

The volume's obvious appeal will be to those directly acquainted with Dr Arndt and/or his works, and to others for whom his contributions to the discipline are an important part of their professional "tool-kit". It will also interest those in the profession who are less directly acquainted with his writing but who, like him, have an interest in, and a concern for, economic growth and development in Southeast Asia and elsewhere. The book is obviously worth reading, either in its entirety or in part. The reader, however, must keep this point in mind: each contribution in the volume must be evaluated and appreciated within the context of the state of the discipline that existed at the time of its original publication.

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Business and Government in Industrializing Asia.
Edited by Andrew MacIntyre. Sydney: Allen and Unwin, 1994. Pp. 312.

As editor, Professor MacIntyre contributes two chapters, and puts together a diverse team of knowledgeable and independent-minded scholars to develop a lucid and cogent appraisal of the similarities and contrasts in the roles and relationships of business and governments in the economic development of six countries.

The six countries are in two regions — Northeast Asia, defined to include only Taiwan and South Korea, and Southeast Asia, defined as Malaysia, Indonesia, Thailand and the Philippines. The chapters therefore provide lessons on the development experience between two of the successful Asian dragons (of Northeast Asia) and four of the aspiring dragons (in Southeast Asia).

The book builds on the rapidly growing body of literature that focuses on the significance of structural or institutional relationships in economic development. The coverage of the

theoretical and empirical evidence on business and government in development is timely, since it follows other publications that contrast, on the one hand, the success of the "Asian economic miracle", with doubts about the future sustainability of growth by current dragons, and the applicability of their success to future dragons, on the other hand. The book is particularly relevant in the context of a more open and a more interdependent world economy, where knowledge flows as freely as goods.

As the editor points out, the authors do not gloss over the contrasts among these six countries; nor do they attempt to provide a definitive model for business-government roles and relations. Indeed, for the thoughtful reader, the book will probably raise more questions than answers, because it describes a rich and complex economic tapestry, even for a "limited" study of six countries.

The authors address the issue of business and government roles and relationships in four ways:

1. The authors reinterpret the critical factors in the relationships between business and government, for example, in assessing the qualities of the "strong state" in its presence (in South Korea) and by its absence (in the Philippines).
2. The chapters combine theoretical and empirical approaches in studying the six countries. The different authors first review the literature and then take positions. For instance, the chapter on Strategic Trade Policy builds on theories of imperfect competition, and offers a somewhat more constructive view of the much maligned notion of "protection".
3. The issue of business and government relations is presented in a dynamic, evolving context, rather than as a static, timeless phenomenon. The chapter on Booty Capitalism in the Philippines is valuable by itself for its insight on the constraints to progress in the Philippines. It also offers a matrix on the "Heuristic Typology of Capitalist Systems", which implies a process of transition from a "patrimonial" to a "rational-legal" state.
4. The book avoids simple dichotomies of state intervention as active or passive, or as free market

versus *dirigiste*. For example, the chapter on Taiwan provides a dynamic picture of change, from centralized to free market economies, brought about both by external factors, such as protectionism and bilateralism in the United States, and internal factors, such as the evolution of new institutions and councils, financial vehicles, and parastatal agencies with a decidedly private-sector orientation to sustainability through growth and profits.

The authors are scholars and teachers, and the chapters in the book are all well written and offer insights with clarity and conciseness. All but one of the chapters are less than two dozen pages, excluding the extensive footnotes and bibliographic references. The book as a whole thus makes for compact and easy reading, with simple and powerful insights. For instance, the authors implicitly build their arguments of a strong state on three characteristics put forth by the editor — that a strong state is “sufficiently competent, coordinated, and disciplined”. At the same time, the book highlights differences, for example in the business structures and élites that the governments of the six countries must deal with, from the export-oriented autocratic chairmen of the Korean *chaebols*, to the politically well-connected, ethnic Chinese Indonesians, to the rent-seeking oligopolists in the Philippines. The book may thus be readily recommended to a particular audience — the high-level policy maker, whether bureaucrat or chief executive, without precluding the more economic-minded readers from picking up the book and gleaning important lessons from it.

As in any edited book, the editor has the task of defining the linkages in the different chapters. There is no attempt to say that the Korean or Taiwanese model is suitable for any of the four other countries in the study. That conclusion is best left to the reader as policy maker.

Although the authors apparently wrote their respective chapters without much direct reference to one another, the three chapters on Indonesia, Thailand, and the Philippines readily link with one another. The three developing countries have similar characteristics — large populations and

land area, diverse natural resources, an agricultural base that declines as agribusiness and industry advance, and dichotomies and tensions between urban and rural populations, farm and factory, between rich and poor. Readers from these three countries, be they businessmen, bureaucrats, academicians, probably have the most to gain from this book. The environments of the three countries seem quite similar, as are their problems and opportunities; extracting lessons from the experiences of these three countries thus becomes easier. And the comparisons between these three developing countries and the Northeast Asian economies will be more relevant.

Once again, a summary of the authors' points would be an injustice. To whet the reader's appetite for the book, consider these three illustrative vignettes: One, the authors discuss the issue of corruption in the three countries. It co-existed with growth in Thailand, was apparently quite detrimental to development in the case of the Philippines, and is still an open question in Indonesia. Two, the authors do not emphasize, but neither do they shy away, from the sensitive issue of race, specifically the role of the ethnic Chinese businessmen in development of the three countries. And three, authors offer different assessments on the process of transition and development: optimism for Thailand as it moves from “clientelism to partnership”, near despair for the state of “booty capitalism” in the Philippines, and cautious approval of the “patrimonial” role of the government in Indonesia.

To conclude, one might hope for a greater number of countries in the study, or look for more quantitative economic analysis to balance the qualitative political discussions, or seek a different perspective by using macroeconomic figures for each country case study, or expect more definitive answers to the issues raised. Such criticism seems beside the point; the editor and the authors defined their objective and approach; and what they set out to do, they did well.

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