calls from equity issuances could not keep up with. As offshore mobile capital began to occupy a substantial share of the financial structure in companies throughout Indonesia's private sector, signs of fragility and instability also began to surface.

As a result of these borrowing patterns, cash-flow chains collapsed and the effects were borne heavily by all four corporate empires. The Salim Group, the Sinar Mas Group, and the Gajah Tunggal Group held massive foreign currency debts and struggled to restructure their debt obligations. In particular, the Sinar Mas and the Gajah Tunggal Groups lost control of their core assets. Due to a toxic combination of aggressively using offshore syndicated debt and convoluted cross-border group holding structures, both firms suffered from the effects of absorbing mobile capital into its financial structures. The Salim Group was able to maintain its principal non-financial companies, but lost a substantial part of its businesses. Faring comparatively better was the Lippo Group, which achieved corporate reorganization through equity finance and third-party direct capital injections. The Lippo Group was less leveraged, held limited foreign currency debt, and survived the crisis without losing its assets and subsidiaries. From the leveraging experiences of Indonesian companies, Matsumoto draws a two-pronged lesson. Firstly, open and developing economies such as Indonesia's should implement comprehensive capital controls to ease the transition in establishing financial institutions. Secondly, these financial institutions should be equipped with the capacity to monitor and manage the levels of indebtedness and the volatility of capitalist behaviour.

The current discussions on financial instability stand to benefit by taking a page or two from Matsumoto's rigorously researched volume. This book eschews the prosaic, macroeconomic accounts of the financial crisis in Southeast Asia, and instead embarks on the microeconomic road not taken. Matsumoto's sophisticated assessment underscores the value of oft-overlooked elements of maintaining system-wide stability such as microprudential regulation and supervision. Although the initial causes of the financial instability and the precise propagation mechanisms may have been peculiar to Indonesian conglomerates, this book raises a number of issues generic to financial institutions. In particular, it demonstrates that not only is financial stability an important goal in its own right, but also that due weight should be given to the question of financial fragility in policy decisions at the firm-level. With carefully documented surveys and financial reports, this nuanced book captures the experiences of Indonesian conglomerates during the 1990s and imparts valuable additions to the repertoire of capacity-building measures in the promotion of financial stability.

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***The Rise of the Corporate Economy in Southeast Asia.* By Rajeswary Ampalavanar Brown.** London and New York: Routledge, 2006. Pp. 388.

This thirteen-chapter book comprises the Introduction and Conclusion, three chapters each on Malaysia and Indonesia, two each on Singapore and Thailand, and one on the Philippines. It traces the post-war growth of large Southeast Asian corporations by their organization, finance, business environment, and corporate governance.

The analysis of structures of ownership, concentration and governance of family-dominated conglomerates runs parallel to the development of banks, capital markets, state and foreign capital in a corporate economy. While not into the Asian crisis, which is covered in the extant literature since 1997, the book notes the crisis as a common denominator to belie the dramatic but debt-driven regional growth; none was spared one way or the other.

In hindsight, 1997 was a blessing in disguise to catalyse reform and change to be more globalization-ready. The Asian setting is neither an excuse nor exclusivity. Every region or country claims to be unique in development. The book's analytical pole on organization and ownership of Southeast Asian corporations allows comparisons and contrasts of models and behaviour of various agents as owners and stakeholders.

The book's balance of theory and empirical evidence by country and case studies is useful to both teaching and research-oriented academicians as well as policy-makers and practitioners. Nested within large family-dominated conglomerates are small, medium-sized enterprises (SMEs) which the author noted are hard to study, but vital as supporting industries for foreign multinational corporations (MNCs) in the cluster theory.

While agreeing with the author's lament on historiography of corporations at the micro-level and statistics as another constraint, two points are footnotes. One is the currency of the bibliography, like new literature on Singapore Inc, and its developmental state. Curiously, partly due to marketing and distribution, awareness of indigenous works by Asian scholars is not commensurate. All authors help to publicize new knowledge in collegial citations, but could do without typographical errors, such as, Dananmodal (p. 47) and Standard and Poor (p. 280).

Following the ownership, concentration, governance to restructuring format after the Asian crisis, the three Indonesian chapters epitomize the most serious Southeast Asian constituent by magnitude, depth and complexity of issues. While Indonesian *pribumi* sentiment seems no different from Malaysian *bumiputera* in intent to nurture and shelter indigenous elite groups, the means and products are somewhat differentiated.

The Soeharto patron-client cronyism is more patent with the Salim family accounting for 17 per cent of total listed corporate assets in 1995 (p. 10). In contrast, Malaysia appears to have democratized *bumiputera* patronage under the New Economic Policy (NEP) triggered by the 1969 race riots and ensuing privatization guises.

Another interesting similarity and contrast is how loans in Indonesian and Malaysian banks or Thai finance companies as funding sources play out in their domestic settings to betray Asian household frugality and saving. Are these defective institutions as exposed by the 1997 crisis part of the state-regulatory blame or an institutional underdevelopment abbreviated as insufficiently globalization-ready? Any irrational exuberance is equally torched by real estate and equity bubbles.

Foreign direct investment (FDI) and state capital are as double-edged, whether they aided and abetted risqué and rogue Indonesian capitalism or were strong partners in Singapore Inc. To contain collateral damage, FDI in buy-outs of Indonesian joint partners posed as much an acquisition opportunity. Bail-outs turned out deconcentration and better corporate governance, but do they snuff out indigenous entrepreneur-ship and SMEs?

The Salim Group including Indocement and Indofood reassembled their portfolios and diversification outside of troubled domestic monopolies, took flight to China, Hong Kong, and Singapore. The difficulties of the Indonesia Bank Restructuring Agency (IBRA) are demonstrated in the Sinar Mas and Texmaco Groups. No corporate workout is straightforward. Reforms unhelped as much as they should cure the corporate economy. The unemployment fear averted bankruptcies demanded by efficient restructuring.

Indonesia is contrasted with Malaysia, from top political decision-making to personality sabotage as perhaps a variation on the same theme that absolute power corrupts. If the International Monetary Fund (IMF) made the difference between IBRA and the Malaysian brew of Danaharta, Danamodal and Corporate Debt Restructuring Committee (CDRC), it shows how face-saving politics matters. For some readers, the case studies of various *pribumi* banks and groups may be useful fillers.

Apart from what is already noted, the next three Malaysian chapters highlight the institutional variety of the Employees Provident Fund (EPF), Permodalan Nasional Berhad, Amanah Saham Nasional and Yayasan Pelaburan Bumiputra as distinct *bumiputera* vehicles beside the usual Chinese suspects as in Indonesia. Up to a point, the Malaysian corporate economy seemed to have delivered some across-the-board democratized cronyism relative to concentrated *pribumi* doses.

Maybank was the Malaysian icon with management continuity and CDRC-led consolidation as in other banks. Less painful Chinese bank restructuring was reinforced by capital controls, not the IMF helpline. Strained relations between the government and Bank Negara are perhaps not as uncommon as Thailand also revealed.

A chapter on the Malaysian Hong Leong Group is illuminating both as a successful case of growth via acquisition and *bumiputera* ties. A less highlighted contrast is of the same Quek family across the Causeway (spelt Kwek) *sans* connections to meritocracy-based Singapore Inc.

Another chapter on the Renong Group as privatized and globalized is to counter the developmental state thesis which worked better in Singapore, precisely because neither privatization nor globalization of Renong went far enough. Up to a point the Malaysian developmental state buttressed the NEP until corporate governance failed in the opaque *bumiputera* version.

The failed Malaysian developmental state is a neat lead-in or a sequel of success in the next two chapters across the Causeway in Singapore Inc. Despite its Chinese concentration, Singapore Inc. was built on government-linked companies (GLCs) on the backs of MNC technology, expertise and markets precisely because the government eschewed Chinese capitalism *à la* cronyism. Arguably, it is GLC backing of another kind. The resource-deficit small city-state is grounded on efficiency by globalization, corporatization more than true privatization. Prudence at the helm in a clean well-paid government is still money, on the table, not under, to make a difference?

Singapore's international financial centre despite its immature capital market is strategic and helped to batten down the 1997 ravages. It compensates its small size or original sin by Singapore Inc. in case studies of Keppel Corporation, Sembawang Corporation, SingTel and Singapore Technologies, contrasted with private Creative Technologies to show none of the Indonesian and Malaysian cronyism baggage.

Two Thai chapters stand in-between, skewed to Chinese-Thai merged cronyism, not the *pribumi* or *bumiputera* varieties. To real estate and equity bubbles, the author added growth cycles and Thai capital as in Finance One plus a greater tolerance for foreign acquisitions. The author disagreed with a World Bank study that foreign influx adversely affected domestic banks and preferred the analysis of the Asian Development Bank and Standard and Poor's. Case studies of Shinawatra, Siam Motors, and Siam Cement underscore globalization, more like regionalization into Southeast Asia and China.

The Philippines has feudal oligarchs from centuries of Spanish colonialism juxtaposed with American values and practices. The odd balance is peppered with the usual suspects of family corporates, the likes of Ayala, Soriano, Lopez, and omnipresent Filipino-Chinese. The smaller Philippines stock exchange, Spanish mestizo-U.S.-Filipino-Chinese capitalism and impotent bureaucracy provided some insulation if not for the Marcos regime. There is no Filipino developmental state in the corporate economy.

Concluding with a broad sweep from Japanese *zaibatsu* and *keiretsu* and Korean *chaebol* to the Krugman hypothesis of endogenous structural defects shows only the inevitable: capital mobilization and embeddedness of personal capitalism is complex no matter what is the cultural dressing. One might add capitalism for all its greed is about personal motivation. Like Adam Smith's moral economy, should it not be ethics and morals, not culture and cultural idealization, as the ultimate values? Is Enron's case personal fraud, and not the American culture at fault?

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