of Singapore's history with stories of the laying of submarine cables, the Suez Canal, opium, the World Wars and the Kra Canal. Indeed, Singapore's success as port and hub from the earliest days have all in one way or another depended on each of these things (or, as it relates to the Kra Canal, the absence of it). And yet, these histories rarely surface onto conventional histories on Singapore, especially those written for Singaporean audiences. If a lesson has to be drawn from this, it is that a global city essentially needs to have a presence in global history.

In some sense, the book has come a bit late. Perry's extensive discussions on Neptune Orient Lines and Sembawang Shipyard — state-established corporate outfits which defined the entrepreneurial gung-ho spirit of the first generation of Singapore's political leaders and bureaucrats — seemed outdated as Singapore seeks to diversify itself out of a marine sector in the doldrums. Singapore's dependence on free and open trade as the lifeblood of its economy stands threatened by the waves of populist-driven isolationism sweeping countries big and small. Perry himself notes Singapore's fundamental challenge today: the absence of "built institutions conducive to creative destruction and generating of fresh ideas … yet at any rate".

Perry's decision to use Lee Kuan Yew's death in 2015 as the bookend for "Unlikely Power" perhaps echoes what most Singaporeans thought of the seminal event: an "end of history" of sorts, and the beginning of a new epoch in both the state's chronology and psychology. As with most histories of Singapore, the figure of Singapore's larger-than-life founder loomed large as he and his ragtag band of equally ambitious and determined brothers-in-arms — men like Dr Goh Keng Swee, S. Rajaratnam, Dr Goh Chin Chye, Othman Wok and Lim Kim San among many others — sought to fashion a nation out of a city. In conclusion, Perry's book will always be a much-needed reminder of the unlikeliness of Singapore's existence and the efforts to overcome that unlikeliness. Admirers and detractors of the Singapore model would do well to understand more about its past, especially as Singapore marches on at breakneck speed towards equally — if not more — uncertain times.

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***Dollarization and De-dollarization in Transitional Economies of Southeast Asia*, edited by Koji Kubo.** IDE-JETRO Series, Palgrave Macmillan, 2017. Pp. 237.

This book explores the concepts of dollarization and de-dollarization in Cambodia, Lao People's Democratic Republic (Lao PDR), Myanmar and Vietnam (CLMV) — the new members in the Association of Southeast Asian Nations (ASEAN). After opening up to trade and foreign investment in the late 1980s and early 1990s, these economies witnessed rapid dollarization. Details of their unique experiences form the body of this book.

The introductory chapter by Koji Kubo clearly explains the classification of, and the motivations for holding foreign currency deposits (FCDs) in CLMV economies, shedding light on how they are measured, and the associated benefits and costs. The technical language and formulaic discussion involving monetary and exchange rate policies prepares the readers for similar rigorous analysis in the rest of the book.

As explained in the book, dollarization occurs when domestic residents hold a significant share of their financial assets in the U.S. dollar, for purposes of payments/settlements and holding asset portfolios. In

CLMV, dollarization is measured in terms of the ratio of FCDs to broad money, the latter comprising: (1) local currency outside banks; (2) local currency deposits; and (3) FCDs. The charts used in the first chapter demonstrate that the FCDs/broad money ratio has recently been declining in Lao PDR, Myanmar and Vietnam, but increasing in Cambodia.

Readers will find the next four chapters — individually devoted to one CLMV economy — equally rich in quantitative analysis. The authors provide both literature surveys, as well as data sources to elaborate on the state of economic and financial developments in the respective countries. While these chapters show similarities between the economies in terms of large dollar inflows, major macroeconomic policy differences are also noted as each country is progressing at a varying speed.

Chapter 2 by Ken Odajima talks about Cambodia, specifically focussing on the dollarization undertaken by households and enterprises. The data used in this chapter is based on a large-scale survey conducted by the Japan International Cooperation Agency Research Institute (JICA-RI) in collaboration with the National Bank of Cambodia (NBC) in 2014. Based on the responses, three states of partial dollarization (payment, real, and financial) are identified. The author notes that foreign currencies are widely used in transactions by households and firms as payment dollarization (means of payment), and real dollarization (unit of account). Both of these have developed alongside with financial dollarization (financial contracts). Among a number interesting insights in the chapter, Odajima mentions that the lack of financial regulations is the main reason behind the rapid growth of dollarization in Cambodia.

Using bank-level data in the third chapter, Phetsathaphone Keovongvichith finds that for a long time, dollarization in the form of FCD holdings by individuals acted as a means of asset substitution (fixed assets) in Lao PDR. Laos was severely affected by the 1997 Asian Financial Crisis and managed to fully restore its macroeconomic stability only by 2006. Since then, the pace of dollarization has slowed down throughout the country. For complete de-dollarization, the author elaborates on a spectrum of policies to make the local currency as attractive and viable as the U.S. dollar. Keovongvichith also comments that such policies have to be implemented gradually. This is because an immediate ban on domestic account transfers of FCDs may lead to underground transactions, thereby creating more problems.

Koji Kubo and Set Aung, in the next chapter, discuss the issue of high dollarization in Myanmar. As part of the legacy of central administration of foreign exchange, a large proportion of FCDs belong to the state, and are allocated for economic planning. Officially, payment dollarization is quite limited by the government's Foreign Exchange Regulation Act of 1947, which promotes the circulation of the local currency. However, informal cross-border deposits were traded among exporters and importers in Myanmar's parallel foreign exchange market. According to the authors, dollarization has not posed any significant risk to Myanmar's banking system as compared to the other three transitional economies. It seems more like a matter of acquired practice by residents who use foreign exchange for foreign trade settlement, which can simply be attributed to strict administrative controls. They further comment that changing such preferences might prove to be challenging, even with bold policy reforms in foreign exchange management and international trade. A more practical suggestion for de-dollarization would be for the monetary authorities to set up convenient formal channels for international trade settlements, with incentives for private firms to abandon dollarization.

Chapter 5 by Thi Hoang Anh Pham sheds light on Vietnam and its long history of dollarization. During the Vietnam War (1955–1975), the country experienced both dollarization and goldization, with gold acting as a store of value and unit of account especially for real estate transactions. While goldization has also been used quite successfully as a de-dollarization tool, it is not a perfect solution as it has not promoted the local currency. Throughout the chapter, the author stresses on the need to balance the benefits and costs of foreign exchange regulations to break the link between dollarization and goldization. This, she says, would help release the devaluation pressure on the local currency and improve macroeconomic stabilization.

The last two chapters are based on two thematic studies to complement the four CLMV country case studies. Chapter 6 by Bhanupong Nidhiprabha talks about the relationship between economic growth, monetary policy and dollarization in CLMV, highlighting the need to balance changing merits and demerits of dollarization with generally underdeveloped financial development. He explains that a gradual approach to de-dollarization seems wiser than any big-bang move or forced de-dollarization. Chapter 7 by Hidenobu Okuda focusses on the salient characteristics of banking systems and their role in dollarization in Cambodia, Laos, Vietnam, and the Mekong region. To regulate dollarization, economic and financial reforms are urgently needed, Okuda concludes.

With growing interest in the financial development of CLMV economies, this book proves to be an invaluable resource on the topic of dollarization in the region. More studies comparing CLMV and other more developed and mature financial systems in the world should be conducted to offer lessons on the ideal levels of dollarization and de-dollarization.

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