

revenues even if it meant sharing part of the gain with players. Yet Burk generally concludes that owners feared that increasing offense would force them to pay players more than the owners' incremental gains. Nonetheless, this theory is very thought provoking.

Another controversial conclusion is that teams that slashed costs by cutting payroll and dumping talented players lost more money, but the author offers insufficient evidence for this. It is unresolved in the literature whether baseball teams make more money winning titles or are better off free-riding on the rest of the league's talent. Some owners have purposefully lowered their payrolls substantially and have allegedly increased profits (e.g., the San Diego Padres, Oakland A's, and Florida Marlins during the 1990s).

*Much More than a Game* is not for readers who want to understand the economics of baseball, but is a wonderful complement to Gerald Scully's *The Business of Major League Baseball* (1989, Chicago: University of Chicago Press), Andrew Zimbalist's *Baseball and Billions: A Probing Look Inside the Business of Our National Pastime* (1992, New York: Basic Books), James Quirk and Rodney Fort's *Hard Ball* (1999, New Jersey: Princeton University Press), and others' business-of-baseball books because it motivates the underlying assumptions of baseball economics and fills in the structure with the stories that explain the economic forces.

DANIEL RASCHER

*University of San Francisco and  
SportsEconomics*

*Tiger Technology: The Creation of a Semiconductor Industry in East Asia.* By John A. Mathews and Dong-Sung Cho. Cambridge, New York and Melbourne: Cambridge University Press, 2000. Pp. xxiii, 389. \$54.95. ISBN 0-521-66269-9. JEL 2000-1475

This is a clearly written and well-defined piece of work on the development of these latecomer economies, particularly in the field of high technology which is usually assumed to be embraced only by nations with more advanced economies. Most developing countries are painted in the mainstream literature as passive technology transferees, remaining in labor-intensive industries by exploiting their abundance of cheap labor. Against this grain, *Tiger Technology* demonstrates that

countries such as Korea, Taiwan, Singapore, and Malaysia have become key players in such knowledge-intensive industries as integrated circuit chips through developing the institutional vehicles needed to tap into this knowledge, transfer the technology and absorb it. The authors, Mathews and Cho, dub this "technology leverage strategy."

Grounded in this concept, they explore empirically the creation of a semiconductor industry in East Asia and provide rich evidence to support their arguments that neither the industry nor the market would have been as sophisticated and extensive had a small investment of capabilities not been made possible by the developmental states to secure a return of greater levels of capability. This involves a four-stage process of preparation, seeding, technology absorption, and sustained effort; and it is also a technology management strategy which involves technology catch-up through rapid double-loop learning (pp. 297-8).

The authors optimistically argue that technology leverage strategy can be applied in other developing countries, mainly China, without permanent traps. In spite of the fact that they differentiate three models of leverage based strategy in the case studies of Korea, Taiwan, and Singapore, they expect that more recent latecomer countries will actively combine these models in their developmental strategies. They propose the concept of "national systems of economic learning (NSEL)," which is distinguished from "national systems of innovation" in that while the latter stresses activities of original innovation, the former builds on technological acquisition and catch-up. The buildup of "NSEL" will be the core issue for latecomer countries hoping to implement successive waves of "developmental resource leverage" to create and upgrade knowledge-intensive industries in East Asia (p. 325).

Indeed, their arguments echo those of recent students of development studies, such as Alice Amsden, Robert Wade, Peter Evans, and Linda Weiss, who claim that the developmental states, rather than market mechanisms, are responsible for the success of East Asian high technology development. The state can play the role of "collective entrepreneur" in mobilizing the scarce but scattered resources in the developing countries and create, rather than follow, the industries in the developmental process. However, the

distinction that can be made about the East Asian miracle from the situation in other developing countries, such as Brazil and India, does not come from the big push from government, but from the particular mode of governed interdependence between the state and business. The authors describe governed interdependence this way: "Government agencies need the private sector for implementation of policies, and the private sector needs public agencies for coordination of catch-up activities, particularly in financial allocation and risk-sharing and technological upgrading" (p. 277).

Nevertheless, the mode of governed interdependence differs starkly *within* the three major case studies, Korea, Taiwan and Singapore, as the central actors in each country are, respectively, the local conglomerate (*chaebols*), local small and medium sized enterprises (SMEs), and foreign multinationals (MNCs). How can the states manage divergent institutional embeddedness in businesses with divergent social roots? It still remains unclear and is not paid due consideration by the authors.

In fact, the different modes of governed interdependence are critical to the sustainability of technology leverage strategy. For example, in Korea the state targeted the *chaebols*, the big industrial giants, to enter risky industries with generous banking loans and market protection. In contrast, Taiwan's developmental state did not choose specific big firms, but provided infrastructures (the ERSO and the HSIP) and subsidies (tax breaks and cheap land) to encourage the formation of spin-offs. In this sense, the Taiwanese state played the role of demonstrator to show private capital the profitability of seemingly risky businesses and lowered the entry barrier for IC start-ups with subsidies, rather than playing the role of omnipotent planner as in the case of Korea. As a result, the Taiwanese IC industry features a decentralized industrial system, rather than the vertical integrated system of its Korean counterpart. A decentralized industrial system keeps the Taiwanese IC industry open to new firm formation and new product and process technologies, particularly those from the overseas Chinese technical communities in Silicon Valley.

Transnational communities are not unique to Taiwan, but the best environments for breeding such specialist firms are the decentralized indus-

trial systems of places like Silicon Valley and Taiwan. The creation of a transnational technical community facilitates collaboration between individuals and producers in the two regions and supports a process of reciprocal industrial upgrading. In fact, it is widely believed that the Taiwanese IC industry took advantage of the cross-border connection to avoid becoming entrapped in one dominant commodity product like DRAM and stayed open to application-specific IC (ASICs) products. The Korean IC industry, on the other hand, tried to diversify their products without significant success, even though the government pushed for this after the 1997 Asian Crisis. Overlooking the diversity of governed interdependence that was involved in the East Asian miracle will lead to an incomplete assessment of technology leverage strategies in different social contexts, and will limit the feasibility of its emulation in other developing countries.

JUNN-YUH HSU

*National Taiwan University*

*Cooperative Capitalism: Self-Regulation, Trade Associations, and the Antimonopoly Law in Japan.* By Ulrike Schaeede. Oxford and New York: Oxford University Press, 2000. Pp. xi, 302. \$65.00. ISBN 0-19-829718-1.

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This book is a carefully crafted study of the changing role of trade associations in the context of the 1990s recession, deregulation, and the characteristically weak anti-trust laws that have governed the Japanese political economy. As the title indicates, it also aims to treat this analysis within the broader topical issue of whether or not Japanese cooperative capitalism will converge towards the U.S. liberal market system. The author's conclusion is a resounding no to the convergence question, and the evidence she lays out to argue this case is convincing, not least because of her use of historical and contemporary data, interviews, and quantitative analysis. The book is likely to be of interest to various constituencies, including economists and lawyers interested in competition policy and international trade, political scientists, sociologists, organization theorists interested in associational governance, and Japan watchers from a trade negotiation perspective.

The book consists of eight chapters. After the introduction, chapter 2 develops a typology of Japan's trade associations in the 1990s, in which