately after independence. Under President Sukarno, who placed political priorities higher than economic issues, the economy experienced serious economic problems, marked by hyperinflation. Chapter 13 (Pham Van Thuy) looks at the practical side of economic nationalism in the early period of post-independence of Indonesia. The author argues that practical circumstances, e.g. limited capital and knowledge, constrained early nationalization of colonial companies. Chapter 14 (Farabi Fakhri) studies a group of U.S.-educated Indonesian economists who despite the quality of their advice failed to earn serious positions in the "old order" government circles. This is because the government prioritized political ambitions than solving economic problems. In Chapter 15, Pierre van der Eng explores the reasons food imports to Indonesia increased quickly after the mid-1960s. He examines the political economy behind bilateral food aid in Indonesia during 1950s–1970s. Chapter 16 (Ewout Frankema) looks at the success of Indonesia's "green revolution", a period in the late 1960s and 1970s when agricultural production increased significantly due to technological and research-based innovation. The chapter concludes that there are a number of lessons from the history of Indonesia's agricultural policy that can be relevant for sub-Saharan Africa. Finally, Chapter 17 (Howard Dick) undertakes a methodological review of the role of statistics in Indonesia's modern economic history. This chapter examines the evolution of official statistics under different regimes and discusses the limitations of the national income accounting system.

Overall, the strength of the book lies in its richness of methodological approaches and its effort to put colonial Indonesia and independent Indonesia as two parts of a continuing historical narrative. It also connects the national economy to the outside world in various ways. Likewise, it shows how the economic actors adapt, influenced

strongly by the economic policies pursued by the regimes. However, as the editors acknowledge, given the wide spectrum of themes covered in the book, lack of depth in some key issues is to be expected.

The book serves as a useful reference of scholarly outcomes over the past four decades. It offers new angles of research on the field by connecting the interplay between foreign trade, economic actors and political economy. Lastly, it acts as a source of inspiration for scholars who are interested to study other regions in Southeast Asia, beyond the Indonesian archipelago.

SIWAGE DHARMA NEGARA

*ISEAS–Yusof Ishak Institute,*

*30 Heng Mui Keng Terrace, Singapore 119614*

*email: siwage\_dharma\_negara@iseas.edu.sg*

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***Economic Growth and Employment in Vietnam.***

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This book provides a comprehensive overview of Vietnam's economy and employment issues, which have undergone dramatic changes over the last twenty-five years. *Economic Growth and Employment in Vietnam* is written by David Lim of Griffith University (Australia) and Technological and Higher Education Institute (Hong Kong) as a result of his work done for the International Labour Organization (ILO) in preparation for Vietnam's Five-Year Socio-Economic Development Plan 2011–15. With the exclusion of the preface, the book is presented in four parts. The first part (Chapters 1–3) focuses on economic and non-economic achievements and employment creation during the twenty-five years of economic renovation. The second part (Chapters 4–8) examines different aspects that, according to the author, have influences and relationships with employment creation of the country. The third part (Chapters 9–11) discusses the demand for skilled workers and the higher education and

vocational training system to meet this demand. The fourth concludes and presents some policy recommendations and proposes an approach to future reforms and changes.

Its message delivered to policymakers of Vietnam is apparent: despite the remarkable performance of the economy and human development during the past few decades, employment creation from economic growth is lower than expected. The structure of industries is biased towards capital-intensive enterprises, while owning a huge legacy of state-owned enterprises (SOEs) that did poorly in creating employment. Regardless, the country has a favourable population structure for development. The youth employment rate is high, but the education and training system is “unable to provide the skilled workers demanded by the expanding economy” (p. 160). Those are issues that need to be dealt with by the government to avoid the middle-income trap.

The background analysis for the achievement of Vietnam and its issues regarding employment creation is set out in the first part of the book. In the chapters on economic and human development performance, the book presents the success of Vietnam since 1990, where rapid economic growth has contributed to recognition of legitimacy and rights of private sectors and pro-trade reform. In addition, Vietnam's human development performance is presented through the improvement of UNDP's human development index (HDI), in achieving the millennium development goals (MDGs) and low inequality. Its employment performance is very good. Its unemployment rate is one of the lowest in Southeast Asia (p. 27).

Beyond official statistics, however, the book rightly points to the weaknesses of the employment situation of Vietnam. The vulnerability of employment is high even with low unemployment rate as more than two-thirds of the employed population works with little or no pay for their family businesses. Youth unemployment accounted for 45 per cent of all unemployment and employment growth lagged behind population growth. Wage inequality is large between the two biggest cities, Hanoi and Ho Chi Minh, and other regions, and between different business sectors.