

Korean corporate culture, which is formed by three driving forces: cultural legacy, social climate, and corporate leadership. They argue that these three factors, once considered capabilities for Korean firms, have now become liabilities. Park (Chapter 5) evaluates the effectiveness of campaigning approaches to cultural change and the reasons for their success and failure. He argued that Korean firms' organizational "culture change campaigns" since the mid-1980s were not successful due to lack of professional competencies and short-sighted views. Park also points out that culture change efforts have not brought the desirable outcome. Kwun and Cho (Chapter 6) provide a case study of Korea Telecom and find important implication to Korean firms. They point out that commitment of the top management and empowered change agents are important factors for the success of change. According to them, the change in organizational structure that was strongly supported by top management was successful, while the momentum for the change without such support was a failure. This case suggests that for organizational change to be successful, the sources of change need to be shifted from "external" to "internal" as its process develops. Pucik and Lim (Chapter 7) summarize the evolution and transformation of human resources in Korean management during the early 1990s. They analyse Samsung's internal data and found that the direction of change is from quantity-oriented, seniority-based, and harmony-oriented towards more quality-based, performance/competence-based, and a flexible system. Taylor, Cho, and Hyun (Chapter 8) examine the management of Korean firms in China. They find that considerable responsibilities were delegated to Chinese managers and suggest that a long-term approach was required for Korean firms to be successful in China. Also, mutual trust between the two nationalities will need to be established.

Although these articles are somewhat complementary, they are quite diverse in terms of perspective. There are three major subjects: entrepreneurship and employees, structure and culture, and domestic and overseas issues. Many important issues are discussed and problems in

Korea's past management are diagnosed. Unlike previous literature that tends to be obsessed by universalism, these articles focus on the change and transformation of the Korean management.

The Korean economy, once a role model for latecomers in economic development, has reached a turning point. Since the Asian financial crisis, the numerous capabilities of Korean firms that had contributed significantly to Korea's past economic miracle have become liabilities. Korean firms have to undertake a managerial revolution in order to survive in a rapidly changing global environment. *Managing Korean Business* diagnoses problems of past Korean management and suggests a new direction. The book urges Korean companies to implement effective change of management which would require painful but fruitful unlearning and relearning process. This book is a useful guide for Korean business circle that has to overcome liabilities and reform its systems. It also provides academics with new perspectives and insights in approaching Korean management, stimulating further research in this field.

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***A Zone of Asian Monetary Stability.* By Tetsuji Murase.** Canberra: Asia Pacific Press, Australian National University, 2002, Pp. 304.

The publication of this study should have been extremely timely. Appearing just a few months after the launch of the Euro, the book was poised to cast light on how Asia could learn from Europe's formation of a monetary union and outline the steps toward the actualization of an Asian monetary unit. Instead, the book has been caught in the undertow by current events and China's entry into the World Trade Organization (WTO), both of which have combined to turn attention from fiscal and monetary issues to trade issues.

If one can envision an Asian economic area — as several Asian leaders have done in the past —

in two forms, one monetary and the other trade, the region's attention in 2002 has been almost exclusively focused on the latter. This book, however, covers the former. Discussions and progress on trade-related partnerships and zones were the most significant outcomes of both the ASEAN economic ministers meeting in Brunei in mid-September 2002 and the ASEAN foreign ministers meeting in July 2002. ASEAN is moving swiftly towards trading zones with China and Japan, respectively, and Singapore and Japan have already cemented their own free trade agreement (FTA), albeit not without provisos. The once-sensitive issue is now high on the agendas of ASEAN's major economies and leaders, all of whom have made extraordinary efforts to preach integration and trade promotion within the region. Not to be left out, Australia and New Zealand have also promoted common economic areas as ways to ensure their integration with Asia as a whole. Officially and on the sidelines, discussion about monetary grouping was muted, to say the least, and currency issues remain an unwritten "taboo" topic, especially for countries for which the currency questions are the most pressing (Malaysia, China).

This is not to say that discussion of monetary issue in Asia is unwarranted, but only that it is not the focus of governments' attention for the moment, as it was in the immediate aftermath of the beginning of the Asian financial crisis. It also remains true that solidifying and boosting trade linkages is the first step towards a more concrete economic grouping such as that which exists in Europe. Unfortunately, Murase does not cover at all the long road that the "trade stage" alone will take, and perhaps does not take into account that a greater interdependence of trading relationships are, despite all the advancements thus far, not at all a foregone conclusion.

Aside from this exclusion, the book presents a salient and comprehensive study on the intricacies of currency areas for Asia. Murase makes a comprehensive review of the twenty plus year making of the Euro, though he offers only hints of which lessons could be most instructive for Asia. Then, he presents brief synopses of the course of

development of each major Asian currency, with a focus in each country on the interrelationships between the current account, financial sector, and currency stability. The linkages drawn by Murase are instructive, as he outlines the precise reasons that each major Asian currency failed or succeeded as a supporting factor of the country's development thus far.

The link between economic openness, the success of restructuring and the strength of the financial system and currency become patently clear, regardless of which currency is under examination. For instance, Murase's examination of the renminbi links the success of its eventual devaluation (or convertibility) to whether state enterprise reform and financial restructuring eventually succeed in China. For Thailand, Murase makes an even stronger case that the seeds of the baht's fall were sown in the combined policies of portfolio account opening and profligate spending based on cheap, foreign currency denominated loans. The chapter on yen is perhaps the most informative, not only for its comprehensiveness, but also because Murase enables the reader to envision why, for this most international of Asian currencies, is not as influential as it could be — behind this lies the stalled programme of economic restructuring in Japan.

Murase then attempts to map out the steps towards an Asian monetary union, starting with the adoption of the basket exchange rate system by the principle Asian economies, and the adoption of the yen as a reserve currency for the region. Many observers have commented that the greatest barriers to further integration are political rather than economic, and Murase does point out the major political barriers preventing a more coherent monetary union. However, he does not offer ways that these could be surmounted — a missed opportunity, considering that many of the same barriers of history, war, and nationalism also existed in Europe and were seen at one time or another as barriers to monetary union. The parallels could have been instructive.

Finally, although the chapter on moving from common monetary policy to a common monetary

unit outlines the process itself, Murase does not take greater liberty in examining the potential roles of the regional platforms that already exist, such as the Asia-Pacific Economic Co-operation (APEC), Association of Southeast Asian Nations (ASEAN), or the Pacific Economic Co-operation Council (PECC), or other such bodies. These and other regional integrators will be crucial in the move towards a common monetary policy and their respective limitations and biases could help the reader to understand why the movement towards the creation of at least a regional reserve fund has been so slow. The institutions exist; it is political will that has been lacking thus far.

The title of the book is instructive in that it focuses on stability rather than coherence. Political will has been one of the major factors inhibiting the movement towards a common monetary zone and unit; perhaps it will be friendlier towards the quest for stability.

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Regional Integration and Economic Development. Edited by Neantro Saavedra-Rivano, Akio Hosono, and Barbara Stallings. London: Palgrave, 2001. Pp. 176.

A number of regional integration schemes have mushroomed all over the world since the 1990s. East Asia is not at all an exception to this growing trend. For example, the Association of Southeast Asian Nations (ASEAN) is moving towards closer economic integration via the ASEAN Free Trade Area (AFTA). Japan, who has been one of few outsiders with regards to preferential trading arrangements, has agreed on a bilateral trade pact with Singapore. China has also begun negotiations on a free trade agreement with ASEAN. These developments may give rise to a desire to better understand the relationship between regional integration and economic development. There is a lot of literature analysing the short-run welfare

implications of regional integration using the concepts of trade creation and diversion effects. However, the evaluation of an integration scheme in the long run should depend on its contribution to the promotion of economic development in the integrated region.

This volume focuses on issues regarding regional integration in East Asia and the Americas, and analyses the relationship between integration schemes and development strategies from a comparative standpoint. Before this volume is published, the same editors published an earlier research on the same topic (Hosono and Saavedra-Rivano, 1998). However, the period of analysis was before the Asian economic crisis of 1997. This book has more up-to-date analyses and provides new insights into economic development and the possibilities for further integration.

This volume contains three main parts. The first part summarizes the recent movement of regional integrations in East Asia and the Americas and evaluates them. The second part explores the relationship between regional integration and national development strategies of Chile, Argentina, Brazil, Malaysia, and China. Only two Asian countries are examined in this part. Nevertheless, each chapter provides unique and interesting analysis and it seems appropriate to choose Malaysia and China as country studies. The last part provides a comprehensive study of the possibilities for economic co-operation between the Americas and East Asia. Each editor of this volume offers an overview of each part. Also, the main results of each contribution are briefly discussed and further insights are given.

Some regional integration schemes featured in this volume are recognized as preferential trading agreements such as the North America Free Trade Agreement (NAFTA) and AFTA. The General Agreement on Tariffs and Trade (GATT) Article XXIV for economic integration after all accepts discriminated treatments for non-members unless new trade barriers are set up against them. Different types of regional integration are also discussed in this volume. The Asian Pacific Economic Co-operation (APEC), for instance, operates on the basis of voluntary liberalization