forged by Mao and his successors. She suggests that, on balance, regime longevity is enhanced if Beijing allows and even learns from the type of protests described in the volume.

In such a multifaceted topic, some omissions are perhaps inevitable. One of these is ethnic conflict. Of course, it would be unfair to expect the authors to have anticipated the 2008 protests in Tibetan areas of China's West or the Uighur-Han unrest in Urumqi and Kashgar (and Guangdong) in July 2009, but it is no secret that these tensions had been percolating for some time. Moreover, some of the more under-the-radar cooperative activism between individuals and nongovernmental organizations and local Chinese officials over the sensitive areas of minority issues have had some modest successes and stand in contrast to the ultimately counterproductive outcomes of the larger-scale protests that were widely reported. This would have provided a potentially interesting node of comparison, not simply with other forms of protest in China but also with ethnic protest movements in other countries, particularly Russia.

Another, perhaps less broadly comparative, dimension might include (contemporary, "non-Maoist") individual incentives for participation and for particular leaders to incur risks in overcoming the collective-action problem. If one digs deeply enough, one can find that among the most outspoken activists—from State Environmental Protection Administration Vice Director Pan Yue to the most risk-acceptant local organizers—many have some sort of familial or other informal connection that affords them important protections. Rather than devalue their activism, however, such an observation begs an important but neglected question: What, if anything, is systematically different about what one might call these "progressive princelings" from their more rapacious, rent-seeking counterparts?

That said, this volume should be required reading both for its substantive content and for what it represents—a demonstration of how far this mainstreaming has come, as well as how much remains to be done—in any undergraduate or graduate class on contentious politics in a larger comparative context and in courses more narrowly focused on state–society relations in China.

Economic Crisis and the Breakdown of Authoritarian Regimes: Indonesia and Malaysia in Comparative Perspective. By Thomas B. Pepinsky. New York: Cambridge University Press, 2009. 344p. $90.00 cloth, $28.99 paper.
doi:10.1017/S1537592710000678

— Edmund Malesky, *University of California-San Diego*

The Asian Financial Crises of 1997 and 1998 was a powerful shock to the region that has been well-studied; however, its true implications remain insufficiently understood. Debate continues to rage over the appropriate responses to the dual banking and currency crises faced in the region, as well as the economic and social implications of the devastating blow to welfare–GDP contracted by 8% in Malaysia, 11% in Thailand, and 13% in Indonesia. Perhaps the biggest unresolved puzzle of the period, however, was a political one: Why did the authoritarian regime of Indonesia under President Soeharto collapse under the strain of crisis, while Malaysia under Mahatir Mohamad survived the crisis with a nascent democracy movement that was left relatively unscathed? Answering this question is of extreme importance today as we once again see emerging markets straining under the pressures of the global economic crisis. Which regimes will survive and which ones will buckle under popular discontentment? The prevailing literature does not offer clear answers.

It is precisely this question that is at the heart of Thomas Pepinsky's excellent new book. The book is a *tour de force,* using formal analysis, rigorous quantitative methods, and careful qualitative work, all contained in a highly readable account of the crises facing the two countries and the elite-level maneuvering of top politicians and corporate actors to respond.

Pepinsky's answer is straightforward; a regime's response to crisis is a function of the underlying coalition upon which it relies for political support. In the presence of dual crises like those faced in Southeast Asia, they key cleavage in a coalition will be between the holders of assets that cannot easily be moved across national borders (*fixed capital,* such as land, natural resource exploitation rights, or industrial equipment) and the holders of *mobile assets* (money, gold and precious metals, or individually-specific skills and expertise).

According to Pepinsky, Soeharto was unable to develop a coherent response to the crises, as he was constantly being pulled between Chinese business groups with extensive holdings of mobile capital, and military-linked firms and indigenous entrepreneurs, whose assets were rooted in Indonesia. Chinese conglomerates pushed-hard for capital openness, whereas military and local entrepreneurs wanted a closed capital account to bolster domestic spending. Mahatir's regime ultimately survived because the support base for the ruling coalition, *Barisian Nasional,* is the ethnic Malay masses, who favor ethnic-based affirmative action and distributional public spending, and ethnic Malay entrepreneurs who earn money from fixed capital assets. Both of the groups favored closed capital accounts and expansionary fiscal policy, allowing Mahatir to identify the appropriate monetary and fiscal medicine necessary to hold his coalition together and retain power.

To prove his general argument, Pepinsky is forced to tackle a number of fiercely debated sub-arguments in the political science, economics, and area studies literature. First, he must unpack who the support coalitions are for both regimes, demonstrating that a particular actor or group of actors can be classified as a holder of mobile or fixed capital. As might be imagined, this is no easy task in regimes where government-business relations and the business activities of large companies are somewhat less than transparent. Pepinsky handles this dilemma with exhaustive archival work, digging up long lists of key regime supporters, sources of their wealth, and ethnicity (even where ethnic Chinese use indigenous names).

Next, he must show how the regimes' fiscal and monetary adjustment policies were influenced by the demands of the support coalition. For Southeast Asian specialists, this will undoubtedly be considered the strongest portion of the book, because it is in these chapters (4 & 5) where Pepinsky's theory consistently outperforms alternative explanations for adjustment decisions. Observers of Southeast Asia, have often struggled to understand what seemed like wildly irrational decisions by top leaders in the two countries. Why did Soeharto seem to flail about in his responses: advancing orthodox solutions and retreating from them; signing on to International Monetary Fund conditionality requirements then directly undermining their implementation; and selecting macroeconomic policies that had contradictory effects (e.g. defending the exchange rate which tightened liquidity while simultaneously trying to loosen liquidity through and open capital account)? Alternatively, why did Malaysia implement capital controls in the face of vociferous international condemnation? Viewing these debates through Pepinsky's political-economic lens (focusing on attempts to placate key constituencies) illuminates highly rational decisions that have befuddled economic analyses.

Finally, Pepinsky must demonstrate that Soeharto's fall and Mahatir's resilience can be explained by shifting alliances within his base of support that result from debates over economic policy. Here, once again, Pepinsky's theory gives him some leverage over alternative explanations for authoritarian collapse, and the fall of the Indonesian New Order specifically, because it allows him to make nuanced predictions about both the timing and manner of the downfall. Other explanations, such as declining legitimacy for the Soeharto regime or institutional discussions, are unable to account for swings in Soeharto's popularity or the precise moment of his resignation in May 1998. By contrast, Pepinsky carefully traces the responses of Soeharto's support coalition to each new policy, showing how various initiatives severed or reinforced the coalition. The eventual downfall came when anti-Chinese riots broke out and the Indonesian military failed to defend leading Chinese entrepreneurs. Chinese-Indonesians fled, taking their capital and support for the regime with them.

Pepinsky does not stop there, though. In the final chapter, he tests how well his argument travels through a quantitative cross-national analysis, finding that his proxies for coalitional support—capital account openness and change in capital account openness over the course of the crisis—are strongly correlated with regime breakdown. These are somewhat imperfect proxies, so the author looks to mini-case studies of a host of Latin American countries (Chile, Argentina, Mexico, Uruguay) to see if he can identify the more precise observable implications of his coalitional theory.

From a reader's perspective, the choice to have the large-n analysis as the final chapter is unorthodox but very smart. By the time readers reach the chapter, they have worked their way through rich case studies, detailing precise actor motivations and the subtle implications of fiscal and monetary manipulations. The necessary simplifications that accompany large-n, cross-national analysis seem less awkward and jarring when approached in this manner then when they lead-off the volume.

No book is perfect and there are a few things to quibble with in Pepinky's approach. First, the coding of actors as representing fixed and mobile capital seems a bit too seamless. Thinking of the few Indonesian conglomerates that I know, and contemplating if I could perform the same analysis in other countries I understand better, I was struck by how challenging this would be. Conglomerates by their very nature cross into multiple sectors, and it is not uncommon to find a firm with major stakes in both fixed and mobile capital. Many conglomerates use their guaranteed monopolies in primary products to fund extensive ventures into mobile industries. I believe Pepinsky's coding, but his emulators could benefit from more precise rules about his assignment decisions. Secondly, I wondered about his treatment of Anwar Ibrahim's challenge to Mahatir. Given the importance of coalition politics in the story, I was struck by why Ibrahim, mounting a challenge to lead the Barisian Nasional coalition and the country, would choose a policy agenda that would engender relatively narrow support and would be so much less attractive to the more salient Malaysian actors. Didn't Ibrahim see the same political landscape as Mahatir?

These are minor quibbles, however, about a tremendous book that should be on many scholars' shelves. I already have plans to assign it in my course on Southeast Asian Politics. Political economists and specialists on authoritarian regimes will find it similarly useful. In fact, Pepinsky stakes out some ground in the debate over the study of authoritarian regimes by de-emphasizing the institutional and typological analyses that have dominated the sub-field.

The final contribution of this book is less obvious, but just as important. It arrived in my mailbox the same day as the *Qualitative & Multi-Method Newsletter's* debate on the utility of multi-method research. Some scholars argue that there is no reason to privilege a multi-methods design when a single approach can answer the question satisfactorily. This is a fair point, but Pepinsky's approach offers a useful counter, as it is the epitome of a multi-method design. The author confidently pulls formal, quantitative, and qualitative arrows out of his quiver, whenever appropriate, to slay the next dragon in his argument.

What I found most compelling about Pepinsky's style, however, was not that he was able to employ so many different types of evidence to bolster his argument. The true benefit of his merger of qualitative and quantitative research is that the book is so much more fun to read. Pepinsky has written an actual page-turner. I was swept along by the narrative as I learned complex lessons about political economy. I can offer no higher compliment for this engaging piece of scholarship.

China and India in the Age of Globalization.
By Shalendra D. Sharma. New York: Cambridge University Press, 2009. 336p. $27.99.
doi:10.1017/S153759271000068X

— David B.H. Denoon, *New York University*

This is a novel contribution to the growing literature on the rise of China and India. Instead of focusing on internal changes in these two massive economies, Shalendra Sharma's approach is to analyze how China and India have adapted to globalization and benefited from their links to international markets. Its theoretical perspective thus centers on the globalization process. Sharma also presents extensive empirical data to explain the transformation of these two states once the basic directions of policy were decided.

The strength of the book is in the first four chapters, which concentrate on the transitions these two societies made as their leaders recognized that they needed to move from autarchic, centrally directed economies to ones that relied more on external markets. The book is far less persuasive in Chapters 4 to 8, when it uses this globalization approach to deal with recent foreign policy choices by decision makers in Beijing and New Delhi.

Sharma's initial chapters are important because they provide a statistical base for understanding the more recent economic surge, as well as a superb summary of the man-made impediments to growth imposed on China and India by their respective governments in the 1950s and 1960s. Mao Zedong's aspirations for a collectivist society ended in the disaster of the Cultural Revolution. (Because Mao died in 1976, he never saw the sharp shift in policy that his successors implemented). In India, Prime Minister Jawaharlal Nehru's conviction that government should control the "commanding heights of the economy" led to the strangulation of entrepreneurial activity as businessmen had to cope with the "Permit Raj." By showing this in detail through the presentation of hard data, Sharma also lets the reader see what a truly transforming experience growth has been for China since 1979 and for India since 1991. In China, roughly 400 million people have risen above poverty in 30 years, and, in India, a middle class of more than 150 million has been created in 20 years.

The author's comparison of the Chinese and Indian approaches to accelerating growth and adapting to a global economy is also very informative. As he notes, Deng Xiaoping had consolidated power by 1978, and he determined China's direction from Beijing, even though the process itself required the creation of greater regional and local autonomy. The most critical early decision that Deng made was to dispense with the agricultural communes and to use the market as a way to raise rural incomes *before* the rise of the urban and modern sector.

In India, the process was much slower, started 12 years later, and was constrained by powerful interest groups that prevented a full liberalization of the economy. Sharma is optimistic that India will continue on its path to a more open, competitive economic system, though it remains to be seen if the path toward globalization will continue in India if the international economy loses momentum or there is growing restiveness from the disadvantaged in Indian society.

Yet, what Sharma has done in the first half of his volume is to place China and India in a broader theoretical context, noting that even these enormous economies have, ultimately, accommodated to the international economic scene. Hence, this volume takes work on China and India beyond country studies and places it in a branch of international relations pioneered by Stephan Haggard (*Developing Nations and the Politics of Global Integration,* 1995) and others a decade and one-half ago.

The global integration theme is compelling in describing China's economic development strategy and encapsulates the aspirations of the Indian elite as well. However, it is less effective in explaining recent foreign policymaking by the Chinese and Indians. Both states are already major powers, and their national leadership groups want to expand their respective national influence on the world stage.

If global integration were the principal objective, neither Beijing nor New Delhi would be consumed with debates about space surveillance, missile modernization, and development of aircraft carrier task forces. Moreover, if economic growth were the dominant objective, China would drop Pakistan as an ally and focus on India, which is surely the more important market.

It is on these strategic and national security issues that Chapters 5 to 8 are wanting. Sharma's discussion of Sino-Indian relations does address its competitive elements, but the China-Pakistan connection receives only limited comment. Likewise, China's successful effort to block India's membership on the United Nations Security Council is passed over lightly. These are significant problems for the "globalization" hypothesis because if China really wanted India fully integrated into the world economy and global institutions, Beijing would encourage and not *discourage* Indian participation in international bodies.

Moreover, there is only limited reference to China's efforts to build a string of naval and air facilities on India's periphery. Improvements at the multipurpose facility at