On the whole, *Striving for Inclusive Development* is worth its heft. The book marries ambitious scope with clarity and eloquence of delivery. The author deftly presents data and vivid charts that help the reader grasp a plethora of information, and intersperses a generous portion of supplementary box articles. This is an immensely valuable reference book that students and scholars of Malaysian economy will enjoy.

LEE HWOK AUN
*ISEAS – Yusof Ishak Institute, 30 Heng Mui Keng Terrace, Singapore 119614*
*email: lee_hwok_aun@iseas.edu.sg*

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***The Political Economy of Growth in Vietnam: Between States and Markets*, by Guanie Lim.** New York: Routledge, 2021. Pp. 97.

Ever since the economic reforms of 1986 (*Đổi Mới*), Vietnam has been transitioning from being a planned economy to a market economy. Until 2019, right before the COVID-19 pandemic struck, this transition had yielded positive results. Along with the structural transformation from an agrarian society to an economy characterized by growing industrialization and a modern services sectors, the country's average annual growth rate had reached as high as 6.5 per cent. Another noteworthy facet of Vietnam's development is the growing importance of foreign direct investment (FDI).

This book, as its title suggests, attempts to provide a closer look at the above-mentioned description by focusing on the role of the state in Vietnam's economic transition and overall development. The author employs a comparative analysis approach, comparing: first, two key industries of Vietnam; and then, Vietnam with early industrializers of East Asia. In addition to a general discussion on the transformation of the economy, the book sheds light on the role of the state, particularly underlining the manner in which it interacts and negotiates with transnational corporations (TNCs) to promote the development of the nation's motorcycle and banking industries.

On the relationship between state policy and the behaviour of TNCs, the author borrows the framework developed by Liu and Dicken (2006), which is conceptualized by two aspects—active embeddedness and obligated embeddedness. In the former, TNCs have stronger bargaining power, whereas in the latter, it is the state that enjoys more bargaining power. In the case of active embeddedness, local assets such as a large domestic market and a cheap labour pool are widely available to TNCs. On the contrary, obligated embeddedness takes place when TNCs are forced to comply with state-set criteria in order to access desired assets. While the conceptual framework is very interesting, its application to the two case studies of Vietnam is not clear. Yes, Vietnam does indeed have a large, populous domestic market and a cheap labour force, as noted by the author, but these assets are widely available to TNCs and are not really controlled by the state. However, according to Lim, obligated embeddedness is the case in Vietnam. He emphasizes that, due to Vietnam's weak state structure, the country has benefited only partially from TNCs in terms of transfer of technological and managerial know-how. My own empirical analysis also led to the same conclusion, but using a different and clearer framework (Tran 2006).

On the structure and nature of the state, the author borrows the conceptual framework put forth by Kenichi Ohno (2009). Unlike the super-ministry model of Japan (under the era of the Ministry of International Trade and Industry, MITI) or South Korea (under the era of the Economic Planning Board) and the central coordination model of Thailand (during the Thaksin administration), according to Lim, Vietnam's state structure is fragmented and characterized by relatively egalitarian interministry relations.

On this point, I completely agree with the author. However, this characteristic has not been empirically fleshed out in the book.

The chapters on the motorcycle industry and the Vietnam Commercial Bank (Vietcombank, or VCB) are useful case studies that can help the reader understand the development of two important industries, one in the manufacturing and another in the financial sector. However, the analyses and the conclusions in both cases are not convincing. The motorcycle industry, which has relied substantially on FDI, is a successful case in the sense that it has been able to transform its *modus operandi* from import substitution to export orientation. But the book does not show the extent to which state policy has contributed to this success. Instead, the author appears to emphasize two factors that are not related (or partially but negatively related) to the role of the state. First, the loose Vietnam-China border, which led to import of large quantities of competitively priced Chinese motorcycle kits. This unintentionally brought about the emergence of local assemblers that subsequently shifted their operations to become component suppliers for TNCs. Second, the rapid growth of the economy since the early 2000s contributed to the expansion of the domestic market and helped cultivate an agglomeration of component suppliers. The author should have, instead, assessed the policy on the incentives offered to TNCs, the mandates on their performance requirements, as well as efforts on supporting local suppliers. In fact, in the motorcycle industry, even if the proportion of local contents has substantially increased, the transfer of technology from TNCs to local suppliers has been limited due to lack of policies to encourage and nurture local firms (Tran 2006).

Regarding the equitization of VCB, even though the description of the historical facts is useful, I disagree with the author's view and his analytical methodology. First, Lim argues that Vietnam has brought in various TNCs to modernize its banking industry, but the process has been conducted in a gradual, guarded and inconsistent manner; as a result, the state did not meet the target of equitization. The author attributes this poor performance to the disagreement between politicians (such as the Prime Minister) and bureaucrats (such as the Governor of the State Bank). This reasoning is not convincing—unless the author offers more evidence. In fact, the Governor is a member of the Central Committee of the Vietnam Communist Party, and thus can be considered a politician, and the Prime Minister (Phan Van Khai at the beginning of equitization process) had a long career as a bureaucrat before becoming a leading politician. Moreover, the difference between the planned equitization rate (35 per cent) and the actual rate (23 per cent) was not too substantial and can be explained by the conditions faced by most banks in the aftermath of the 2008 Global Financial Crisis. Under such conditions, the prices of the stock offered by VCB were not attractive.

Second, the author's methodology of assessing the performance of the VCB after equitization is not appropriate. Lim observes the increase in the incremental capital output ratio (ICOR) and incremental savings output ratio (ISOR) and concludes that Vietnam's banking system has not been efficient in mobilizing capital following the introduction of foreign banks. This assessment is very arbitrary. ICOR or ISOR is determined largely by the progress of economic reforms that affect the decisions made by investing projects, including public investment and the access to investment funds by private firms. The banking system is only one of the factors affecting these indicators. Moreover, the author analyses the case of just one bank, not the entire banking system. A more suitable methodology to evaluate the performance of VCB after equitization would be to observe whether the bank became more efficient by lowering the lending interest rate or by raising the deposit interest rate, as a result of more efficient operations. Another method would be to look at the services that the bank offers to customers and check whether any innovative schemes have been developed.

Overall, the author has chosen a topic that is very wide in scope. His strong ambition, however, is weakened by the book's page-count of only 97 pages. In this regard, a more comprehensive book from Lim in the foreseeable future would be useful.

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TRAN VAN THO
*Waseda University, Professor Emeritus*
*email: tvttran@waseda.jp*