Adjustment, Recovery and Growth: A Consideration of Five 'Crisis' Countries of East Asia

JAYATI GHOSH

In this paper, the post-crisis experience of the five economies of Thailand, South Korea, Malaysia, Indonesia and the Philippines is considered. It is found that while output growth has recovered to varying degrees, in all these countries there has been a significant change in the pattern of growth and investment, which has meant that the subsequent growth has had very different implications for employment generation, compared to the previous period.

Jayati Ghosh (*jayatijnu@gmail.com*) is at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, New Delhi.

The east Asian financial crisis was a sharp shock, which a decade ago rocked financial markets globally for a short time. It was one of the more glaring examples of "contagion effects" in financial markets, spreading rapidly from Thailand to other countries in the region even when the economies concerned appeared to have different characteristics. It created huge disruptions in the economies and societies of the region, causing large increases in unemployment, sharp increases in poverty, and in some cases major political changes. It also presaged the other financial crises that have hit various parts of the developing world (Russia, Turkey, Argentina) since then.

At the time, during and just after the financial crisis in 1997 and 1998, there was surprise and some amount of consternation in international policymaking circles as well as in the mainstream financial press. The east and south-east Asian economies that were hit by the crisis were, after all, among the best performers among developing countries in terms of both GDP growth and exporting ability. Their governments had embraced globalisation in all its aspects, not only in terms of export orientation but very extensive trade liberalisation and, more recently, financial liberalisation.

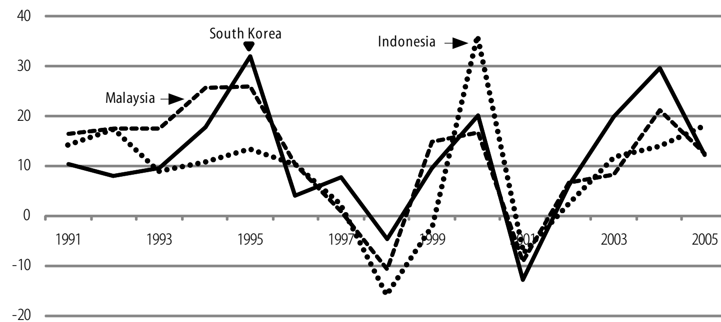
The five countries that were particularly affected by financial crisis – Thailand, South Korea, Indonesia, Malaysia and the Philippines – had all been characterised by rapid export growth, especially in "sunrise" manufacturing industries, and were substantial recipients of private foreign capital. In general they were characterised by "prudent" macroeconomic policies – three of them were running government budget surpluses and the other two had budget deficits that could be considered as moderate rather than excessive. They were regularly lauded by the Bretton Woods institutions as positive examples for other developing countries to follow, and cited as success stories of global integration.

Explanations Outside Integration

Therefore, when the crisis struck, the attempt was made, especially in mainstream policy discussions, to find causes for the crisis that were outside the pattern of economic integration and liberalisation that had been so favourably cited [Corsetti et al 1999; Radelet et al 1998; Johnson et al 2000]. "Crony capitalism" and opaque financial systems that distorted the pattern of investment; exchange rate rigidity because of the practice of pegging exchange rates to the appreciating US dollar, that adversely affected export competitiveness; these and other such factors were routinely evoked to explain away the crisis in what were otherwise apparently still model economies.

The more plausible reasons for the crisis were rarely discussed or all too quickly swept away in the mainstream discussion. Thus, the more structural problem of fallacy of composition that made the excessive focus on exports as the engine of growth more difficult as competing developing country exporters entered the scene was ignored in favour of blaming fixed exchange rates per se. The more proximate impact of external financial liberalisation – in terms of allowing inflows of capital that enabled short-term borrowing for long-term projects, breaking the link between the ability to access foreign exchange and the need to earn it, and causing appreciation of the real exchange rate that shifted incentives within the economy from tradeables to non-tradeables – were also underplayed. Yet of course, these were primary instrumental factors in causing the crisis [as elaborated in Jomo (ed) 1998; Johnson 1998; Ghosh and Chandrasekhar 2001] and the failure to recognise these as potentially destabilising economic strategies was part of the problem in subsequent crises in Turkey, Argentina and elsewhere.

Chart 1a: Export Growth Rates– Indonesia, Malaysia and South Korea (% per year in US $ terms)



Source: World Bank, *World Development Indicators* online.

Multiple Interpretations

Similarly, the subsequent economic recovery in the crisis-ridden countries of south-east Asia has also been subject to multiple interpretations. Some have argued that the quick and brutal policy response of fiscal and monetary tightening enabled the economic stabilisation and generation of current account surpluses that followed relatively quickly. But there is no question that the IMF-inspired strategy of high interest rates, tight monetary policy and fiscal compression actually made things worse in terms of deepening the crisis into a downward spiral especially over 1998, most notably in Thailand, Indonesia and the Philippines. The subsequent recovery, when it did occur, was essentially led by fiscal expansion – first in Malaysia where the use of expansionary fiscal policy began as early as 1998, and subsequently in South Korea, facilitated by external resources through the Miyazawa Initiative from Japan. Even so, the recovery too has been treated rather differently in some analyses, which have argued that the period of the crisis was simply a minor blip in an otherwise healthy and sustainable growth process driven by reliance on market-based reforms, foreign investment and export orientation.

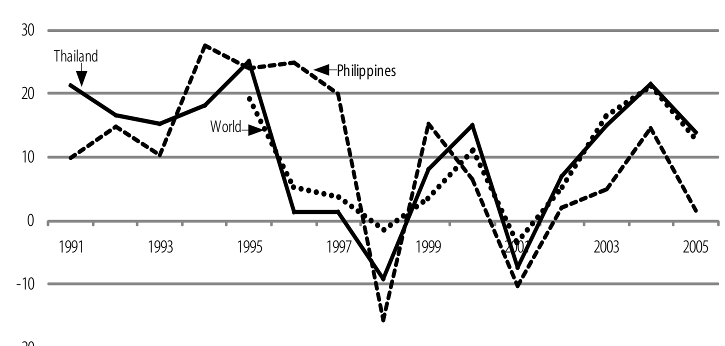
A Good Thing?

This interpretation has been further fuelled by the fact that 10 years after the east Asian financial crisis broke out, the economies of the region appear to have recovered quite substantially. Indeed, by now in mainstream discussion, the Asian crisis is often discussed not in terms of its negative impacts, but rather presented as an example of how economies can recover relatively quickly from crisis and continue on a favourable growth trajectory. There are even those who argue that the Asian financial crisis was in general a good thing, since it did not destroy the basic economic growth trajectory of the region and forced the economies in question to intensify liberalising reforms, especially in the financial sector, and thereby reduce "crony capitalism". In addition, the reduction of monopoly power through the break-up of some of the large South Korean industrial conglomerates (or "chaebols") and the political collapse of the Suharto dictatorship in Indonesia are cited as some of the positive by-products of the crisis.

This view is current not only in international financial circles but even among some Indian policymakers. This is of especial concern, since it suggests that policymakers in India (and other developing countries) may not be sufficiently worried about a potential financial crisis as to take adequate precautionary measures to avoid it. Given the large capital inflows because of financial markets' fascination with India as a hot destination even with the increasing volatility in this and other markets, the continuing policy moves towards external financial liberalisation and recently increased reliance on exports as a growth engine, there are certainly at least some similarities of current economic conditions in India with the situation of pre-crisis south-east Asian countries.

That is why it is particularly important to evaluate the subsequent performance of those economies that were particularly affected by the 1997 financial crisis. Of course, a decade is in any case a useful time to take stock, especially as it is considered sufficiently long for the basic tendencies in the economy to have emerged. In this paper, the post-crisis experience of the five economies of Thailand, South Korea, Malaysia, Indonesia and the Philippines is considered. It is found that while output growth has recovered to varying degrees, in all these countries there has been a significant change in the pattern of growth and investment, which has meant that the subsequent growth has had very different implications for employment generation compared to the previous period.

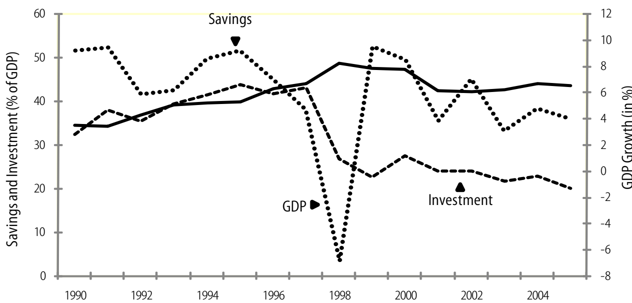
Chart 1b: Export Growth Rates– Philippines, Thailand and World (% per year in US $ terms)



Source: World Bank, *World Development Indicators* online and IMF, *Balance of Payments Statistics* online for world.

It is essential to examine export performance, if only because for some time now it has been considered as central to how the economies have performed overall. Export growth was seen as the key to the success of these five economies in the late 1980s and the first half of the 1990s, and it is routinely cited as the best indication of the recovery as well. Export growth in the region was very high in the pre-crisis years, with these countries showing among the most rapid rates of export expansion in the world, between 10 and 20 per cent per year in US dollar terms. The deceleration of export growth in 1996 is widely recognised as one of the proximate causes of the crisis.

Chart 2: GDP Growth, Savings and Investment in South Korea



Source: World Bank, *World Development Indicators* online.

This is evident from Charts 1a and 1b (p 53). The slump in exports that began from the middle of 1996 continued well into the crisis years of 1997 and 1998; however, exports recovered fairly quickly in these countries immediately thereafter, aided by the very major depreciations of currency that were induced by the crisis. As is evident from Charts 1a and 1b, by 2000 all these five countries were showing sharp increases in rates of export growth of more than 10 per cent, and in Indonesia it was even more than 30 per cent.

Subsequently, however, export growth has been very volatile in all five countries. There was a dramatic collapse (associated with absolute declines in US dollar terms) in 2001. This was also the period when world trade values fell. The apparent synchronicity of export behaviour in these five countries, despite rather different domestic economic strategies, suggests that export performance from the late 1990s, but especially after 2000 has been strongly influenced by global developments. This is also evident from Charts 1a and 1b, which shows that the cyclical pattern of world exports is reflected in the export performance of these five countries. Thus, the period 2003-05 has been one of global export boom, with both primary producers and manufactured goods exporters in the developing world posting high rates of growth.[1] So Asian export performance has generally tracked global exports. The difference is that before the crisis, export growth in these countries was generally higher than the world average (with the exception of South Korea, where it was only slightly lower). However, from 2002 onwards, exports in these countries (again except for South Korea) have grown at a lower rate than the world average. Also, the rates of export growth in the most recent three-year period, which is seen as the period of export boom, are below the rates of increase achieved in the period 1992-95, just before the crisis.

One difference, which may become more significant in future, is that a higher proportion of exports from these countries is now directed towards other countries in Asia, reflecting the new patterns of trade created by relocative capital and the crucial role of processing. The now dominant role of processing exports in China has made that country a huge and growing market for manufactured goods from these five countries as well as other Asian countries, these imports being further processed for re-export. In that sense the US and European Union (EU) still remain the main drivers of export demand for the region as a whole.

In term of other variables which may be more indicative of the actual health of these economies, the evidence is more mixed. Both aggregate GDP growth and industrial growth are still substantially below the average rates achieved in the period before the crisis. They have also been more volatile and fluctuating. Charts 2 to 6 provide information on trends in annual real GDP growth rates, savings and investment rates in these five countries.

One striking feature of the growth experience of all these five economies, as evident from Charts 2 to 6, is how dramatic the shock of 1998 was in terms of absolute declines in aggregate income. Subsequently, GDP growth did recover, but in general this involved growth rates that have been slightly lower, and definitely more volatile, than the growth rates of the previous period.

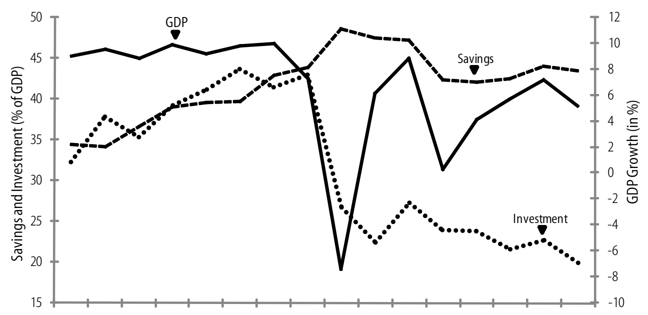
Savings and Investment

But the most startling change that has occurred in these countries is the broad macroeconomic shift in terms of a large divergence between savings and investment rates. The east and south-east Asian region has generally had very high savings rates – between 30 and 45 per cent in these five countries – for some time now. But the period subsequent to the financial crisis has seen an increase in these already high rates, especially in the "crisis" countries. However, investment rates (that is the share of investment in GDP) have plummeted in all these countries.

Thus, in South Korea the savings rate increased from just under 40 per cent in the three years before the crisis, to more than 42 per cent in 2003-05 (Chart 2). But the investment rate collapsed by almost half over the same period, from 42 per cent to 21 per cent. An almost identical pattern is evident for Malaysia, where investment rates halved from 42 per cent to 21 per cent, but domestic savings rates increased from an already high 41 per cent to more than 43 per cent between the same two years. (Chart 3) In the Philippines, over the same years, the savings rate went up from 26 per cent to 30 per cent, but the investment rate fell from 24 per cent to only 16 per cent (Chart 4, p 55).

In Indonesia, the savings rate has remained unchanged at around 29 per cent but the investment rate has fallen from 31 per

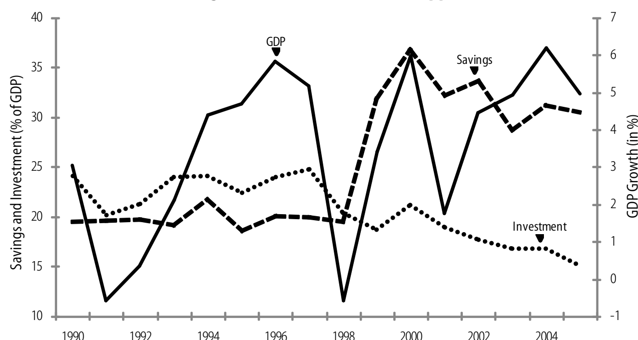
Chart 3: GDP Growth, Savings and Investment in Malaysia



Source: World Bank, *World Development Indicators* online.

cent to 23 per cent (Chart 5). Only Thailand shows a different recent trajectory: while the investment rate fell sharply after the crisis, it has recovered somewhat in recent times, although it is still only 28 per cent in the latest three-year period compared to 41 per cent in the pre-crisis period (Chart 6, p 56). The savings rate has also shown a different trend from the other countries: it has actually declined somewhat from 35 per cent average for 1994-96 to 31 per cent in 2003-05. This different pattern has also resulted in a different employment pattern in the recent past, as is described in the following section. However, even in Thailand, the pre-crisis period was generally characterised by investment rates that were higher than savings rates, whereas the post-crisis period has generally been one in which savings rates have been higher than investment rates.

Chart 4: GDP Growth, Savings and Investment in the Philippines



Source: World Bank, *World Development Indicators* online.

The recovery in output growth (even if not to the rates achieved in the pre-crisis years) along with the decline in investment rates in these countries suggests that the incremental capital-output ratios (ICORs) would have been increasing in the recent period. Obviously this requires further investigation, but it is clearly the case that the recent period has been marked by productivity increases, especially in manufacturing. This certainly reflects the impact of external competition, in both exporting and import-substituting activities, as producers find it necessary to adopt the most recent and cost-reducing technological changes. While increasing aggregate ICORs are clearly to be desired, they also point to greater losses of possible output expansion because of investment rates below the potential offered by the higher domestic savings rates.

Break from Past

Therefore in all these five countries, the crisis years of 1997 and 1998 mark a clear break from the earlier trend, when typically domestic investment rates were higher than saving rates, and the balance was met by an inflow of foreign capital. The latter is in fact what one would expect in a developing country, since it is generally supposed that developing countries are characterised by a shortage of investible resources. Therefore economic openness, especially to foreign investment, is designed to allow foreign resources to add to domestic savings in order to generate a higher rate of investment than would be possible using only domestic resources.

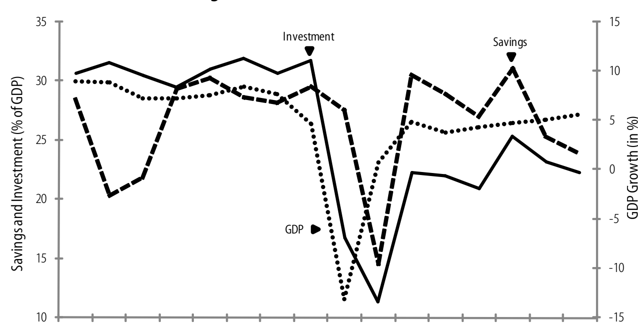
After the crisis, from 1998 onwards, these five economies actually became more "open" in policy terms, especially with respect to rules regarding foreign investment. Nevertheless, after 1998 all these five countries have stopped being net recipients of foreign savings and instead have shown the opposite tendency of net resource outflow, as domestic savings have been higher than investment. This has meant that there has been a process of squeezing out savings from the population as a whole but not investing it within the economy to ensure future growth. Instead, these savings have effectively been exported, either through capital outflows or by adding to the external reserves of the central banks, which are typically held in very safe assets abroad (such as US treasury bills). This has happened even though the need for more investment within these countries is still very great. Indeed, the development project is still not complete in these countries and especially not in Indonesia, Thailand and the Philippines, where poverty and backwardness remain substantial.

'Savings Glut'?

This rather paradoxical situation, which is reflective of a broader international tendency whereby developing countries have been providing their resources to the developed world, and in particular to the US, has been described by some American commentators as a "savings glut" [Bernanke 2005]. Quite apart from the many problems with such an argument, it is immediately apparent from Charts 2 to 6 that the problem in these countries has not been the rise in savings so much as the collapse in investment. True, savings rates have increased, affected also by crisis-induced shifts in income distribution that have reduced workers' consumption and transferred more income to those in a better position to save. But the sharp collapse in investment rates that has been noted above has come about because of other factors that have led to the emergence of this "savings surplus".

Thus, the growing savings surplus is partly – but only partly – the result of the decisions of private agents in these countries. And even these private decisions have been strongly affected by official economic policies. For example, stringent monetary conditions, increasing real interest rates and an excess of very rigid and inflexible forms of prudential regulation have caused bank credit to be less easily available for investment. A range of other post-crisis measures dampened private investment by directly and indirectly raising the costs of finance and reducing access to it. This has obviously reduced investment by large corporate entities, but it has had even stronger detrimental effects upon small enterprises which have found it more difficult to access credit. It is worth noting that the only economy that has shown a different pattern in savings and investment – that of Thailand – is one where the

Chart 5: GDP Growth, Savings and Investments in Indonesia

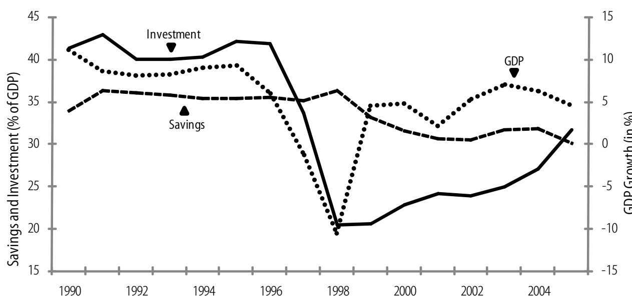


Source: World Bank, *World Development Indicators* online.

government of Thaksin Shinawatra systematically made greater access to institutional credit by small enterprises and farmers a major plank of the post-crisis reconstruction strategy.

But monetary and financial policies are only one part of the story. A very large role in the reduction of aggregate investment

Chart 6: GDP Growth, Savings and Investments in Thailand



Source: World Bank, *World Development Indicators* online.

was played by fiscal policies of governments in these countries, who increased their own savings and cut down on fiscal deficits or increased fiscal surpluses across the region. Even though the financial crisis in these countries was essentially brought on by private profligacy in a financially liberalised environment, the aftermath of the financial crises has created an environment of excessive caution on the part of governments. The pressure on government has been to keep government budget deficits under control by reducing their spending. This in turn means that governments in these countries have not spent as much as could be easily sustained by the economy, to ensure better conditions for the people or to encourage more sustainable growth and generate more employment. This is evident from Chart 7, which shows how the Asian NICS (a group which is dominated by the five countries being considered in this paper) have not only run very low budget deficits (around or less than 1 per cent of GDP since the late 1990s) but also have been running budget surpluses for the past few years. All other developing countries have still been running budget deficits, even though these are small and getting smaller.

It is worth noting that the developed countries have not been so circumspect: the US moved from budget surplus to growing budget deficit after 2001, and the US deficits are now once again the highest in the world in absolute terms and also high as a share of GDP. Even the euro area has shown higher budget deficits in the recent past.

So the major cause for this apparent excess of capital which is then being exported to the US and other developed countries is deflationary policies on the part of these governments, which suppress domestic consumption and investment. This obviously has effects on current levels of economic activity, but it also negatively affects future growth prospects because of the long-term potential losses of inadequate infrastructure investment, etc.

Table 1: Worker-Population Rates (in %)

	Indonesia		South Korea		Malaysia		Philippines		Thailand	
	M	F	M	F	M	F	M	F	M	F
1991	78.9	47.4	72.0	46.2	78.9	42.6	76.2	42.0	84.7	70.4
1992	79.8	47.1	72.3	46.1	78.7	42.3	76.5	43.0	85.1	68.9
1993	78.9	47.1	71.8	46.0	79.4	42.6	75.7	42.8	84.3	66.4
1994	78.1	46.9	72.8	46.9	79.4	42.5	76.3	42.8	83.9	63.7
1995	78.5	46.7	73.4	47.7	79.4	42.4	76.8	44.4	83.6	65.3
1996	80.1	47.0	73.5	48.4	79.9	42.5	77.6	44.9	83.0	66.5
1997	79.8	46.6	73.0	49.0	79.9	42.4	76.8	44.7	82.9	66.8
1998	79.1	46.6	68.3	44.7	79.4	41.9	75.9	44.5	80.4	63.9
1999	79.9	47.2	68.2	45.5	78.6	42.2	75.1	45.3	79.6	63.0
2000	80.1	47.1	69.4	46.9	79.2	44.1	73.3	43.6	80.1	63.9
2001	78.7	46.1	69.5	47.5	79.0	43.9	75.4	46.8	80.4	63.4
2002	77.8	45.5	70.6	48.2	78.9	43.8	74.9	46.8	80.7	63.7
2003	77.5	45.2	70.3	47.1	78.6	43.6	74.7	46.8	80.5	63.7
2004	77.1	45.1	71.0	48.5	78.7	44.4	74.4	47.5	80.0	64.8
2005	77.7	44.3	70.9	48.6	78.6	44.8	76.9	50.7	79.9	65.0

M: Male, F: Female.
Source: *ILO Key Indicators of Labour Markets,* 5th edition, 2007.

Why are governments in these countries pursuing such an apparently counterproductive policy which runs against the interests of their own current and future economic growth? One obvious reason is the fear of a repeat of the large and destabilising movements of speculative capital which were such a strong feature of the financial crisis of 1997-98. The idea is to guard against the possibility of such potentially damaging capital flight by building up substantial foreign exchange reserves, even when these may involve large fiscal losses. But this is only one reason. The other reason is that the current economic strategy in these countries is still centred around the obsession with exports as the engine of growth, which are combined with deflationary domestic policies that keep levels of aggregate domestic investment lower than savings. This causes an "excess supply" of foreign exchange in the currency market, which would in turn involve an appreciation of currencies, thereby adversely affecting exports!

In a world of liberalised trade where exchange rates cannot be easily controlled, this means that currencies have to be kept at "competitive" levels through market based means. And this in turn means that foreign currency inflows – whether through more exports or remittances or through capital flows – must be counteracted by central bank market intervention to purchase foreign currency, to prevent undesired appreciation of the currency. The macroeconomic counterpart – and cause – of the rising foreign exchange reserves held by the central banks of all these countries is therefore the excess of domestic savings over investment, which is actually a huge potential wasted for these economies. So financial liberalisation forces a deflationary strategy on governments, that in turn contributes to the accumulation of unutilised foreign exchange, thereby threatening currency appreciation.

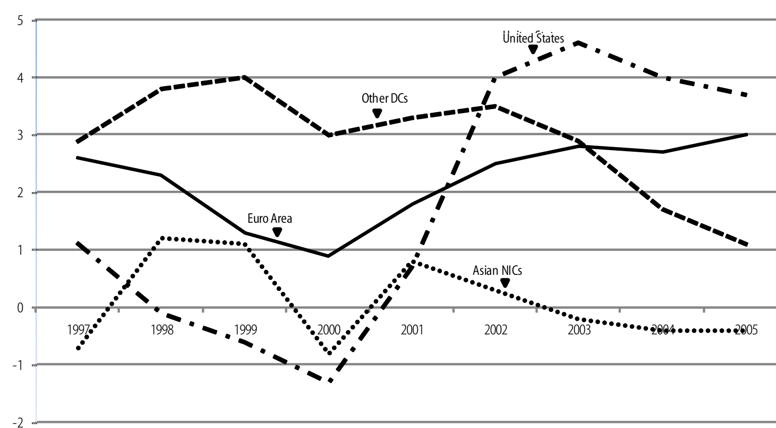
Deflationary Effect

The deflationary effect of this economic strategy is reflected in lower levels of economic activity than could have been potentially achieved, as well as higher levels of unemployment. This in turn helps us to understand why growth rates are in general lower, why employment generation has been inadequate and unemployment rates are rising, and why conditions of a large section of the poor do not improve in these countries, despite the apparent aggregate economic "recovery".

Thus, aggregate employment growth is also much slower than before. This has in turn been reflected in a drop – substantial in some of these countries – worker population rates. This is evident from Table 1, which shows that both male and female work participation rates have tended to decline, although they have shown somewhat divergent trends in the different countries. In Indonesia, male worker population rates have fallen from an average of 79 per cent in the three years preceding the crisis to 77 per cent over 2003-05, though of course that is still a high rate. For

women, the decline has been from 47 per cent to 45 per cent. For South Korea, the decline is not so marked between the two periods – there was a very sharp drop for both men and women in the period just after the crisis, but a recovery thereafter. Male work participation rates in the most recent three-year period at 71 per cent were still below the pre-crisis rate of 73 per cent; however, for females the rate actually increased between these two periods by 1 percentage point, to 48.6 per cent. There is evidence that for women, more of this is part-time work.

Chart 7: Fiscal Deficits (as % of GDP)



Source: IMF, *World Economic Outlook 2007.*

In Malaysia, aggregate worker-population rates show no change, but this reflects a decline for men and an increase for women (both by 2 percentage points). In Thailand female rates have remained broadly unchanged at 65 per cent, but males rates have fallen substantially from 83.5 per cent to 79.8 per cent between the two periods. The Philippines is the clear outlier in this case – aggregate worker population rates have actually increased between the two periods, and this is even though male rates have remained unchanged, but female rates have moved sharply up from a pre-crisis average of 44 per cent to 50 per cent in the most recent period. Once again, in the Philippines there is other qualitative evidence suggesting that much of the new work is in the form of part-time and less formal employment.

Even in the sectors where export growth has been buoyant, such as manufacturing, employment has not picked up and in South Korea and Malaysia manufacturing employment has actually fallen in absolute numbers compared to the pre-crisis years. Overall, survey and other micro evidence suggests that even where employment has not fallen or has even increased, the quality of employment has deteriorated in that there is a greater proportion of insecure casual contracts, low-grade self-employment and part-time work in total employment, especially for women workers.

Table 2: Unemployment Rates (as % of labour force)

	Indonesia	South Korea	Malaysia	Philippines	Thailand
1990			4.7	8.1	2.2
1991		2.4		9.0	2.7
1992	2.8	2.5	3.7	8.6	1.4
1993		2.9	3.0	8.9	1.5
1994	4.4	2.5		8.4	1.4
1995		2.1	3.1	8.4	1.1
1996	5.5	2.0	2.5	7.4	1.1
1997		2.6	2.5	7.9	0.9
1998	6.3	7.0	3.2	9.6	3.4
1999	6.1	6.3	3.4	9.2	3.0
2000	8.1	4.4	3.0	10.1	2.4
2001	9.1	4.0	3.5	9.8	2.6
2002	9.5	3.3	3.5	10.2	1.8
2003	9.9	3.6	3.6	10.2	1.5
2004	10.3	3.7		10.9	1.5
2005		3.7			1.3

Source: *ILO Key Indicators of the Labour Market,* 5th edition, 2007

Further, unemployment rates are on the rise, even in the countries where there has been an increase in worker-population rates. Table 2 shows that there has been an increase in open unemployment rates in these countries, even though, except for South Korea, none of them has any unemployment benefit or social security system worth the name. Open unemployment rates in Indonesia have increased from an average of 3.6 per cent in the three years before the crisis to 10 per cent in 2003-05. Open unemployment rates for Indonesian women were as high as 14 per cent in 2005. In South Korea the increase in unemployment has been from 2.2 to 3.7 per cent of the labour force. Malaysia experienced the least decline in employment and the most rapid recovery from the crisis, yet even here the average unemployment rates increased from the pre-crisis 2.7 per cent to 3.5 per cent of the labour force in the most recent three-year period. In the Philippines it has increased from 7.6 per cent to 10.6 per cent of the labour force.

Overall, for these four countries, these higher open unemployment rates have been associated with declining rates of labour force participation, indicating more and more "discouraged workers", especially among women. Thailand is the only country where, after an initial post-crisis increase, unemployment rates are down to the relatively low pre-crisis levels. And it has already been noted that Thailand has been something of an exception in avoiding the most extreme deflationary policies, and has therefore experienced higher investment rates and output growth recovery than the other countries.

Most crucially of all, one important fallout of the financial crisis has been that the project of the developmental state, which was such an essential feature of economic progress in the region in the past, has effectively been abandoned. So financial crises do more than simply create sharp and painful economic shocks for the residents of the country – they also alter longer-term economic trajectories in unfortunate ways.

NOTE

1 The rates of growth described in Charts 1a and 1b, in US dollar terms, would slightly overestimate the real rate of export expansion in this most recent period because this is also the period when the US dollar's value has been falling in international currency markets.

REFERENCES

Bernanke, Ben (2005): 'The Global Saving Glut and the US Current Account Deficit', http://www.federalreserve.gov/boarddocs/speeches/2005/200503102/default.htm

Corsetti, Giancarlo, Paolo Pesenti and Nouriel Roubini (1999): 'What Caused the Asian Currency and Financial Crisis?', *Japan and the World Economy*, Vol 11, No 3, pp 305-73.

Chalmers, Johnson (1998): 'Economic Crisis in East Asia: The Clash of Capitalisms', *Cambridge Journal of Economics*, Vol 22, No 6, pp 653-61.

Ghosh, Jayati and C P Chandrasekhar (2001): *Crisis as Conquest: Learning from East Asia*, Orient Longman, New Delhi.

Johnson, S, P Boone, A Breach and E Friedman (2000): 'Corporate Governance in the Asian Financial Crisis', *Journal of Financial Economics*, Vol 58, pp 141-86.

Jomo, K S (ed) (1998): *Tigers in Trouble: Financial Governance, Liberalisation and Crises in East Asia*, Zed Books, London.

Radelet, Steven, Jeffrey D Sachs, Richard N Cooper and Barry P Bosworth (1998): 'The East Asian Financial Crisis: Diagnosis, Remedies, Prospects', *Brookings Papers on Economic Activity*, Vol 1998, No 1, pp 1-90.