International Journal of Institutions and Economies
Vol. 3, No. 1, April 2011, pp. 149-160

Book Reviews

Nowhere to Hide: The Great Financial Crisis and Challenges for Asia, by Lim, M.M.H. and Lim, C., Singapore: Institute of Southeast Asian Studies, 2010, pp. xxiv, 174.

The book *Nowhere to Hide: The Great Financial Crisis and Challenges for Asia* by Lim Mah Hui and Lim Chin is an addition to the growing literature seeking to explain and/or prognosticate about the dynamics of the Global Financial Crisis (GFC) that began in 2008, and is now showing signs of abating. It details the economic environment and the complexities of the financial structures and instruments in the U.S. financial system that led to the "subprime" crisis which quickly went global. While these developments were the proximate causes of the Crisis, the authors allude to three structural imbalances – between the size of the financial and real sectors, between countries with current account deficits and those with current account surpluses, and in wealth and income in the U.S.[1] It then examines the implications of the Crisis for Asia, first in terms of its impact, then of the policy responses of Asian countries adversely affected, and of the challenges posed to Asia as a consequence of the GFC. It concludes by discussing three areas of tension that continue to confront the global economy post-GFC. The first is that relating to the dominance of the U.S. in the international monetary system. The second is that between the financial and the real economy. The third is that of ideas – between neoliberals and those who advocate a proactive role of government.

The book has several features to recommend it among the many accounts of the GFC in print. First, it is able to tell its story of the GFC – its causes, evolution, key issues, actors and victims – in a way easily understood by the layman, thanks to the authors' writing style that is almost journalistic in clarity and impact. This is particularly important in understanding the complexities of the instruments – subprime mortgages, collateralized debt obligations, mortgaged backed securities, credit default swaps – that characterized the U.S. financial scene and which led to the GFC. Indeed, the authors were at their best in explaining clearly how this complex web of instruments and dealings were made possible by regulatory capture, eventually bringing the house down on America. Second, it is among a smaller number of publications focusing on the implications of the GFC for Asia. And third, now that there are signs of global economic recovery, it is better able to look ahead to the post-Crisis world than previous works.

The book would have been an excellent analytical account had it been devoid of the asymmetrical nature of arguments that characterize some of the lucid messages it conveys. This is unfortunately not the case. Although there is nothing wrong with sticking with views advanced by mainstream media commentators, it mimics many of them by not even mentioning, let alone giving equal play to, both sides of what are major debates. At times, this is compounded by failure to see the forest for the trees, rendering its arguments, when this occurred, rather partial.

The former limitation is evident in the general discussion of the GFC in the first half of the book. Its critique of rational expectations and the efficient market hypothesis, so beloved of many commentators (e.g. de Grauwe, 2009; Kay, 2010), is in fact just a part of the larger debate on the culpability of economics as a discipline, if not contributing to the Crisis, at least in facilitating its arrival. This larger debate ranges, in the extreme case, from the relevance of the discipline itself (e.g. Bennett, 2008) to weaknesses of parts of it (e.g. Spaventa, 2009). Those who question the relevance of economics point to the failure of most economists to predict the onset of the GFC and the use of highly abstract models that are disconnected from the reality of the market place (see for example, Brooks, 2010). They believe that unrealistic assumptions like economic rationality (not just of expectations) and convergence towards equilibrium (e.g. Galbraith, 2009) are at the heart of this failure.

Those not ready to tar economics in its entirety allude to weaknesses in macroeconomic modeling that have neglected the growing role of the financial sector (Spaventa, 2009) as well as failure to factor in behaviour like panics and manias (Knowledge@Wharton, 2009). Or to the inadequacy of existing macroeconomics to prescribe the appropriate response (Galbraith, 2009; Johnson, 2009), and hence necessitating a rethink of macroeconomic policy (Blanchard *et al*., 2010).

Indeed, the argument has been made that the GFC is ultimately not about economics but politics. This is because capture of the state by private interests is ultimately a political matter (Friedman, 2010; Hamilton, 2010). Even the size of the fiscal stimulus in the U.S. requires political consensus in Congress before it was passed (Galbraith, 2009).[2]

Not all economists are prepared to accept the self-flagellation their colleagues inflict on themselves or to tolerate the assault by commentators in the media. Subramanian (2009) for instance, argued that if economists fail to predict the Crisis, economics has at least redeemed itself when the Keynesian remedies proposed in response did their job. Indeed, if economics had proved so inadequate, why did no one take the proposed responses, which are based on the same allegedly flawed economics, to task?[3] Furthermore, not everyone is losing faith in economic liberalization. Countries like China, India and

Vietnam have not abandoned their plans to make the transition to the market but feel vindicated by their adopting a gradualist approach while other BRICs like Brazil are looking to manage capital flow (Beattie and Dyer, 2009). Even the criticism of the efficient market hypothesis has been challenged (Siegel, 2010). Beyond these are questions like whether it is economics or just a dominant economic ideology that had been dealt a mortal blow by the GFC, and, similarly, whether it was economics or economists who were at fault. After all, economics is not all about efficient markets and rational expectations, given the development of behavioral economics, information asymmetry, intuitive judgment, and recognition of the role of institutions, all of which have earned their pioneers – Simon, Akerlof, Stiglitz, Kahneman, Buchanan – Nobel prizes. Whether these research areas can find their way into "mainstream" economics is another matter.

The same problem applies to the authors' discussion of the macroeconomic imbalances caused by current account surpluses and deficits. Although they are part of a chorus of economists (e.g. Dervis, 2009; Garten, 2010; Wheatley, 2007) expounding this view, with some pinpointing China (Subramanian, 2010), there is again no agreement over this proposition. For instance, Quah (2009) believes that the prevalent notion of imbalance and its redress, by Asian countries consuming more, which is also advocated by the book's authors, is misconstrued since the evidence shows it is not Asian oversaving but American profligacy that brought on the GFC. An equally skeptical Corden (2007), argues that inter-temporal trade, which is what current account imbalances are about is no different from spatial trade which is the foundation of trade theory. He noted that "the criterion of whether changes in private savings, investment, or fiscal policy, would lead to reduced current account imbalances is not an adequate guide to whether the changes are desirable".

When it comes to relating the GFC to Asia, the authors rightly recognized the relevance of the Asian Financial Crisis (AFC) as having contributed to both the strength (via reformed financial systems) and weakness (greater dependence on trade) of trade-dependent Asian economies as they confronted the GFC. The AFC's differential impact on Asian countries also produced a shift in competitiveness in favour of China, India and, to a lesser extent, Vietnam, which were relatively unscathed. However, this realignment was only a part of an even more significant development the authors failed to mention – the shift in the economic balance of power from West to East – which the GFC accelerated (Schneider, 2010; Wolf, 2009).[4] The key actors in this shift are China and India, which, together with other Asian countries, are propelling global recovery from the GFC for the first time in modern history.

As a final comment, it seems a little odd that the book should end with a look *backward* at the GFC in a historical context, given the opening it created to look *forward* through the likely fate of the three imbalances. Admittedly, it does this at least in part, if at times obliquely, by; first, questioning the future of Asia's export-led strategy; second, discussing the contest for dominance by the financial industry; and third, raising this question almost on the last page. Yet, the question of whether these imbalances are being addressed can at least be partially answered. As of now, the answer is no.

With respect to the export-led strategy Asian countries have been relying on, the book echoes the view expressed by many that this strategy no longer works given that the U.S. and Europe, the biggest markets, are only beginning and will take time to recover. However, as also noted in the book, export-dependent developing countries will find increasing consumption and reducing dependence on trade easier said than done. Fortunately, China's recent experience puts the lie to the argument against export-led growth and gives other export-dependent Asian countries hope. What China has done successfully, after an initial trade shock brought on by the GFC, is to quickly create trade opportunities with new trade partners in other parts of the world, especially Latin America,[5] while at the same time boosting consumption at home. As a result, its exports are on the rise again. The trade imbalances have not really been reduced, but only redistributed.

Similarly, two years after the GFC began, the dominance of the financial sector has neither receded nor have the bulk of reforms been passed without being watered down. The increased significance of the financial sector is here to stay, and the only question is whether it can be better regulated. In the U.S., financial regulatory reform had been passed by Congress, a product of political compromise. During the course of its passage, there was already disagreement on both sides of the Atlantic as to what regulatory mechanisms were needed. As for the growing income gap in the U.S., there are scant signs that this is being corrected. So the question the book, following its own logic, should really be asking and discussing is: with all these imbalances intact, are we headed for another imminent crisis?

As for the contestations the book covers, the first, over the dominance of the U.S. dollar in the international monetary system, is more political rhetoric and posturing than real. There is currently no challenger to the U.S. dollar as the global reserve currency, particularly as the deleveraging and the rise of the value of dollar during the early part of the GFC showed. The Euro has problems of its own and is in any case the total volume of Euros in circulation is less than half that of the U.S. dollar. This is even truer of the Japanese yen. As for the Chinese yuan, no one believes the Chinese government to be ready to relinquish control over its currency which its full internationalization requires. This leaves the Special Drawing Right (SDR, the IMF's artificial currency) proposed by the Stiglitz Commission, but so far this has not engendered much interest. The real contestation, which the book unfortunately misses, is over the reform of global governance – efforts by the emerging economic powers to have greater say in the institutions that oversee the international financial system – and the extent to which the architects of Bretton Woods over sixty years ago are willing to accede to the former's demands.

The book's other contestations over the role of the financial sector and of economic ideology, is real enough. Since, as already stated, the financial sector is not going to become less important, the only question is whether it can be better regulated. This question remains to be answered. In addition, as already discussed, the so-called ideological contest is but a subset of the larger debate about the role and capability of economics to deal with real life problems. After all, as Galbraith (2009) noted, economic liberals and conservatives only debate whether policy makes a difference, not about the larger questions of economics itself.

In summary, although the book makes for a good read, its intellectual credentials are sullied by its failure to provide a balanced account of major ongoing debates about the GFC, as well as devote sufficient attention to looking ahead, and, in the process, stand ready to make predictions based on its analysis. Perhaps its authors are aware that predictions have been the bane of the economics profession, but as the GFC showed, failure to make them did not help reputations either.

Cheong Kee Cheok
University of Malaya

Notes

1. Although the authors referred to the third imbalance as "neglected" (p. 70), it has not gone unnoticed. See Milanovic (2009).
2. A fiscal stimulus of US$780 billion proposed by President Bush for the first time was shot down by Congress on September 29, 2008.
3. With the problem of sovereign debt relating to debt sustainability, this position will undoubtedly become itself the subject of intense debate.
4. This shift has been documented in detail by Mahbubani (2009) and Zakaria (2009).
5. In August 2009, China succeeded the U.S. as the top trading partner of Brazil and Chile. Similarly, China is now the second largest trading partner of Argentina, Costa Rica and Peru (see ECLAC, 2009: 98).

References

Beattie, A. and Dyer, G. (2009) "Free-market Ideals Survive the Crunch", *Financial Times*, 26 November.

Bennett, D. (2008) "Blindsided by Crisis, Economists Rethink Profession along with Theories", *New York Times*, 23 December.

Blanchard, O., Ariccia, G.D. and Mauro, P. (2010) "Rethinking Macroeconomic Policy", IMF Staff Position Note SPN/10/03, Washington DC, 12 February.

Brooks, D. (2010) "The Return of History", *New York Times*, 25 March.

Corden, M. (2007) "Those Current Account Imbalances: A Skeptical View", *The World Economy*, 30(3): 363-382.

de Grauwe, P. (2009) "Economics in Crisis: It is Time for a Profound Revamp", *Financial Times*, 22 July.

Dervis, K. (2009) "Developing Countries can Help Cure Global Imbalances", *Financial Times*, 20 December.

Economic Commission for Latin America and the Caribbean (ECLAC) (2009) *Latin America and the Caribbean in the World Economy 2008-2009: Crisis and Opportunities for Regional Cooperation*, Santiago: United Nations, December.

Friedman, G. (2010) "The Global Crisis of Legitimacy", *STRATFOR Global Intelligence*, 4 May.

Galbraith, J.K. (2009) "No Return to Normal: Why the Economic Crisis, and Its Solution, are Bigger than you Think", *Washington Monthly*, March/April.

Garten, J.E. (2010) "The World Needs Rebalancing, not China Alone", *Yale Global Online*, 22 March at: http://yaleglobal.yale.edu/content/world-needs-rebalancing-not-china-alone, accessed 4 June 2010.

Hamilton, A. (2010) "This is a Crisis of Politics not Markets", *The Independent*, 27 May.

Johnson, S. (2009) "The Economic Crisis and the Crisis in Economics", Presidential Address to the Association for Comparative Economics, San Francisco, 4 January.

Kay, J. (2010) "Economics may be Dismal, but it is not a Science", *Financial Times*, 13 April.

Knowledge@Wharton (2009) "Why Economists Failed to Predict the Financial Crisis", 13 May at: http://knowledge.wharton.upenn.edu/article.cfm?articleid=2234, accessed 2 June 2010.

Mahbubani, K. (2009) *The New Asian Hemisphere: The Irresistible Shift of Global Power to the East*, New York: Public Affairs.

Milanovic, B. (2009) "Two Views on the Causes of the Global Crisis – Part I", *Yale Global Online*, 4 May at: http://yaleglobal.yale.edu/content/two-views-global-crisis, accessed 3 June 2010.

Quah, D. (2009) "Rebalancing the Global Economy", *The Edge Malaysia*, 23 March.

Schneider, H. (2010) "Asian Nations Emerge from Recession as Stronger Economic Powers", *Washington Post*, 14 May.

Siegel, J.J. (2010) "The Efficient Market Hypothesis and the Recent Financial Crisis", paper presented at the Inaugural Conference of the Institute for New Economic Thinking, Kings College, Cambridge, 10 April.

Spaventa, L. (2009) "Economists or Economics: What does the Crisis tell us?", Policy Insight No. 38, Center for Policy Research, August.

Subramanian, A. (2009) "How Economics Managed to Make Amends", *Financial Times*, 27 December.

Subramanian, A. (2010) "China is the Key to Unwinding Global Imbalances", *Financial Times*, 20 April.

Wheatley, A. (2007) "Impact of Asian Crisis Lingers", *The Standard*, 21 June.

Wolf, M. (2009) "How the Noughties were a Hinge of History", *Financial Times*, 23 December.

Zakaria, F. (2009) *The Post-American World*, New York: Norton.

Human Resource Economics: Issues and Perspectives, by Beatrice F.Y. Lee, Fumitaka Furuoka, Hj Kasim Hj Md Mansur and Roslinah Mahmud. Kota Kinabalu, Sabah: Universiti Malaysia Sabah, 2010, 188 pp.

This book seeks to provide issues and perspectives on human resource economics in Malaysia, Japan, and some countries in Asia Pacific. Each chapter is fairly organized. Chapter one focuses on population growth and economic performance in five countries where it was found that economic development in these countries had a positive impact on the population growth. Chapter two deals with fertility decline in developed countries attributing to factors such as education, decreased demand for large families, birth control and contraceptive, transition of economy, western influence and dilution of Asian traditions. Whilst chapter three deals with unemployment rate and inflation derived from Phillips curve utilizing data from 1971 to 2004 with limited implications in general, specifically chapter four focuses on textile sector in Sarawak in estimating total factor productivity. This chapter could be better illustrated if comparative data on textile sector from the Peninsula is demonstrated as a contributing sector and relevance to the nation's economy.

In Chapter five, it is postulated that female labour participation increased consistent with the global trend of female workforce and higher level education obtained or either decreased due to retrenchment caused by economic crisis. It was noted that overall female participation rate is still low. Chapter six deals with the minimum wage debate in Malaysia. This topic is current as the Ministry of Human Resources is conducting a feasibility study on implementation of a national minimum wage for private sector workers in Malaysia. This chapter discusses various viewpoints and issues of minimum wages, arguments for and against minimum wage and economic demand and supply theory in explaining minimum wage. However, the concluding remark on potential benefit of minimum wage in reducing foreign workers needs more convincing as opposed to wages currently determined principally by market forces and performance-based especially where certain sectors lacked workers hence having minimum wage might just benefit a limited number of employees. Chapters seven and eight deals specifically with the disabled and senior citizens respectively. Available data on the disabled in Malaysia was not tapped fully in chapter seven which deserves more mention. Although chapter eight deals specifically with senior citizens' employment in Gifu prefecture, it serves as a good insight on continuing labour force participation and long term employment. Islamic teachings and principles in contributing to labour economic motivation appears in chapter nine and finally chapter ten highlights the importance of implementing financial literacy in the education system of future workforce in contributing to the knowledge economy given the discrepancies among the various ethnics and differences between genders.

Overall, it is an appreciative work of human resource economics by four editors. However, grammar structure needs to be well-checked such as those which appeared on pp. 111 and 176 of chapters six and ten respectively and in the introduction chapter where p. xxii did not appear in sequence as apparently this had been misprinted twice. Another point that needs attention is the number of authors associated with each chapter where the names of authors are repeated frequently and in some chapters with a variation of one or two different authors that might irked some readers.

Despite the limitations, yet this book serves as a good resource and function well in teaching especially to undergraduate students given a comprehensible language and an easy volume even for the public who have interests in human resource within economics perspective. Further, ideas on relationships between human resource and socioeconomic portfolio have not been widely available especially in Malaysia from the local perspective and inclusion of studies concerning Japan in two chapters and another in the Asia Pacific region represent an extended evidence.

Finally, I might note that, in my opinion, the authors' relentless focus on economics of human resource, as good as that is, leads them to neglect the role that our natural environment plays in making human life worth living. I wish they had taken the space to remind their readers of the importance of recognizing at minimum a chapter to resource allocation of human capital to natural resources and the economic system. Following this, academic and policy interest could be further perpetuated with the advent of constant evolving of the complex resource concept and economics of human resource given the mutually reinforcing process of all forms of resources. After all, resource economics brings together economic and natural resource inputs, with the goal of developing a sustainable and efficient economy.

LooSee Beh
University of Malaya

Chips and Change: How the Crisis Reshapes the Semiconductor Industry, by Clair Brown and Greg Linden, Cambridge: MIT Press, 2009, pp. 257.

Ever since its birth, the excitement over electronic microchips has continued to grow. Born in the United States military, semiconductor chips were first targeted at raising precision control of the radar system during the Second World War. As the war ended and despite the intensification of the miniaturization process, microchips have continued to proliferate consumer and industrial uses with the United States' government focus expanding to include space exploration. Latecomer governments sought technological catch up in IC production primarily because of its enabler properties that has helped drive innovation and competitiveness in itself and other industries (Rasiah, 2006). Although the chip was never explicitly used as an example, its launching provided a big leap in the increasing returns arguments that had dominated early industrialization (see Smith, 1776; Hamilton, 1791; Babbage, 1832; List, 1885; Young, 1928; Gershenkron, 1962; Kaldor, 1967). Another major contribution of the industry has been the impact of the productive forces of creative destruction on innovation each time the industry faced a crisis. This book provides a masterful account of how crises have shaped the industry through an attempt to answer the question of how costs and market conditions shape each of the crisis of the last few decades, and industry's responses to them (p. 5).

Organized in eight chapters, and an introduction and a conclusion, the book uses solid empirical evidence to grapple with the pressures of miniaturization and overproduction arising from intense competition from new entrants. The introduction introduces the nuts and bolts of microchips and the problems confronting the industry. Central to the book are pressures that have been fuelling the crises and the way the industry has responded to them. The book starts of with a good introduction of the key terminologies and how firms attempt to maximize revenue and minimize costs through a focus on technology and optimal global spread of operations. Chapter 1 discusses the decline and resurgence of semiconductor production of American firms against Japanese competitors. Chapter 2 examines the impact of increasing fabrication costs, and the introduction of Taiwan's contract fabrication model with its firms – The Taiwan Semiconductor Manufacturing Corporation and United Microelectronics Company accounting for nearly half of the world's foundry revenue in 2007 (p. 39). Chapter 3 discusses the rising costs of design. In the face of rising fabrication and designing costs, chapter five discusses the productivity limits imposed by the consumer price squeeze. Chapter five argues that Moore's law has reached its limits with photolithography posing real problems for further miniaturization. Chapter six points out the problems associated with a volatile industry that is heavily dependent on engineering talent. Chapter seven lays bare the monumental problems facing semiconductor firms over the risks associated with R&D in the face of falling profit margins. Chapter eight attempts to examine the two major arguments that claim that the locus of microchip production is headed for Asia, *viz*., one, the snowballing effect of fabrication's move to Asia, and two, the role of large markets in rapidly growing China and India.

Brown and Linden provide a brilliant analysis of the semiconductor industry by carefully fitting the puzzle with a sequential exposition of the critical issues. In light of falling profit margins imposed by rising fabrication and designing costs, and falling prices, incumbent American and European firms are increasingly pressured to cut costs. As Brown and Linden argue, it has remained an opportunity for governments willing to subsidize the high cost of R&D. Governments in the United States, Japan, Korea and Taiwan facilitated R&D activities in the industry at least in the formative years of the firms. Brown and Linden finish with four major lessons, *viz*., one, crises are inherent to high tech industries (they help drive innovation despite the shakeouts they generate); two, crises offer opportunities for the construction of competitive advantage; three, a new business model must dovetail with new technologies for achieving competitive advantage; and four, supporting institutions are critical for driving high tech industries (pp. 213-214). The last lesson has been proven pivotal in sustaining leadership and helping latecomers leapfrog incumbents (see Amsden and Chu, 2003; Rasiah and Lin, 2005; Mathews, 2006).

Without taking away the accolades Brown and Linden fully deserve, I wish to raise three points that they may consider for a revisit of this book in future. Firstly, I would like Brown and Linden to trace historically the classical Marxist argument that was taken up later by Warren (1980) and Brenner (1977) on how crises attracted firms to increase the organic composition of capital by raising rather than reducing investments (Marx, 1974). Rasiah (1988) provided empirical evidence to argue that the mid-1980s industry-wide crisis that saw the prices of 64 DRAM chips to fall from US$50 to 50 cents did not drive out most producers. In addition to increased investments by the incumbent firms, shakeouts in the industry have only seen the financially weak ones absorbed by others and new entrants arriving to pursue the Schumpeterian Mark I route to innovation. This is what Marx advanced when arguing that competition forces firms to replace old modes of technology with new ones. Mathews (2006) provided evidence to show how the Taiwan government assisted latecomer entry in the mid-1980s for its infants to learn and compete successfully with ailing incumbents.

Secondly, Brown and Linden may consider absorbing the contribution of the Koreans in quickening further the miniaturization process as Samsung began doubling the capacity of NAND flash chips every twelve months from the Moore's Law of twenty four months. In addition, material inventions at the Electronics Research and Service Organization (ERSO) of Taiwan, has assisted fabrication foundries in Taiwan to sustain the miniaturization process. Brown and Linden may start by seeking answers to the question on how innovations in processes and materials in both Korea and Taiwan have stimulated this to happen.

Thirdly, although there is considerable discussion in chapter eight on the arguments on the possibility of semiconductor production moving to Asia, I would welcome Brown and Linden to consider it on the grounds that the countries to which most wafer fabrication has gone, i.e. China, Korea and Taiwan, they have themselves become capital rich countries over the last few decades. There are a series of papers published on technological catch up, including leapfrogging (e.g. Samsung over Hitachi in DRAMs) where evolutionary theorists attempt to explain each different success stories by identifying their critical drivers. In addition, although the focus on the military will continue to keep American government support for the industry, American hegemony may be rivalled in the decades to come because of increasing government expenditure on the military in China and India.

Overall, this is an outstanding book that brings together a concise and crystal clear account of the challenges and choices facing the semiconductor industry. The book makes a convincing contribution to the literature on how crises have shaped the semiconductor industry and in the process exposing the challenges facing consumers, companies and countries. It should be a must read for policy makers, scholars and students.

Rajah Rasiah
University of Malaya

References

Amsden, A. and Chu, W.W. (2003) *Beyond Late Development: Taiwan's Upgrading Policies*, Cambridge: MIT Press.

Babbage, C. (1832) *On the Economy of Machinery and Manufactures*, London: Charles Knight.

Brenner, R. (1977) "The Origins of Capitalist Development: A Critique of Neo-Smithian Marxism", *New Left Review*, 104: 25-92.

Gershenkron, A. (1962) *Economic Backwardness in Historical Perspective: A Book of Essays*, Cambridge: Belknap Press.

Hamilton, A. (1791) "Report on Manufactures", 5 December, http://www.oberlin.edu/~gkornbl/Hist258/ReportMfres.html, downloaded on 13 December 2005.

Kaldor, N. (1967) *Strategic Factors in Economic Growth*, Ithaca: Cornell University Press.

List, F. (1885) *The National System of Political Economy*, London: Longmans, Green & Company.

Marx, K. (1974) *Capital: A Critique of Political Economy*, Volume Two, Moscow: Progress Publishers.
Mathews, J. (2006) "Catch-up Strategies and the Latecomer Effect in Industrial Development", *New Political Economy*, 11(3): 313-335.
Rasiah, R. (1988) "The Semiconductor Industry in Penang: Implications for the New International Division of Labour Theories", *Journal of Contemporary Asia*, 18(1): 24-46.
Rasiah, R. and Lin, Y. (2005) "Learning and Innovation: The Role of Market, Government and Trust in the Information Hardware Industry in Taiwan", *International Journal of Technology and Globalization*, 1(3/4): 400-432.
Rasiah, R. (2006) "ICT and GDP Per Capita Growth", *International Journal of Internet and Enterprise Management*, 4(3): 202-214.
Smith, A. (1776) *The Wealth of Nations*, London: Strahan and Cadell.
Warren, B. (1980) *Imperialism: Pioneer of Capitalism*, London: Verso.
Young, A. (1928) "Increasing Returns and Economic Progress", *Economic Journal*, 38(152): 527-542.