Preface

Contributors' insights demonstrate how East Asian business groups' practices, as well as their past and future prospects, are influenced by specific institutional contexts.

East Asian business groups face an uncertain future. Foreign investors' confidence has increased substantially since the crisis, as East Asian governments had to accommodate their demands to keep attracting foreign capital. Governments supervise banks more closely and have loosened restrictions on mergers and hostile takeovers, further strengthening the discipline of the market. Various entry barriers that had inhibited foreign multinationals competing in national markets were lifted, exposing business groups to intensified foreign competition. Under these new conditions, business groups in East Asia should reconfigure their business structures and adjust corporate governance systems to regain momentum for further growth. Individual contributors concur that business groups will continue to be important vehicles for the sustained future growth of this region.

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Sea-Jin Chang

Contents

Preface v
Contributors vii
Map of East Asia and Vital Statistics viii

1. Introduction: Business Groups in East Asia
   Sea-Jin Chang 1

Part I: Japan and Former NICs (Newly Industrialized Countries)

2. Japanese Business Groups: Continuity in the Face of Change
   Christina L. Ahmadjian 29

   Sea-Jin Chang 52

4. Taiwanese Business Groups: Steady Growth in Institutional Transition
   Chi-Nien Chung and Ishtiaq P. Mahmod 70

5. Singaporean Business Groups: The Role of the State and Capital in Singapore Inc.
   Lai Si Tsui-Auch 94

Part II: Emerging Market Countries

   Edmund Terence Gomez 119

7. Thai Business Groups: Crisis and Restructuring
   Pirun Polsirikul and Yupana Wiwattanakantang 147

8. Indonesian Business Groups: The Crisis in Progress
   Alberto D. Hanani 179

Part III: New Horizons for Business Groups in East Asia

9. Chinese Business Groups: Their Origins and Development
   Donghoon Hahn and Keun Lee 207

10. Conclusion: The Future of Business Groups in East Asia
    Sea-Jin Chang 232

References 243
Index 259