

whereby all Asia-Pacific actors (minus Taiwan) as well as the European Union develop a stake in the peaceful resolution of regional disputes. This is certainly a worthy, if over-ambitious, goal.

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***The Political and Economic Transition in East Asia: Strong Market, Weakening State.* Edited by Xiaoming Huang.** Richmond, Surrey, UK: Curzon Press, 2001. 281pp.

The vicissitudes of the Asian financial crisis, which over the past four years has seen many countries in the Asia-Pacific region passing through dramatic decline, partial recovery, and now into worries about renewed slowdowns, has spawned a new “growth industry” in publication. Authors and publishers have invariably been running behind trying to keep up with the rapidly changing situation. At the same time, the crisis has also stimulated significantly a more fundamental debate, which was admittedly already under way in the 1990s, about the nature and lessons of the Asian developmental model. This, in turn, has fed into a still wider debate about the relationship between the state and markets, and the role of globalization. Xiaoming Huang, the editor of this interesting volume, while clearly aware of the impact of the Asian financial crisis, eschews keeping up with the day-to-day twists and turns of Asian economic fortunes and instead focuses on the broader underlying issues.

Huang has brought together an international and interdisciplinary group of scholars to debate this issue, with particular focus on Japan, China, South Korea, and Taiwan. Hong Kong, which has had its own peculiar form of colonial statehood, and the Southeast Asian countries are excluded, apart from Christopher Lingle’s chapter, which takes on a much broader geographic definition to consider trends in Southeast Asia as well.

As Huang argues, the four economies of the East Asian region have been going through — and, indeed, have yet to complete — two significant transitions in recent years. The first is political: the democratization of South Korea and Taiwan, the end of one-party dominance in Japan, and the generational change of leadership in China. The other is economic: primarily, the growing liberalization of many of these economies and, of course, subsequently — though not

necessarily consequentially, as at least one of the contributors, Lingle, cogently argues — the Asian financial crisis itself.

In the broader international debate on the state–market relationship, some scholars, such as Susan Strange, have argued that the state has been in retreat in recent times, whereas others see the state as still having considerable power over the economy and may even, as Stephen Krasner argues, be in resurgence through enhanced technological power. Evidence is conflicting and views divergent. Undoubtedly, however, the interface between the state and the market has become more complicated. In this volume, terms such as “nexus” and “mixture” are used; writing elsewhere, Georg Sørensen has used the term “matrix” to try to capture this interrelationship.

What do the political and economic transitions noted above mean for the complex relationship between state and markets in the East Asian region, especially given the widely-perceived “strong” role for the state in the “Asian Model Countries” (AMCs)? Despite the subtitle, this volume does not come up with a definitive answer. Indeed, the case studies suggest that there is no uniform pattern, even among these four countries. Huang himself concludes that the new economic and political conditions “have not led to the emergence of a clear form of economic governance along the lines of either market primacy or state centralism” (p. 246). Instead, what is emerging is an attempt to find a new point of balance between respect for the market and effective state support.

The case of Japan, as discussed by Seiji Endo in what is primarily an analysis of the Hashimoto government’s policies, suggests that problems on the political and institutional side, representing the weakening of the state, have made the state increasingly ineffective in governing the market. In one of the most nuanced parts of the chapter, Endo shows how Japan has sought to encourage a regional institutional framework as a way to compensate for ineffectiveness at home. Endo ends on a pessimistic note about the structural problems of the declining Japanese developmental state, which suggest that transforming the rhetoric of reform, coming from the new Koizumi administration, into reality, will indeed be a tough order. China has been different by ideology from Japan, but as a consequence of the process of economic reform it has shared, at least according to the thoughtful analysis provided by Peter Harris, a loosening of state power in relation to the economy and society, not through democratization but by decentralization and the emergence of a private sector. Certainly, new, more critical assessments of the state have emerged within China, although whether the current Chinese polity is quite as “aimless” as his title implies (p. 83) is a matter for debate.

By contrast, however, the two detailed chapters on Taiwan, by Huang himself and by Stephen Green, show that despite the arrival of democracy and more respect for a pluralist political order, the state can still be quite effective in intervening in the economy and, if anything, may now have new weapons in the armoury of state activism. The South Korean case, as analysed by Kwan S. Kim, seems to fall in the spectrum between Taiwan, on the one hand, and Japan and China, on the other, for he argues that Korea “needs less state intervention in certain areas but more of it in others” (p. 52). Since the chapter is unable to cover events since the end of 1998, it misses some evidence that the Kim Dae-jung administration has, ironically, for someone who made his name by valiantly fighting against authoritarian governments, found it necessary to resort to some of those past methods, including intervention in the economy, in order to try to achieve his aims of restructuring and reform.

Of course, neither the Asian “miracle” nor the Asian financial crisis occurred in a vacuum and two chapters specifically try to address the international context, although they come to differing conclusions about the character of the national-international interlinkages. Harry Shutt, in the most powerfully-argued chapter in the book, attacks the “fundamental flaws in the global economic order” (p. 235) and comes the closest among the contributors to endorsing conspiracy theories of global financiers exploiting regional economies, a theme which had particular resonance in some countries in the Asia-Pacific region after the crisis set in. Lingle approaches the problem from the other way round, arguing that new global market conditions helped to expose the problems with the “nature of political and corporate governance in the region” (p. 197), and the inability of the institutional infrastructure at the national level to deal with emerging realities at the global and regional levels.

The jury is still out on how the balance between state and market should be achieved, or even how it might be effectively described, but this book provides a useful snapshot of how the debate is being developed in the case of East Asia. Apart from the occasional lapse into jargon (“capacity kidnappedness” p. 247), and the rather random use of the acronyms AMCs and AMEs (Asian model economies), in some cases both in the same sentence, this volume is generally written in an accessible manner, which both students and their teachers will find of value.

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