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BOOK REVIEWS

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Two Crises, Different Outcomes: East Asia and Global Finance. **Edited by T.J. Pempel and Keiichi Tsunekawa.** Ithaca: Cornell University Press, 2015. Pp. 280.

Two Crises, Different Outcomes: East Asia and Global Finance is a valuable addition to the academic work on financial crises in East Asia and East Asian political economy more broadly. Collectively, the book's chapters are a good exemplar of the historical institutionalist approach to political economy and related concepts of path dependency and "institutional stickiness". *Two Crises, Different Outcomes* reflects the benefits and drawbacks of edited books, the comparative method, area studies and Asian studies.

The greatest strength of edited volumes is their unparalleled ability to bring together authors from a common discipline (in this case political economy), but with varied backgrounds and country expertise to focus on a common *problematique* affecting their countries of expertise. This book assembles a large number of highly qualified scholars to look at one of the most important questions in international political economy today: how states and economies respond to international financial crises. The focus on East Asia allows a fruitful combination of scholars and scholar-practitioners with Southeast Asian expertise — Muhammad Chatib Basri, Thomas Pepinsky and Richard Doner — and Northeast Asian expertise — Barry Naughton, Yun-han Chu, Keiichi Tsunekawa and T.J. Pempel. The focus on the Asian financial crisis and the global financial crisis extends the useful shelf-life and broadens the audience of the book, given the significant impacts of both crises on many economies in East Asia. This inherent strength of edited volumes are amplified in this case by the strong consensus that domestic institutional frameworks and ongoing reform processes mediate the impact of crises and the response to them more than these crises reshape these frameworks and reform efforts.

The largest drawback of edited volumes are that even with a common research question, chapters are often disconnected in focus and argument, making the parts more individually useful than the book as a whole. In this case, the Introduction focusses on comparing East Asian states' resilience to the two crises, favourably, with that of the U.S. and Europe. Yet, none of the following chapters adopt this comparison. This is unfortunate because the chapters by Basri and Tsunekawa, by showing the unresilient nature of Indonesia and unreformed nature of Japan's political economy, indirectly challenge the argument that East Asian states fared much better and are better prepared for future financial crises than their U.S. or European counterparts. The Doner chapter also does not use the two crises as its organizing principle, but rather looks predominantly at the current middle income trap problems facing Vietnam, Thailand and Malaysia.

Small and comparative studies are particularly suitable for edited books like this one and provide the best methodological approach to balance the benefits of nuance and complexity of single case studies and the power of generalization of addressing more than one case. The organization of this book further amplifies the benefits of this balance by having a mixture of single-country chapters — Basri on Indonesia, Naughton on China, Chu on Taiwan, and Tsunekawa on Japan — and comparative chapters — Doner covering

Malaysia, Thailand and Vietnam; Okabe on Korea and Thailand; and Pepinsky on Singapore, Malaysia, Indonesia and the Philippines. This mixture of in-depth and cross-country comparison bolsters the persuasiveness of their shared historical institutionalist conclusions.

The book runs into an important problem in comparative methods that is most noticeable in the Introduction. The Introduction and the Conclusion present the Asian financial crisis and global financial crisis as a like-like comparison, where both financial crises are treated as exogenously caused by rapid and volatile global financial flows. This is a very debatable claim unless one argues, at the risk of a tautology, that all financial crises are exogenous to the affected economies and are all caused by volatile global financial flows. These flows are a structural constant. As is covered widely in the literature on the Asian financial crisis, the improper sequencing of financial sector liberalization is a common problem for the economies and states in East Asia, and particularly for those at the epicentre of this crisis — Korea, Thailand, Indonesia and Malaysia. This sequencing problem is a common problem in many other country or region-specific financial crises beyond East Asia, suggesting a powerful endogenous cause for the crisis. Yun-han Chu's chapter on Taiwan explains how that country was able to avoid both financial crises by the proper and calibrated sequencing of financial liberalisation policies. The two crises are not a like-like comparison.

Area studies, by definition, brings scholars of different disciplinary backgrounds together to study a country or a region and helps divide the world into smaller-scale units of study. This book, by selecting only political economists with strong backgrounds in Southeast Asian studies and Northeast Asian countries, reflects and benefits from area studies' unity and diversity. Unfortunately, the effects of the Asian financial crisis did not correspond with the typical geographical division in East Asian Studies — between Southeast Asia and Northeast. Only one of seven Northeast Asian economies was at the centre of the Asian financial crisis — South Korea — while three out of ten Southeast Asian ones were — Thailand, Indonesia and Malaysia. Yet, only Indonesia, among these four, had a chapter solely devoted to it, as did the much-less affected China, Japan and Taiwan. Unfortunately, only one of the subject-matter chapters, Yasunobu Okabe's on Korea and Thailand, compares the national effects of the chosen crises on directly affected states in Southeast and Northeast Asia. The geographical divisions of East Asian studies are reflected in the book. Those of the Asian financial crisis are not.

Despite these drawbacks inherent to any project like this, the benefits of buying the book and its contribution to the literature on financial crises and East Asian economies are clear and compelling. This is particularly so given the proclivity of financial crises and their significant economic and political ramifications.

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***Economic Change in Modern Indonesia.* By Anne Booth.** Cambridge: Cambridge University Press, 2016. Pp. 261.

Anne Booth has once again written an authoritative, comprehensive economic history of Indonesia. In fact, with the publication of her *Economic Change in Modern Indonesia*, this pre-eminent economic historian has seemingly combined two books into one in terms of target audience. The book's first six chapters comprise a rather straightforward narrative of Indonesia's economic history that appears to aim at an advanced undergraduate or graduate student audience. In her informative introductory chapter, this recently retired historian from the School of Oriental and African Studies at the University of London makes the incisive point that twentieth century Indonesian history has