

All in all, the book's answer to the challenges posed by globalization to East Asia is a "do-it-yourself" approach emphasizing prudent and innovative policy design. But can the risks posed by global integration indeed be managed mainly at the national and regional levels? Does not the very nature of globalization suggest the need for a greater complementarity among national, regional, and international policies? These issues await further analysis. The policy paradigm for the more integrated world is still under construction, and this book makes a far-reaching and thought-provoking contribution to this process.

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Economic Crisis Management: Policy, Practice, Outcomes and Prospects. Edited by **Tran Van Hoa**. Cheltenham: Edward Elgar Publishing Limited, 2002. Pp. 246.

This book covers theoretical concepts and practices of Asian countries in coping with the 1997 financial crisis. It focuses mainly on assessment of macroeconomic policies implemented during and after the crisis. This edited volume consists of eleven chapters, of which six are country studies. The nine contributors are scholars from universities and agencies in Asia, Canada, and the United States.

The introductory chapter provides an overview of the book. The impacts of the 1997 crisis on affected economies in Asia, Europe, and the United States are broadly explored in Chapter 2. Since annual gross domestic product (GDP) growth was used as the indicator, Singapore and Taiwan (as free-market economies) were concluded to equally suffer from the crisis as China and Vietnam (as transition economies). Nevertheless, the conclusion will be deviated if quarterly data were applied. Singapore faced two consecutive quarters of negative growth in 1998 while China and Taiwan were spared from the economic downturn.

Together with a discussion on depreciation of exchange rate and the collapse of the stock market, the chapter will help readers have a better view of the financial crisis and its impact on the Asian economies and the rest of the world.

The next two chapters examine economic theories and models related to the crisis management. In Chapter 3, the contributor proposes appropriate fiscal and monetary policies in coping with similar crises in different types of economy — developing countries, euro and non-euro European countries, and the United States. Interestingly, pros and cons of "bailing in" lenders are discussed and recommended to be a tool in dealing with the crisis. Chapter 4 starts with models of economic transition and constitutional rules in different countries. The contributors mentioned case studies of Russia and China as examples of economic reform with and without constitutional transition. Even though the chapter is rather long and full of various economic concepts, readers can gain from a rich collection of literature related to the issues. Especially, literature on models used to explain the crises in the Russian and Asian economies is worth reading.

The next six chapters are devoted to individual country experience in coping with the crisis. In the chapter on Thailand, the contributors develop a small econometric model and conduct a number of policy simulations. Their findings show that implementing the International Monetary Fund (IMF) policy recommendations caused a decline in output, private capital stock, and aggregate demand of Thai economy. Instead, expansionary fiscal and monetary policies suggested by Radelet and Sachs (RS) were superior in handling the Thai crisis at the initial stage. However, the RS approach would cause larger depreciation of real exchange rate as well as higher vulnerability of bank and corporate sectors in the longer terms. As it is, this chapter contributes a literature on the Thai crisis in hindsight.

The chapter on Korea begins with a comprehensive assessment on macroeconomic management in coping with the 1997 crisis. Discussion is given to structural reforms and progress in five key sectors — financial sector,

corporate sector, labour market, public sector, and capital and foreign exchange markets. By highlighting internal and external obstacles, the contributors really grasp the challenges to the Korean economy in achieving a sustainable growth in the long term. The chapter is well written and directly sheds light on crisis management, outcomes, and prospects in Korea.

The next chapter turns to Vietnam, a developing economy in transition. The contributors affirm that the crisis of 1997 has had a significant effect on Vietnam's speed of economic reform and development even though the impact was not as serious as that in the crisis-hit economies. Readers can gain an insight into Vietnam's macroeconomic policies and state enterprise and banking reforms implemented during the post-crisis period. Socioeconomic Development Strategy over the years 2001–10 is also assessed in terms of challenges ahead and possibility of time frame.

Surprisingly, the contributor takes off the chapter on the Philippines with Filipino history and trade pattern in order to understand the characteristics of the country. Crises in the past and recent economic management are described briefly. Disappointingly, there is no mention of bank restructuring and legal reforms implemented after the 1997 crisis. Prospects in the medium and long terms are also not analysed. Apparently, the contribution of the chapter in understanding Philippines' crisis management is rather poor and not in a parallel framework with that of other chapters in the volume.

In the subsequent chapter, the contributor makes pertinent points on Indonesia's macroeconomic development since 1997. Structural reforms and political development are well discussed and comprehensible. The short- and long-term tasks towards a sustainable recovery draw the readers' attention towards the end of the chapter.

With another surprise, the chapter on Singapore starts out with economic development and trade pattern since 1965. Economic strengths and crisis management of Singapore are broadly described. There is no mention of off-budget measures adopted by the Singapore Government to counter the 1997 crisis. When the economy took a

downturn and registered lower growth in the second quarter of 1998, the government decided to implement the cost-cutting and spending measures package. Beside these measures, the government also allowed some fall in the exchange rate with a view to maintain the competitiveness of Singapore's exports.

The concluding chapter draws policy implications with no surprises to readers. The editor infers that the economic management policies recommended by international organizations were not effective in crisis resolution. A macroeconomic mix theory in conjunction with understanding the long-term and fundamental construct of the crisis economies was recommended to policy-makers. This policy recommendation is too general and unconvincing.

Overall, the book is informative and fairly interesting for readers. Both academics and policy-makers can benefit from the theoretical perspectives and the insight into the countries' experiences. The book however has some shortcomings. It does contain a diverse collection of the theoretical and country papers even though the editor has attempted to bring them together in the introductory chapter. Few chapters fall far short of providing an agenda for crisis management that the book title promises. In addition, the book could have generated a greater contribution if the chapter on Malaysia's experiences had been included. Malaysia introduced controversial capital controls and pegged exchange rate in mitigating the 1997 crisis. It is also noted that the crisis in Malaysia was rooted more in the capital markets rather than the banking system.

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