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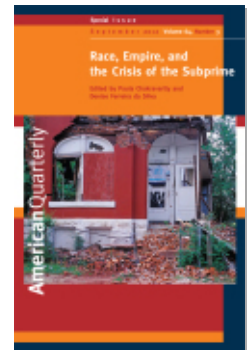
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The Uses of Asianization: Figuring Crises, 1997–98 and 2007–?

Laura Hyun Yi Kang

If we do not learn from history, we are unlikely to fully recover from it.

—Financial Crisis Inquiry Commission, 2011

In this jumbled and humbled reformulation of George Santayana's dictum, "Those who do not learn from history are condemned to repeat it," the collective future is enchained to a past that continues to afflict even as this event sounds as if it happened to someone else. What began in 2007 with a rash of defaults on U.S. home mortgages exposed a much larger circuit of unruly capital speculation involving banks, Wall Street firms, and foreign investors. Even after widespread bankruptcies, massive bailouts, and ongoing sovereign debt crises have exposed the deep dysfunctions of neoliberal deregulation on a global scale, many still attribute the origin of the ongoing crisis to the racialized figure of undeserving and undisciplined "subprime" *borrowers* in the U.S. housing market.

Crises are also archives of figuration, which demand critical reading, disfiguration, and reframing. Through conjuring particular subjects as knowing perpetrators or unwitting casualties, accounts of crises delineate particular axes of intelligibility while obscuring and precluding others. Certain components and arc of the narration of the "subprime crisis" have striking parallels to the earlier "Asian crisis" of 1997–98. Then, too, an unprecedented availability of credit and transnational mobility of speculative capital created a scene of un-serviceable debt by banks and firms in South Korea, Thailand, and Indonesia. Regarding these Asian countries as a bigger incarnation of subprime borrowers generates several parallels. Both had been excluded from proper accreditation and the attendant access to the funds that would merit meaningful global and national citizenship. That entire nations are assigned a fluctuating and often punitive "credit rating" in the global marketplace affirms this configuration. These countries were attempting to move up from "developing" to "developed" and from "newly industrializing countries" (NICs) to "advanced" status, signaled by open capital markets. In both scenarios, the measure of economic ascent

is greater indebtedness and exposure to the vagaries of capital markets rather than self-sufficiency and solvency. When both sets of debtors became unable to make timely payments, “Asian” and “subprime” came to signify a deficient mutation of capitalist development and fiscal maturity. In this sense, subprime suggests both subordination and temporal-historical lag.

The rendering of a crisis produces contending diagnoses of cause but also differentially motivated prognoses about the future, with warnings and recommendations for its rightful shaping by current interventions. By attributing the 1997–98 crisis to an untenable Asian permutation of an original and righteous “Western capitalism,” the International Monetary Fund (IMF) and the U.S. Treasury Department compelled restructurings, which further buttressed the rightness of a specifically U.S.-dictated neoliberal program of deregulation, privatization, and financial liberalization. The possible lessons to be learned in 1997–98 about the dangers of unfettered capital mobility and the outsized market in arcane financial instruments were foreclosed by the “Asianization” of the crisis.

The dominant figurations of a crisis also delineate the proper disciplinary and interdisciplinary boundaries of study. While the racialization of the subprime crisis renders it the commonsense and even urgent object of American studies and critical ethnic studies, the location of the 1997–98 crisis in Asia pushes it beyond a shared frame of analysis. The temporal bracketing of crises with a definite beginning and ending additionally elides important preconditions, lingering effects, continuities, and reversals. Thinking through the “crisis of the subprime” entails discerning the enmeshed actors, events, and processes that connect the Asian crisis to the subprime crisis. This article attempts to bring the Asian crisis within the necessary purview of a transnational, interdisciplinary American studies by connecting the histories of U.S. empire in Asia with the dismantling of the U.S. domestic manufacturing base, the rise of U.S. foreign debt to the expansion of domestic consumer credit, and the dispossession of those who must borrow to the financialized abstraction of risk. To that end, I recite and juxtapose several dispersed archives in Asian studies, feminist political economy, and development economics. I also cite newspaper and journal articles as well as reports by the World Bank and the International Monetary Fund. Most were written and published in the immediate aftermath of the 1997–98 crises and consequently provide instructive demonstrations of the analytic work that confronts us in the ongoing crisis.

This article is organized into several linked arguments. First, I problematize the temporal enclosure of the 1997–98 crisis by recalling three interconnected Asianizations in the 1990s, from “Asian miracle” to “Asian crisis” to “Asian

recovery.” The Asianization of crisis was preceded by the more sanguine figuration of an Asian miracle, which touted the prodigious economic growth of first Japan and later the “Four Dragons” (South Korea, Taiwan, Hong Kong, and Singapore). Even though certain enabling conditions of their growth were part and parcel of the history of the U.S. Cold War empire in Asia, the Asian miracle insinuated a mystifying aura to this distinguished formation. When it became increasingly evident that their economic ascent was significantly accomplished by distinct departures from neoclassical laissez-faire economics, the Asian miracle took on increasingly dubious connotations. By the 1990s Asian miracle and its variant of East Asian miracle became highly charged and contested designations in a debate about two contrasting models of development, an “Asian model” distinguished by strategic state planning and intervention and a “Washington Consensus” paradigm of a greatly reduced state that mainly facilitates the international flow of goods and capital. The 1997–98 crisis was figured as the inevitable outcome and confirmation of this Asian model, further confirming this bifurcation of “Asian” and “American” capitalisms.

Second, I attempt to *de-Asianize* the 1997–98 crisis by contextualizing it in terms of three other interconnected “stories” about the 1990s. The first regards the global drive toward privatization, deregulation, and financial liberalization, which began in the 1970s. The greatly accelerated internationalization of capital markets in the 1990s unleashed a series of interlinked financial crises; the 1997–98 crisis was preceded by the 1994 Mexican crisis and was followed closely by the Russian crisis of 1998 and the Brazilian crisis of 1998–99, ending with the bailout of Long-Term Capital Management, which threatened to destabilize the U.S. financial system. A second “story” highlights shifts across two stages and modalities of U.S. empire in Asia, from Cold War hegemony to the Wall Street–Treasury–IMF complex. In the early 1990s the United States actively promoted financial liberalization of Asian markets and then played a leading role in the figuration and the management of the Asian crisis in ways that clearly protected the interests of Wall Street and other private investors. This political-economic repositioning of the United States is closely interrelated with a complementary shift in the mission and actions of the Bretton Woods institutions, especially the IMF, which forms the third “story” in this broadened narration of the 1997–98 crisis. To be sure, my aim in thus *de-Asianizing* the 1997–98 crisis is not to erase or minimize the errors and complicities of various political and economic actors in Asia. Rather, it demonstrates how global financial liberalization through the fortification of the Wall Street–Treasury–IMF complex in the 1990s was an important episode in the history of U.S. empire in Asia.

Third, I point to important connections and missed connections between the 1997–98 crisis and the subprime crisis of 2007–8. As the mortgage defaults and bankruptcies expanded into a financial crisis involving major Wall Street, and later British, firms, there was a fresh round of “Asian triumphalism,” which excoriated the hubris of neoliberal orthodoxy and further reinforced a bifurcation of Asia and the United States. Against these uses of Asianization, which elide significant heterogeneities and inequalities, I end with a de-Asianization by drawing attention to the multiply uneven effects of development, globalization, and financialization on women in Asia, which also contests the progressive enplotment of miracle-crisis-recovery-triumph.

“Asian Miracle” and U.S. Cold War Hegemony

An earlier Asianization of the miraculous economic development of several countries preconditioned the Asianization of the 1997–98 crisis. The term *miracle* was first deployed to distinguish Japan’s impressive recovery and unprecedented economic growth after the devastations of World War II.¹ As a strategic Pacific base for the U.S. military, the miraculous figuration of Japanese economic growth affirmed U.S. geopolitical interests during the initial bipolar years of the Cold War. As Chalmers Johnson summed up, “From approximately 1950 to 1975, the United States treated Japan as a beloved ward, indulging its every economic need and proudly patronizing it as a star capitalist pupil,” whereby Japan could be held up as “a capitalist alternative to mainland China, a model and a showcase of what Asians might expect if they threw in their lot with the Americans.”² To that end, the United States also facilitated the entry of Japan into the United Nations and the Organisation for Economic Co-operation and Development (OECD). Even as the Cold War framework called for Japan to adopt certain political and economic components of free market capitalism, Japan pursued a “third way,” which integrated state controls of certain industries, banking, and finance. The United States would later support the state-guided, export-driven industrialization of South Korea to showcase both countries as “paragons of non-communist development.”³ That such tolerance and support did not extend to other countries and regions underscores the unevenness of U.S. empire during the Cold War era.

The broadened terms *East Asian miracle* and *Asian miracle* were later applied to the rapid economic growth of South Korea, Taiwan, Hong Kong, and Singapore throughout the 1970s. These “first-generation NICs” were held up as models of export-oriented development for other countries in Asia, Latin America, and Africa. The economic rise of virulently anticommunist South

Korea and Taiwan further displaced Japan as the “star capitalist pupil” of the United States. Then, in the 1980s, Thailand, Indonesia, Malaysia, and the Philippines emerged as second-generation NICs, further expanding the geographic boundaries and political-economic variations of the Asian miracle. Walden Bello has usefully distinguished the “fast-track capitalism” of these Southeast Asian economies as “sustained not principally by domestic savings and investment but by foreign investment.”⁴ With its earlier economic ascendance and expanding reserves, Japan became an important source of both bilateral aid and direct investment, as Japanese firms began to transfer production offshore to these NICs. Japan’s status in Asia was also shifting as the memories of its imperial violence and the Asia-Pacific war meshed with this new role as investor, lender, and donor. This brief summary merely touches on a few details to demonstrate the intra-Asian heterogeneities, which repudiate a singular Asian miracle.

Amid the widespread invocation and scholarly analyses of the Asian miracle in the late 1980s and 1990s, the World Bank published *The East Asian Miracle: Economic Growth and Public Policy*, which included Thailand, Indonesia, and Malaysia, along with Japan, South Korea, Taiwan, Hong Kong, and Singapore.⁵ *The East Asian Miracle* demonstrates how the Asianization of miracle that preceded the Asianization of crisis must be understood as a discursive and ideological struggle. It was a muddled product of an escalating struggle within the World Bank between Japan and the United States about the role of state guidance and interventions in economic development. Since the early 1980s the World Bank had been imposing structural adjustment programs, composed of deregulation, cuts in public spending, privatization of state resources, and openness to foreign investments, as a condition of lending. By the end of the decade the World Bank turned its attention to the financial sector, convening a bank task force on financial sector operations that endorsed extensive liberalization. The 1980s also marked the growing financial contributions of Japan to the World Bank and to development efforts worldwide.⁶ Given its enhanced international standing and regional leadership, Japan began to articulate criticisms of the reigning neoliberal orthodoxy along with a more assured advocacy of its own distinctive path to economic growth and stability. In 1991, in response to pressure from the Japanese Ministry of Finance, the World Bank commissioned a multicountry examination of the role of state guidance. In return Japan agreed that it would not oppose what eventually became operational directive 8.30, financial sector operations (February 1992), which championed thorough financial deregulation.⁷ Even though the final *East Asian Miracle* report acknowledged the effectiveness of state planning and

strategic intervention in certain instances, it largely affirmed the free market Washington Consensus, which was toned down slightly as a “market-friendly” approach.

The positive outlook of these “miracle” economies attracted unprecedented international investments, which had been redirected from the United States where interest rates remained low through the early 1990s. The naming of the Asian miracle, however, elided an important distinction between industrial productivity and macroeconomic performance versus foreign capital flows into these countries, which accelerated in the 1990s. Unlike foreign direct investments in machinery, plants, and other infrastructure, portfolio investments in stocks, bonds, currencies, and derivatives are much easier to take out quickly if the terms become unfavorable. After the Mexican crisis of 1994, investors increasingly turned toward Asia. By raising their interest rates above the U.S. rates and pegging the value of their currencies to the U.S. dollar, these countries provided a lucrative and safe alternative for investors. Between 1994 and 1996 over \$220 billion were pumped into South Korea, Thailand, Indonesia, Malaysia, and the Philippines.⁸ Just in 1996 there was a net capital inflow of \$93 billion into these economies. Such massive influx of foreign capital increases the value of local currencies; this makes imports cheaper, fueling a consumption boom, and exports more expensive, leading to an account deficit. The suddenly bloated foreign debt soon exceeded each country’s foreign currency reserves. More consequential still was the fact that much of this foreign debt was mostly short-term loans, with 62 percent set to mature in one year or less, and a sizable number of those with a repayment window of ninety days or less.⁹

The specific trajectory of South Korea from miracle to crisis complicates both its Asianization and its clear temporal demarcation. The country had been able to weather earlier external shocks in the 1970s and 1980s because of strict government oversight of and intervention into banking and finance, including restricting borrowing by Korean firms only for productive investments rather than speculation and increasing government spending to enable firms to generate needed revenue. In 1993 the U.S. Department of Treasury successfully convinced the Clinton administration to pressure South Korea into greater financial liberalization *against* the opposition of its own Council of Economic Advisers.¹⁰ In response to pressure from the United States and in order to join the OECD—dubbed the “club of rich nations”—the government abolished its Economic Planning Board in 1994, loosening restrictions on both foreign borrowing by Korean banks and the movement of foreign capital investments into and out of the country.¹¹ By 1997 Korean banks and corporations had

incurred \$160 billion in foreign debt.¹² Many of these loans were short-term, so that repayment was due in twelve months or less in some cases. Several Korean banks, flush with this new capital, began to make speculative investments in “junk” bonds in Russia and Latin America.¹³

Two other events further contest the Asianization of miracle and crisis. A significant development in the 1990s was the emergence of China as the leading export manufacturer *without* financial liberalization. China devalued its yuan in 1990 and again in 1994, raising the value of exports from other Asian countries.¹⁴ Then in 1995 Japan and the United States struck an accord whereby the yen depreciated 60 percent against the dollar by April 1997, thereby lowering the prices of Japanese exports to the United States and stimulating demand.¹⁵ These two devaluations hurt the export competitiveness of Thailand and Indonesia, whose currencies were pegged to the dollar, and further compromised their ability to meet foreign debt obligations.

The collective rush to invest in Asia turned to a panicked retreat after July 2, 1997, when Thailand became the first country to fail to meet its foreign loan payments and floated its baht. Investors realized that many firms were carrying high debt loads, and several countries did not have enough foreign currency reserves to cover a massive flight of capital. The earlier competitive dash to invest in Asian markets and economies reversed into a rush to get out quickly before others could do so. Foreign lenders called in their loans and stopped extending new credit.¹⁶ Indonesia, Malaysia, and the Philippines floated their currencies shortly thereafter.

“Asian Crisis” and the Wall Street–Treasury–IMF Complex

In the immediate aftermath of the 1997–98 crisis, many Western commentators were quick to blame the “meltdown” on a specifically Asian pathology of “crony capitalism,” characterized by excessive government involvement in industrial growth, nepotism, and favored protection of specific firms, and a lack of transparency.¹⁷ As the concerned editors of a special issue of the *Cambridge Journal of Economics* explained: “We were, we felt, witnessing a revival of Orientalism, in which all manner of fantasies and prejudices are projected onto Asia, with no concern for their veracity. . . . ‘cronyism,’ for example, was becoming the modern substitute for ‘Oriental despotism’ or ‘Asiatic absolutism.’”¹⁸ Indeed, it was a distinctly *American* moment of triumph and self-congratulation. In an article in the February 13, 1998, edition of the *New York Times* bearing the blunt title, “Greenspan Sees Asian Crisis Moving World to Western Capitalism,” the chairman of the Federal Reserve is quoted as testifying before the

Senate Foreign Relations Committee: “What we have here is a very dramatic event towards a consensus of the type of market system which we have in this country.”¹⁹ As Johnson critically noted ten days later, “With East Asia’s economic troubles in mind, many Americans have entered the last years of the twentieth century in a mood of truly obscene jingoism, or what the Germans call *Schadenfreude*, the malicious pleasure of gloating over the misfortunes of others.”²⁰ Quoting an array of commentators from Greenspan to the financier George Soros to then IMF deputy managing director Stanley Fisher, Robert Wade articulated an especially lively depiction of these dynamics:

The tone of voice ranges from gloating, to sanctimonious, to schoolmasterly. It is not hard to imagine the offense of Japanese, Korean, and other Asian policy-makers at the triumphalism of Westerners who picture the Asian political economy as a system whose movement toward America-without-the-ghettoes the current crisis has simply accelerated.²¹

Wade does not explicate what he means by “America-without-the-ghettoes” here, but it does portend a striking figurative link to the subprime crisis of 2007 yet to come.

The 1997–98 crisis created the occasion for a further bifurcation of the so-called Asian model from the Washington Consensus in what Johnson characterized as “the clash of capitalisms.”²² Such hyperbolic divisions confound a more sober account of several interrelated political economic processes conditioning the crisis. The first broad context is the crises-ridden globalization of finance capitalism, which began in the 1960s with the massive U.S. military spending (through borrowing) during the Vietnam War. Then the OPEC oil boom of the 1970s made an even larger pool of money available for circulation. In the 1980s the invention and proliferation of new financial instruments such as derivatives, intended to manage the growing risks such as currency fluctuations in international markets, also created new channels of investment. These new financial instruments also came to function increasingly as vehicles of speculation and outsized bets, generating large commissions and profits for some but also intensifying volatility and uncertainty. Contrary to the prevalent figuration of Asian capital markets as overly protected and underdeveloped in the 1990s, many Asian firms were very much actively integrated into this transnational circuit of speculative capital and offshore finance.

The oversupply of money circulating in an unevenly integrated circuit of established and emerging markets created a hazardous scene well before 1997–98. Gabriel Palma has argued that the primary cause of the Asian crisis as well as the earlier 1982 crisis and the Mexican crisis of 1994 was “excess

international liquidity,” which leads to two mutually constitutive “market failures”: first, “the propensity to ‘over-lend,’” and second, “the propensity to ‘over-borrow.’” The first excess in lending is attributed to how “competitive pressures to recycle funds impair international financial operators’ capacity to assess and price risks properly and to allocate resources effectively—i.e., they inexorably move . . . from lending to those who do not need to borrow to those who will not be able to pay.”²³ The potential risks of default are offset by the profits to be made through higher interest payments and shorter repayment periods. The intermediaries who receive commissions and charge transactional fees are also motivated to “recycle funds” quickly and often. The bloated availability of capital created by this overlending, in turn, produces and encourages overborrowing. Palma explains this as “a closely interrelated process with a clear direction of causality”: “Access to lending fuels expectations regarding the performance of the economy—performance which is improved, at least initially, by the additional expenditure brought about by the extra borrowing and availability of foreign exchange.”²⁴

Another related global shift was toward more private lending. Framing the 700 percent rise in “net private capital inflows” including portfolio investments (bonds and equities) into developing countries in the 1990s against a decrease of “net official capital inflows” from foreign governments and international financial institutions (IFIs) such as the IMF and the World Bank, Diane Elson has usefully summarized this conjuncture as a “delinking of social goals and international finance.”²⁵ Whereas the IFIs were at least nominally committed to alleviating poverty or restoring national economic soundness, private investors were motivated by quick returns and easy entry and exit from these emerging markets. Volatility is exploited and capitalized on by foreign investors who have no ties or commitments to the specific countries that are adversely affected by these decisions.

The perils of this delinking were made clear in the 1994 Mexican crisis, which was a telling precursor to the 1997–98 crisis. Widely touted as a model of economic reform and potential, Mexico was the second most-favored destination of international private investment, behind China, in the early 1990s. Much of this was in short-term loans or highly liquid financial instruments. As Moises Nám pointed out in 1995, two years before the Thailand crash, “Mexico’s crisis is as much a story about the new international financial system as it is a story about Mexico.”²⁶ In that case, too, the localization and ethnicization of crisis as “a story about Mexico” worked to obscure the role of private investors set loose in a greatly expanded, unruly circuit of speculation. The demotion and pathologization of Mexico were reinforced by the counterex-

ample of the Asian miracle. Pointing to such clear contrasts as that between the low domestic savings of Mexico and the high savings rates in the Asian countries deflected attention from the volatility of international capital flows that connect the two crises.

Several commentators have attributed the massive private capital infusion into Asia in the 1990s to the capriciousness and “herd mentality” of bankers and investors.²⁷ Another important development that fed the frenzy was the regional proliferation and later transnational consolidation of business and finance news. As Bello recalled, “Among the more momentous deals was the purchase of the famous *Far Eastern Economic Review* by Dow Jones, of *AsiaWeek* by Time-Warner, and of Star Television in Hong Kong by Rupert Murdoch. CNN, another Time-Warner subsidiary, and CNBC also moved in, with much of their programming devoted to business news.” Often working on spotty knowledge of local contexts, these news analysts “highlighted the boom, glorified the high growth rates, and reported uncritically on so-called success stories, mainly because their own success as publications was tied to the perpetuation of the psychology of boom.”²⁸ Characterizing the international banks and investors as “much more worried about what the other investors were doing” rather than any substantive understanding of the still fairly sound fundamentals, Jeffrey Sachs noted that “each creditor started to rush for the doors precisely because the other creditors were doing the same thing,” thus creating a “self-fulfilling stampede.”²⁹ According to Wade, the debt crises in Thailand and Indonesia came to be figured as a more-encompassing “Asian financial crisis” in October 1997 when Taiwan, which had large foreign exchange reserves, devalued its currency partly to discourage such a panicked withdrawal. Although Taiwan did not become one of the countries later subject to the IMF bailouts, the devaluation activated a *conceptual* shift on the part of international investors: “After Taiwan, the conceptual category of ‘Asian financial crisis’ came into being. Capitalists began to sell the Hong Kong dollar and the Korean won.”³⁰ The Asianization of the crisis as a localized structural problem of crony capitalism misses how investors were fueled by such blunt mappings of “Asian” sameness, with little or no regard to substantive differences in economic fundamentals among these countries. The figurations of financial “contagion” as the “tequila effect” of the 1994 Mexican crisis and the “yellow fever” of the 1997–98 crisis implicate the enduring force of racialization under finance capitalism.³¹

Another connecting thread across these crises was the moral hazard created by their management and rescue by governments and the IMF. Rather than formulate necessary limits and rules to discourage such overexposure to risk, they repeatedly bailed out private lenders and investors and shifted the costs

onto the public, which encouraged further risky investments and lax lending practices. Palma points to the Thai government's 1996 bailout of the Bangkok Bank of Commerce in Thailand and the World Bank loan of \$307 million to Indonesia in 1992 to bail out its state-run banks as local precedents that created the expectation that the Asian governments and IFIs would again come to the rescue.³²

The Asian crisis was and is also a “story about the United States” and significant political and economic shifts conditioning the ascent of Wall Street in Washington. First, investment practices shifted from individual savings and domestic stocks and bonds to international markets: “In 1993 alone, U.S. investors bought more foreign equities—about \$68 billion—than in the whole decade of the 1980s.”³³ The United States also led the innovation of new vehicles of securitization such as derivatives. The deregulation drive was accelerated and internationalized under the Clinton administration, which actively championed free trade and financial liberalization. Most consequential was the political ascendance of Wall Street. In addition to supplying campaign contributions, fund-raising for specific politicians, and direct lobbying, Wall Street significantly enhanced its political power by placing its top executives in important positions in the Department of the Treasury and other agencies charged with monitoring and regulating the financial industry and the broader economy. Robert Rubin went from Goldman Sachs to serve as Clinton's first director of the National Economic Council and later treasury secretary. This transmigration of a small pool of individuals from Wall Street investment banks to the Department of the Treasury and other government agencies has been dubbed the “Wall Street–Treasury Complex” and the “Wall Street–Washington Corridor.”³⁴

The United States took an active role in promoting free trade and financial liberalization throughout the Asia-Pacific region. In the early 1990s American mutual funds alone invested \$4 billion to \$5 billion per year in Asian markets. President Bill Clinton convened the first APEC (Asia-Pacific Economic Cooperation) Economic Leaders' Meeting in November 1993 in Blake Island. According to Johnson, “At annual meetings in different Pacific Rim countries, [the United States] insistently propagandized that the Asian ‘tiger economies’ open up to global market forces” and committed the participants in the 1994 APEC meeting in Bogor, Indonesia, to “free trade and investment in the Pacific.”³⁵ This tireless cheerleading continued through the November 1997 meeting in Vancouver when the “Asian financial crisis was already underway.” In a series of speeches and publications in the immediate aftermath of the crisis, Rubin and especially Lawrence Summers repeatedly pointed to weak

domestic institutional structures and a lack of “transparency” across all the affected countries, thereby associating certain features of the Asian model with the more dubious and closed crony capitalism.

The Asianization of the 1997–98 crisis also obscures a third story about the changing mission and role of the IMF in the post–Bretton Woods era. Elson lucidly contextualizes the “Asian financial crisis” within “a surreal financial architecture” of a reoriented IMF and World Bank, from promoting important “social goals” to mandating “sound finance” through open markets on the part of debtor nations. I have already discussed the neoclassical orthodoxy reigning at the World Bank throughout the 1980s and fortified through its “market-friendly” neutralization of the challenge from Japan in the early 1990s. Since the 1970s, the IMF has increasingly imposed certain conditions on borrowing countries, which included privatizing public enterprises, lifting trade restrictions, opening up capital markets, and cutting public expenditures. Rather than stabilize and ensure the solvency of developing economies, it has increasingly become an auditor for private capital. Even as the IMF has intensified surveillance of certain developing countries and imperiled economies, demanding that they demonstrate greater *transparency*, as Elson pointedly clarifies, “the emphasis is mainly on transparency towards international investors, rather than towards their citizens.”³⁶ I would even argue that the IMF’s conditioned demand for accountability and transparency props up the fiction that there is a supranational agency, which could and indeed does account for a definite standard of sound finance and foolproof measure of transparency.

The Asian crisis could be reframed as a story about the damaging force and expanding repertoire of IMF interventions. Several analysts have pointedly accused the IMF of creating the crisis by championing what Bello characterizes as “indiscriminate capital account liberalization” and holding up Indonesia and Thailand as models for rapidly opening up to foreign investments in the 1990s.³⁷ Then, the IMF’s blanket diagnoses of “immature institutions” and “lack of transparency” prodded and amplified investors’ panic. Others accused the IMF of worsening the crisis through its blunt macroeconomic restructurings that combined cutting public expenditures and raising taxes and interest rates. In January 1998, in a rare public disagreement between the Bretton Woods institutions, Joseph Stiglitz, the chief economist at the World Bank, openly criticized the IMF’s approach as contradictory to both its prior advice to Japan to widen its deficits and the U.S. government rescue of the savings and loan industry.³⁸

The 1997–98 crisis also proved to be the occasion wherein the IMF asserted its overarching commitment to protecting the owners of capital. Several Asian

governments, including Thailand and Malaysia, that had opposed liberalizing financial services during the WTO negotiations of 1996–97, were compelled to approve the agreement in December 1997: “either they signed or their receipt of IMF bail-out funds would be complicated.”³⁹ In turn, the IMF, World Bank, and WTO were able to strengthen their standing in the eyes of “the owners and managers of capital” through these actions “both as organizations that can get them out of the crisis without serious losses and as organizations that can cajole Asian governments to reshape their domestic economies in line with Western models.”⁴⁰ In his examination of IMF actions in Korea, Ha-Joon Chang pointed to a “mission creep” whereby the IMF has extended its reach beyond its original purpose of dealing with problems in maintaining current account balances to dictating domestic budgetary and monetary policies, “including hitherto-untouched areas such as corporate governance system and labour law . . . issues that it has neither the mandate nor the expertise to deal with.”⁴¹

The active role of U.S. officials in dictating the terms of the “bailouts” affirmed both American influence in the IMF and Wall Street’s influence on U.S. economic and foreign policy. Robert Wade and Frank Veneroso offered the expanded term, “Wall Street–Treasury–IMF Complex,” to identify this newly fortified political-economic bloc. Early on in the crisis at a G7 meeting in September 1997, Japan, with the backing of several other Asian countries, proposed creating a \$100 billion Asian Monetary Fund (AMF), with a \$50 billion contribution from Japan and the rest from the other still healthy economies of the region, Taiwan and Singapore. This was roundly rejected by the IMF and the United States, represented by Deputy Treasury Secretary Summers:

Concern about the US reliance on East Asian holdings of Treasuries may have been equally important. If regional central banks led by the Bank of Japan had sold out from their huge holdings of Treasuries to finance this costly operation, the interest rates on Treasuries and US long-term interest rates would probably have soared and halted the US economic upturn.⁴²

Back in the United States, in arguing for additional contributions to the IMF before the Senate Foreign Relations Committee on February 13, 1998, Alan Greenspan, along with Summers and Treasury Secretary Rubin, testified that “the IMF had succeeded in using its bailouts to force nations to open their markets and transform their economies.”⁴³ Bruce Cumings painted a more coercive picture: “Sources in Washington acknowledged that several reforms had been specifically demanded by US Treasury officials, in keeping with former US Trade Representative Mickey Kanter’s view that the IMF could be a ‘battering ram’ for American interests.”⁴⁴ But here, we should be mindful

that only particular American interests—namely, Wall Street and weapons sales—were being protected and promoted.⁴⁵ Pointing to how \$2 billion of J.P. Morgan’s exposure to Korea involved derivative contracts, J. A. Kregel noted, “This perhaps explains why Morgan was at the forefront of the move to convert Korean banks’ short-term debt into sovereign debt.”⁴⁶ Such unabashed expressions of a Wall Street–Treasury–IMF complex also announced the attenuation of the protector-sponsor status of the United States in Asia.⁴⁷ Clarifying that the bailout funds would go to the foreign banks who made “shaky and imprudent loans” and not the people or domestic firms, Johnson flatly declared, “The ultimate in crony capitalism is actually the U.S. dominated International Monetary Fund (the IMF).”⁴⁸

Several observers have repeatedly used the term *fire sale* to refer to how investors rushed back in to buy up the devalued Asian firms and assets in the aftermath of the IMF interventions.⁴⁹ Commentators in Asia thus dubbed these intrusions a “Second Opium War.” Asking whether these actions manifest a “surging U.S. imperialism,” Joseph Medley pointed to how even though the IMF had prevented the South Korean government from saving or protecting its firms, the U.S. government was working to bail out Long-Term Capital Management: “Greenspan said the intervention was necessary to avoid a ‘fire sale’ of U.S. assets that might trigger a slowdown of the U.S. economy in 1999.”⁵⁰ I would argue that the coercive terms, select beneficiaries, and detrimental effects of the IMF reforms also starkly illustrated that economic and financial globalization is crucially organized by “discriminatory inclusion and segmentation” rather than horizontal inclusion and multilateral cooperation.

“Asian Recovery” and the “Subprime Crisis”

Several analyses published in the immediate aftermath of the 1997–98 crisis presented lessons and warnings that could have been instructive in anticipating, if not avoiding, the current crisis. “The great lesson of the Asian crisis,” Wade and Veneroso argued, “is that the desirability of free movements of short-term capital has to be put in question.”⁵¹ Many called for greater auditing of international banks and financial institutions. The IMF’s demand for transparency from the Asian countries and firms provoked and energized calls for greater transparency on the part of the IMF itself. Sachs criticized the IMF for lack of “transparency” about its own decisions and programs, even as it imposes this as a normative standard for the recipient countries.⁵² Arguing that “bad economics was only a symptom of the real problem: secrecy,” Stiglitz extended his criticism to the Treasury for its flouting of “democratic accountability.”⁵³

Another lesson of the 1997–98 crisis involved the proliferation of new instruments of securitization and speculation in the 1990s. Wade was especially prescient when he questioned the destabilizing potential of the growth of derivative markets that “escape established methods of bank regulation.”⁵⁴ Granted, these new “over-the-counter” financial instruments have functioned to manage risk and to generate new capital, which can be used for material and productive investments. However, their mathematical intricacy, private exchange involving intermediaries, and shortened time frame can obfuscate the extent of exposure to risk and liabilities, which sometimes far exceed assets and revenue streams. Indeed, there was a concerted effort in the U.S. government to monitor and regulate these financial instruments in 1998. In early 1998 Brooksley Born, then head of the Commodities Futures Trading Commission, proposed that these new over-the-counter derivatives be monitored and regulated, which was roundly rejected by Fed Chairman Greenspan, Treasury Secretary Rubin, Deputy Treasury Secretary Summers, and Arthur Levitt, head of the Securities and Exchanges Commission (SEC).⁵⁵ I would argue that the self-satisfied American “triumphalism” about the then unfolding “Asian crisis” precluded a sober and serious consideration of Born’s proposal.

In 1999, when several of these Asian economies demonstrated faster-than-expected signs of economic upturn, the “recovery” was interpreted as affirmation of the IMF reforms and financial liberalization. In contesting this heralding of recovery, Ha-Joon Chang made several linked observations, which may be instructive for the present. First, he argued that the expansion was partly produced by the severely contractionary effects of the IMF-mandated policies, and the signs of recovery manifested themselves only after some of these policies were revised and even reversed. Second, he notes that while there was an increase in output, “the country’s performance in unemployment and equality has been poor.” Perhaps the most important observation was that the rise in stock prices was fueled by the frenzy of foreign investors “snap(ping) up bargain-price blue-chip stocks following the post-crisis asset price collapse” and the opening up of stock trading to a larger pool of Koreans; this growth in portfolio investments occurred “in the face of a dramatic collapse in real investments.”⁵⁶

This “recovery” would revise the temporal framing of the earlier crisis, but not its Asianization. C. P. Chandrasekhar and Jayati Ghosh have argued that upholding Asian economies as a model success and dismissing the 1997–98 crisis as a temporary “aberration” were “ideologically important since neoliberal policies were fast losing their credibility in Latin America and Africa.”⁵⁷ The recovery of certain Asian economies had much to do with their breaking

away from the IMF-mandated program of financial liberalization and social disinvestment. In 1998 both South Korea and Thailand reinstated some state interventions such as extending low-interest loans to at-risk businesses.

The preferred reading of the Asian recovery as confirmation of the IMF-mandated liberalizations supported the further ascendance of the Wall Street–Treasury–IMF complex in the following decade. The unending “war on terror” inaugurated in the aftermath of September 11, 2001, entailed massive military spending and government borrowing. There was a dramatic growth in the U.S. financial sector, whose debt increased to \$36 billion (double the GDP) by 2007.⁵⁸ The shadow economy of over-the-counter derivatives rapidly expanded throughout the 2000s. By 2008 the notional value of derivatives was estimated at \$596 *trillion*, far exceeding the \$167 trillion value of “*the world’s* financial assets—including all stock, bonds, and bank deposits.”⁵⁹ This was a delinking of international finance not just from laudable “social goals” but from its measures of asset valuation! The “revolving door” of leadership between Wall Street and Washington dominated both the U.S. economy and domestic and foreign policy, fortified by aggressive lobbying and electoral financing.⁶⁰

Although several accounts date the beginning of the subprime crisis to February 2007, when HSBC became the first major bank to disclose losses from default of subprime loans, there are several important connections and missed connections to the earlier Asian crisis. Since the other articles in this special issue elucidate the specific details of the U.S. mortgage crisis, I restrict my discussion to a few points. First, the Cold War trade of U.S. military bases for Japanese and Korean exports to the United States, which contributed to the decline of the U.S. manufacturing base, is an important prehistory to the stagnant wages of the 1970s and 1980s.⁶¹ After the series of crises in emerging markets throughout the 1990s, Asian and other foreign investors, firms, and governments expanded their investments in the United States, especially in safe Treasury bills: “You had a huge inflow of liquidity. A very unique kind of situation where poor countries like China were shipping money to advanced countries like the United States rather than keeping it in their own countries.”⁶² The Federal Reserve’s lowering of interest rates also fueled a surge of refinancing in the 2000s. While this extraction increased Americans’ spending power, it also increased their debt: “The mortgage debt of American households rose almost as much in the six years from 2001 to 2007 as it had over the course of the country’s more than 200-year history.”⁶³

Second, this expansion of debt was enabled by the triumphant fortification of the Wall Street–Treasury–IMF complex in the aftermath of the earlier 1997–98 crisis. The exponential growth of securitization was partly conditioned by the

thorough deregulation of U.S. banking and finance. The oversupply of capital generated certain moral hazards. Since the loans would be “offloaded” almost immediately to a Wall Street bank that sold them in turn to other investors, securitization relieved the initial lender from the risks of default, and lenders made more and more “nontraditional loans” that were easy to obtain but on perilous terms.

Third, the extension of short-term, usurious credit exploited intractable categories of ethnic, cultural, and racialized difference. According to one study, African Americans, regardless of income, were more likely to receive loans from nonregulated and often corrupt lenders.⁶⁴ Another illuminating study by a team of geographers, completed in 2005, drew attention to the “discriminatory *inclusion* and segmentation” of subprime lending, which distinguished it from the earlier discriminatory exclusion of African Americans from home loans and purchases.⁶⁵ Therefore it may be more accurate to attach the degraded and demoting force of “subprime” to these predatory lending practices, lenders, and investors.⁶⁶ To say that is not to exonerate the borrowers as uniformly innocent and unwitting victims whose “propensity to over-borrow” was fueled by the “propensity to over-lend” in this setting of “excess international liquidity.” We should keep in mind that racial-ethnic categories do not map neatly onto the striated positions of borrower, broker, lender, banker, and investor. Thus, rather than a moral condemnation or vindication, we could frame it in terms of the conjuncture of an unprecedented availability of credit in a context of racist exclusion and growing income inequality. As I alluded to earlier, the phrase “discriminatory inclusion and segmentation” also bears a striking resonance to the coercive and unequal integration of emerging economies into the “surreal financial architecture” of the Wall Street–Treasury–IMF complex.

When the subprime crisis exposed billions of dollars of uncollateralized exposures by Wall Street investment banks, the broadened spotlight on the U.S. financial system expanded it into a “global financial crisis” in 2008. The revelations of the high debts being carried by several European countries provoked yet another racializing figuration. The unsavory and demeaning acronyms of PIGS or PIIGs were widely deployed to refer to Portugal, Ireland, Greece, and Spain and later also Italy. On August 31, 2008, the *Financial Times* featured an article titled “Pigs in Muck,” which began by noting that PIGS “is a pejorative moniker but one with much truth.”⁶⁷ The largely German-funded bailout of these ailing economies, in turn, was received with ethnocentric contempt and revived racist figurations mapped onto fiscal behavior: “Thrifty, hard-working Germans in May bailed out dissolute, corrupt, feckless, spendthrift and lazy Greeks, Spaniards, Italians and Portuguese. That, at least, is how it appears

to the German public.”⁶⁸ Once again, such clear demarcations functioned to eclipse a much more complex web of international speculation and profit-chasing. The *New York Times* reported in February 2010 that Wall Street firms, led by Goldman Sachs, had contributed to the making of the crisis by helping the Greek government borrow billions in 2001 through the use of derivatives, which allowed these liabilities to be hidden from EU regulators and investors.⁶⁹ Also in 2010, an expanded acronym, STUPID, began circulating in the financial press and cybersphere, which included several more countries with large capital account deficits—Spain, Turkey, United Kingdom, Portugal, Italy, and Dubai.⁷⁰

These American and European crises provoked another round of Asianization. But this time it would be marked by the return of what others have noted as an “Asian triumphalism.” Strikingly, certain financial practices became not so much racialized but regionalized as a distinctively *Asian* subject-position. One 2008 commentary in the *Financial Times* pointed out:

Amazingly, in the thousands of words spun in the incestuous western discourse on this crisis, little attention has been paid to Asian views, even though the calm and steady responses of China, India and Japan, the three anchor Asian economies, provide hope that there may be some pillars of stability in the swirling storm.⁷¹

The naming of the “three anchor Asian economies” attests to a significant shift with the dramatic economic ascendance of China and India in the years since the 1997–98 crisis, which significantly revised the meaning of “Asian” as a signifier of global economic power and futurity. Asserting that “Asian minds have never been captured by the strange ideological belief that markets know best and government should step aside,” Kishore Mahbubani chides the now discredited *American* faith in deregulated, unfettered markets, specifically naming Ronald Reagan and Greenspan: “By contrast, virtually all Asian governments believe that the virtues of the ‘invisible hand’ in the market have to be balanced by the ‘visible hand’ of good governance.” While the United States is the most prominent figure of neoliberal hubris, this narrative of non-Asian misjudgment and downfall extends to a “European banker” who was chastised by the officer of the Reserve Bank of India: “After subprime, we are not sure of US regulation; after Northern Rock, British regulation; after Société Générale, French regulation and after UBS, Swiss regulation.” This recoding of subprime as a distinctively American *laissez-faire* folly offers a provocative, albeit problematic, alternative to its more common and persistent racialization. In contrast to an earlier culturalist discourse of “Asian values,” the concerted

Asian minds here is a historical achievement, borne of an earlier abjection with their own hard lesson with neoliberal globalization. However, it is crucial to note that this rebuke of European and American regulatory failure is emphatically distinguished from a resolutely sanguine stance toward *globalization*. Against the potential that the United States and European countries might “retreat into protectionism,” Mahbubani notes that “Asian societies also know they are becoming the biggest beneficiaries of globalisation and must assume greater responsibility in stabilising the economic system.” The rousing ending of Mahbubani’s comment clarifies that these Asian minds are distinguished by their resolutely *confident* futurity: “The really good news is that few Asians have lost their optimism about the future. They have no illusions about the crisis but are confident that they remain on the right trajectory to deliver the Asian century. This is why the key Asian economies will react calmly in this storm. Confidence in the future is a great asset in such times.”⁷²

Against Asianization and Crisis Enclosure

Another way to contest the Asianization of the 1997–98 crisis and to connect it to the present crisis is to focus on the unevenly detrimental social impact of the earlier crisis. The linear enfolding of miracle-crisis-recovery-triumph is revealed as wishful when we pay attention to gender and class differences. The interlinked and mutually reinforcing regionalization, culturalization, and racialization of these Asianizations can be broken up by focusing on particular and *differentiated* effects on women in Asia. The export-led industrialization of many Asian economies was crucially powered by low-paid and often harshly disciplined female labor in the free trade zones and special economic zones throughout Asia. Although the female factory workers in garment, shoe, and electronics assembly are most commonly conjured in relation to globalization and Asian economic development, women’s labor has been important to the growth of clerical sectors and service economies linked to the global expansion of finance. Uhn Cho usefully recalls that foreign investment in Korean capital markets, which began as early as 1981, led to increasing numbers of female workers, especially young unmarried women, in clerical jobs.⁷³ In the 1990s, when foreign direct investment was channeled toward the service sector, there was an especially marked increase in women’s employment in the new global chain and department stores. Married women were preferred by these global retail chains because they could influence their neighbors and also were less prone to unionization.⁷⁴

In the immediate aftermath of the 1997–98 crisis, a range of journalists, NGOs (nongovernmental organizations) and INGOs (international nongovernmental organizations), and scholars issued reports and studies that focused attention on the special impact of the crisis on Asian women. On June 11, 1998, the *New York Times* carried an article titled “With Asia’s Economies Shrinking, Women Are Being Squeezed Out,” which pointed to the disproportionate retrenchment of women workers, increased domestic violence, taking daughters out of school, and the rise in female prostitution and sex trafficking.⁷⁵ According to a report commissioned by the Asian Development Bank, the deleterious effects of the crisis on women included a decrease in support for education, medical care, family planning, and reproductive health along with an increase in crime, violence, and environmental degradation.⁷⁶ The occasion of a specific crisis can make women visible in particular ways, but the newly urgent figurations of gendered vulnerability can effect another order of Asianization, which elides diverse effects on different groups of women in each country and across international borders. I highlight just a few examples below.

The naming of a crisis as such works to necessitate and justify more disciplining of workers and citizens, which proceeds unevenly across gender and class differences. In South Korea the IMF-mandated restructurings led to massive layoffs. More women than men were laid off, especially in the service sectors. One out of five female white-collar workers was laid off. Married women were targeted for layoffs by a refortified patriarchal logic of the male head of household as the primary breadwinner. But, as Cho pointed out, “in reality, women were pushed into the labour market at lower wages on behalf of unemployed husbands.”⁷⁷ At the same time, this gender-specific response to crisis also produced new gendered figures such as the “IMF *chonyo*” (IMF maiden), referring to the predicament of single women who delayed marriage plans because married women would be the first targeted for layoffs. In the Philippines the “women-specific impact” of the crisis included higher rates of unemployment and more income generation in the informal economy; cuts in health care further increased women’s burden of caring for sick family members.⁷⁸ Women made up the majority of the workers in two of the three most negatively affected industries, garment manufacturing and electronics. In addition, the agricultural sector, which also employed more women than men, cut two hundred thousand jobs in the first quarter of 1998. Finally, the austerity measures entailed large job cuts in the public sector, the largest employer of women.⁷⁹

The 1997–98 crisis also accelerated the migration of women workers. This regional and international migration of labor has had a differentially marked

impact on specific countries, which further contest the Asianization of the crisis. The case of Filipina migrant workers in Hong Kong offers an illustrative case of the complexity and dynamic shifts. The number of Filipina domestics in Hong Kong increased more than twofold over the 1990s, from 66,000 in 1991 to 140,000 by 1999. Although there had long been ethnocentric biases against these Filipina domestic workers, Kimberley Chang and Julian McAllister Groves noted how antipathy toward these women was further “fueled by the Asian economic crisis.”⁸⁰ Rising local unemployment provoked calls for cutting the minimum wage for domestic workers and instituted new measures of surveillance and deportation. A new immigration policy dubbed “Operation Hoover” went into effect whereby young foreign women suspected of prostitution were detained and interrogated, a measure intended to thwart these migrant women workers from extending their stays in Hong Kong.

To sum up, the 1997–98 financial crisis had the compounded effect of contesting the geographic bounding of Asian women within Asia and the very categorical designation of “Asian women” or “Asian women workers” as similarly affected by globalization. The Asianization of recovery in an orderly succession of miracle-crisis-recovery-triumph glossed over the multiply detrimental effects of the crisis, which lingered well past 1998. It also eclipsed the differentially gendered casualties *and* beneficiaries of the IMF “bailout.” As Diane Elson and Nilufer Cagatay stressed: “The macroeconomic policies insisted upon by the IMF did not simply have a negative social impact; they were designed embodying a profoundly unjust social content, prioritizing the financial rights of creditors over the human rights of the peoples of East Asia, with particularly low priority accorded to poor women.”⁸¹

Thanh-Dam Truong’s postcrisis analyses were especially suggestive in utilizing a focus on women to *broaden* the temporal and geographic frame of analysis. She suggested that rather than an anomaly or localized failure, “The trends characterizing women’s experiences in crisis situations are manifestations of a deeper problem that had emerged in times of economic growth, i.e. the gendered logic of industrial organization in East and South East Asia.”⁸² The much-touted “flexibility” of the regional workforce was made possible by a concomitant hardening of gendered ideologies that further feminized “caring work” and reproductive labor while upholding male sexual privilege and male workers’ need for “sexual comfort,” which, in turn, rationalized the proliferation of sex work and female sexual exploitation. Truong concluded, “If a gender analysis had been part of the evaluation of ANICs’ industrial transformation, the outcomes of this transformation would not have received the label of a miracle, and the crisis might possibly have been anticipated.”⁸³ In another es-

say from 2000, Truong further asserted that rather than disprove the moniker, as Greenspan and others declared, the 1997–98 crisis posed a challenge as to “whether the miracle can stand as a miracle of social transformation rather than merely industrial transformation.”⁸⁴ If this challenge had been taken up, as she suggested, by reopening “the discussion on the relationship between polity and economy, economic performance and governance,” the Asian crisis and subprime crisis could have been connected very differently.

In the wake of the more recent financial crisis, several scholars and researchers with INGOs have again pointed to its detrimental effects on workers and women in Asia, which contradict the triumphalist pronouncements of Mahbubani quoted earlier. In March 2009 Amelita King Dejardin, a senior adviser to the International Labor Office, published an op-ed titled “Economic Meltdown Has a Woman’s Face,” further noting a “gender bias” to the crisis: “Here in Asia, working women will be affected more severely, and differently, from their male counterparts.”⁸⁵ She supports this prognosis by recalling these statistics from the 1997–98 crisis: “In Thailand, 95 percent of those laid off from the garment sector were women; in the toys’ sector, it was 88 percent. In South Korea, 86 percent of those who lost their financial services and banking jobs were female.” Dejardin ends by urging the inclusion of women in the “social dialogue” about the proper response to the current crisis, which did not happen in the deliberations of 1997–98. If each new crisis produces an opening for making particular casualties visible, these figures are also tethered to the spatiotemporal bracketing of the crisis. The categorical incarnation of Asian women’s vulnerability also risks affirming persistent Asianizations of patriarchy and gender inequality. Then, too, even the most spectacular figures of suffering and sturdy empirical details could be revised, rationalized, and effaced at the onset of a declared recovery. What is needed then is an interdisciplinary and transnational analysis that is attentive to local specificities but resists the enclosure of crises. The extensive manifestation and unending repercussions of the “Wall Street meltdown” of 2008, the U.S. “debt ceiling crisis” of 2011, and the vividly unfolding eurozone sovereign debt crises have forced many commentators to concede that the unfettered and much privileged drive of global financial liberalization has reached a terminus. If, as I have argued, the Asianization of the 1997–98 crisis worked to vindicate and further propel this neoliberal capitalist trajectory, the more recent *global* qualification of financial crisis demands a recalibration of who should be enjoined in this pressing social dialogue. Its participants will need to resist the wish for and faith in a full recovery, which risks misreading partial recoveries and ongoing dispossessions.

Notes

1. Chalmers Johnson traces the origin of the “miracle” to 1962 when the Japanese first became aware of this status when the *Economist* published a two-part essay “Consider Japan” in September 1962, which was translated and published in Japan as “Amazing Japan” (Johnson, *MITI and the Japanese Economic Miracle: The Growth of Industrial Policy, 1925–1975* [Palo Alto, Calif.: Stanford University Press, 1982], 1).
2. Chalmers Johnson, *Blowback: The Costs and Consequences of American Empire* (New York: Henry Holt, 2000), 177.
3. Bruce Cumings, “The Korean Crisis and the End of ‘Late’ Development,” *New Left Review* 231 (September–October 1998): 46.
4. Walden Bello, “The Asian Financial Crisis: Causes, Dynamics, Prospects,” *Journal of the Asia Pacific Economy* 4.1 (1999): 36. Bello deploys the alternate regional terms *Southeast Asian collapse* and *Southeast Asian “miracle.”*
5. World Bank, *The East Asian Miracle: Economic Growth and Public Policy* (Oxford: Oxford University Press, 1991).
6. Robert Wade, “Japan, the World Bank, and the Art of Paradigm Maintenance: The East Asian Miracle in Political Perspective,” *New Left Review* 217 (May–June 1996): 6–7.
7. *Ibid.*, 18. This essay offers a fascinating, detailed account of the political economy underwriting this textual production, including its highly strategic and negotiated conceptualization, writing, revision, and editing by an international, but largely American-dominated, team. Wade discloses that Japan endorsed the naming of an “East Asian miracle” as signaling a distinctive alternative to the reigning Washington Consensus, but which also steered clear of “the dangerous idea of Japanese uniqueness” by “presenting them as general principles confirmed by other East Asian experiences.”
8. Gabriel Palma, “Three and a Half Cycles of ‘Mania, Panic, and [Asymmetric] Crash’: East Asia and Latin America Compared,” *Cambridge Journal of Economics* 22 (1998): 792. The total foreign debt of these five countries doubled in a three-year period to \$275 billion by June 1997.
9. *Ibid.*
10. Joseph Stiglitz, “What I Learned at the World Economic Crisis,” *New Republic*, April 17, 2000, 56.
11. Chalmers Johnson, “Cold War Economics Melt Asia,” *Nation*, February 23, 1998, 17.
12. Robert Wade and Frank Veneroso, “The Asian Crisis: The High Debt Model versus the Wall Street–Treasury–IMF Complex,” *New Left Review* 228 (March–April 1998): 10.
13. As Wade emphasizes, they did so under the assumption that the Korean won–U.S. dollar exchange rate would stay stable: “As the yen fell, the banks began to sell foreign securities in order to boost liquidity. Their sell-off helped to spread the financial contagion” (Wade, “The Asian Debt-and-Development Crisis of 1997–?” *World Development* 26.8 [1998]: 1544).
14. Wade and Veneroso, “Asian Crisis,” 10. See also Johnson, “Cold War Economics Melt Asia,” 17.
15. Johnson framed this as a “deal intended to help re-elect President Clinton the following year . . . [by keeping] U.S. interest rates at politically desirable levels.” In return, Johnson continues, “The Clinton Administration also agreed to take a dive on the auto talks, abandoning its efforts to impose duties on Japanese luxury cars; the Administration shut up about America’s billion-dollar-a-week trade deficit with Japan” (“Cold War Economics Melt Asia,” 17).
16. Wade and Veneroso, “Asian Crisis,” 10.
17. Paul Krugman, “What Happened to Asia?” January 1998, <http://web.mit.edu/krugman/www/DIS-INTER.html>.
18. Ha-Joon Chang, Gabriel Palma, and D. Hugh Whittaker, “The Asian Crisis: Introduction,” *Cambridge Journal of Economics* 22 (1999): 649.
19. David Sanger, “Greenspan Sees Asian Crisis Moving World to Western Capitalism,” *New York Times*, February 13, 1998, quoted in Wade, “Asian Debt-and-Development Crisis.”
20. Johnson, “Cold War Economics Melt Asia,” 16. Johnson continues with this prescient warning: “But we, of all people, should be extremely cautious in preaching deregulation, the superfluosity of government and the suitability of open markets for all seasons. These are more or less the same things Herbert Hoover prescribed for dealing with the financial panic of 1929—and they produced the structural collapse of demand known as the Great Depression.”
21. Wade, “Asian Debt-and-Development Crisis,” 1536.
22. Chalmers Johnson, “Economic Crisis in East Asia: The Clash of Capitalisms,” *Cambridge Journal of Economics* 22 (1998): 653–61.

23. Palma, "Three and a Half Cycles," 790.
24. *Ibid.*, 793.
25. Diane Elson, "International Financial Architecture: A View from the Kitchen," 1, http://www.networkideas.org/featart/jan2004/fa13_Diane_Elson.htm (accessed May 1, 2009).
26. Moises Naím, "Mexico's Larger Story," *Foreign Policy* 99 (Summer 1995): 114. Naím then outlines "several lessons of macroeconomic management" for other governments, which bear a striking relevance to the crises to come in 1997–98.
27. Wade and Veneroso, "Asian Crisis," 9.
28. Walden Bello, "Asian Financial Crisis: The Movie," in *The Future in the Balance: Essays on Globalization and Resistance*, ed. Anuradha Mittal (Oakland, Calif.: Food First Books, 2001), 71.
29. Jeffrey Sachs, "The IMF and the Asian Flu," *American Prospect* 37 (March–April 1998): 16–21.
30. Wade, "Asian Debt-and-Development Crisis," 1542.
31. I have seen many references to the so-called tequila effect. The first, and I think the only, time I have seen the reference to the so-called yellow fever is in a published lecture by Lawrence Summers, "International Financial Crises: Causes, Prevention, and Cures," *AEA Paper and Proceedings*, May 2000, 6.
32. Palma, "Three and a Half Cycles," 797.
33. Moisés Naím, "Latin America the Morning After," *Foreign Affairs* 74.4 (1995): 50.
34. Jagdish N. Bhagwati, "The Capital Myth: The Difference between Trade in Widgets and Dollars," *Foreign Affairs*, May 1, 1998. See also Simon Johnson and John Kwak, *Thirteen Bankers: The Wall Street Takeover and the Next Financial Meltdown* (New York: Pantheon, 2010), 113.
35. Johnson, *Blowback*, 208.
36. Elson, "International Financial Architecture," 10.
37. Bello, "Asian Financial Crisis," 41.
38. Bob Davis and David Wessel, "World Bank, IMF at Odds over Asian Austerity—Some Economists Contend That Harsh Measures Could Worsen the Crisis," *Wall Street Journal*, January 8, 1998.
39. Wade and Veneroso, "Asian Crisis," 19.
40. Wade, "Asian Debt-and-Development Crisis," 1547.
41. Ha-Joon Chang, "The 1997 Korean Crisis: Causes and Consequences," in *Brazil and South Korea: Economic Crisis and Restructuring*, ed. Edmund Amann and Ha-Joon Chang (London: Institute of Latin American Studies, 2004), 119.
42. Kristen Nordhaug, "Asian Monetary Fund Revival?" *Focus on Trade*, no. 51 (June 2000), <http://www.focusweb.org/publications/2000/Asian%20Monetary%20Fund%20revival.htm>.
43. Sanger, "Greenspan Sees Asian Crisis Moving World."
44. Cumings, "Korean Crisis and the End of 'Late' Development," 53.
45. Pointing out that "the thing our government most seemed to fear was that contracts to buy our weapons might now not be honored," Johnson recounts how then Secretary of Defense William Perry traveled to the Asian countries to secure these payments (*Blowback*, 5–6). In light of this, we might consider the alternately expanded name of the Wall Street–Treasury–Defense–IMF complex.
46. J. A. Kregel, "Derivatives and Global Capital Flows: Applications to Asia," *Cambridge Journal of Economics* 22 (1998): 688.
47. Cumings characterized it more definitively as follows: "The deep meaning and intent of the American and IMF response to the Asian liquidity crisis is to close the historical chapter in which the sheltered 'developmental states' have prospered" ("Korean Crisis and the End of 'Late' Development," 51–52).
48. Johnson, "Economic Crisis in East Asia," 654.
49. Wade, "Asian Debt-and-Development Crisis," 1544.
50. Joseph Medley, "The East Asian Economic Crisis: Surging U.S. Imperialism?" *Review of Radical Political Economics* 32.3 (2000): 385.
51. Wade and Veneroso, "Asian Crisis," 21.
52. Jeffrey Sachs, "The IMF Is a Power unto Itself," *Financial Times*, December 11, 1997.
53. Stiglitz, "What I Learned."
54. Wade, "Asian Debt-and-Development Crisis," 1550.
55. See Michael Hirsch, "The Reeducation of Larry Summers," *Newsweek*, February 20, 2009. See also the illuminating PBS *Frontline* documentary "The Warning." This is another crucial thread connecting the 1997–98 crisis with the subprime crisis of 2007–8 and the ongoing financial crisis. I examine this in another essay titled "Money, Gender, and Power: A Feminist Genealogy of Brooksley Born and Larry Summers" (forthcoming).

56. Chang, "1997 Korean Crisis," 119.
57. See C. P. Chandrasekhar and Jayati Ghosh, "The Asian Face of the Global Recession," *Monthly Review*, February 26, 2009, <http://www.monthlyreview.org/mrzine/cg260209.html>.
58. Financial Crisis Inquiry Commission (FCIC), *Financial Crisis Inquiry Report* (Washington, D.C.: U.S. Government Printing Office, 2011), xvii.
59. Jacou Leibenluft, "\$596 Trillion!" *Slate.com*, October 15, 2008, http://www.slate.com/articles/news_and_politics/explainer/2008/10/596_trillion.html.
60. "From 1999 to 2008, the financial sector expended \$2.7 billion in reported federal lobbying expenses; individuals and political action committees in the sector made more than \$1 billion in campaign contributions" (FCIC, *Financial Crisis Inquiry Report*, xviii).
61. Johnson, *Blowback*, 30.
62. Former Fed governor Frederic Mishkin, quoted in FCIC, *Financial Crisis Inquiry Report*, 104.
63. FCIC, *Financial Crisis Inquiry Report*, 7.
64. Angie Beeman, Davita Silfen Glasberg, and Colleen Casey, "Whiteness as Property: Predatory Lending and the Reproduction of Racialized Inequality," *Critical Sociology* 37.1 (2011): 27–45.
65. Elvin K. Wyly, Mona Atia, Elizabeth Lee, and Pablo Mendez, "Race, Gender, and Statistical Representation: Predatory Mortgage Lending and the U.S. Community Reinvestment Movement," *Environment and Planning A* 39 (2007): 2139. The brilliance of their methodology was to examine the large numbers of subprime loans marked by the *nondisclosure* of the borrower's racial and ethnic identity. In 2002 revisions to the 1975 Home Mortgage Disclosure Act were finalized, which required lenders to collect and submit data on the "race," "sex," and "ethnicity" (the two boxes were "Hispanic or Latino" and "Not Hispanic or Latino") of loan applicants. As soon as the data were made publicly available in spring of 2005, consumer groups were able to discern the rough profile of the recipients of these "high-cost loans." The group Fair Finance Watch found that "African-American borrowers at Citigroup and its subsidiaries were more than four times as likely to receive high-cost 'rate-spread' loans compared with non-Hispanic Whites" (2141). Against this data, they conclude that the growing "disappearance" and invisibility of race-ethnicity in subprime loans reflected a concerted effort by mortgage brokers or originators to disguise their targeting of specific racial-ethnic groups to receive these predatory loans.
66. The FCIC report cites various practices that were allowed to proliferate in a deregulated environment, for example, "lenders had opened subsidiaries to perform appraisals, allowing them to extract extra fees from 'unknowing' consumers and making it easier to inflate home values" (18).
67. The article actually opened by endorsing a more sanguine moniker: "Exciting countries get exciting acronyms, at least in financial circles. Fast-growing Brazil, Russia, India and China, for example, are called Brics, the very initials implying solid growth. Other countries are less fortunate" ("Pigs in Muck," *Financial Times*, September 1, 2008, <http://www.ft.com/intl/cms/s/3/5faf0b0a-778a-11dd-be24-0000779fd18c.html#axzz1t4vTdQPb>). Protests of the derogatory cast of the term compelled the *Financial Times* to ban its use.
68. Spengler, "PIIGS to the Slaughter," *Asia Times Online*, July 21, 2010, http://www.atimes.com/atimes/Global_Economy/LG21Dj03.html.
69. Louise Story, Landon Thomas Jr., and Nelson D. Schwartz, "Wall St. Helped to Mask Debt Fueling Europe's Crisis," *New York Times*, February 14, 2010. Characterizing these "tactics [as] akin to the ones that fostered subprime mortgages in America," the article discloses that Goldman Sachs was paid \$300 million for arranging this deal.
70. Katie Allen, "Acronym Acrimony: The Problem with Pigs," *Guardian*, February 10, 2010, <http://www.guardian.co.uk/business/2010/feb/12/pigs-piigs-debted-eu-countries> (accessed April 11, 2012).
71. Kishore Mahbubani, "Why Asia Stays Calm in the Storm," *Financial Times*, October 28, 2008. At the time of publication, Mahbubani was dean of the Lee Kuan Yew School of Public Policy of the National University of Singapore.
72. The IMF has also contributed to this positive Asianization in the wake of the ongoing crisis (<http://www.imf.org/external/np/extr/facts/asia.htm>). Under the subheading "Lessons from the Asian Crisis," the report claims, "The large amounts of financing provided by the IMF and others during the crisis provided the breathing room needed for many of their governments to undertake deep and painful reforms. Many of these same economies have performed remarkably well since then." The Asianization of the 1997–98 crisis is reinforced by contrasting it to the truly "global" nature of the 2007–8 crisis. This distinction is sustained in a brief videotape posted on the IMF website in February 2009, titled

- "Dominique Strauss-Kahn thanks Japan for \$100 billion loan." See <http://www.imf.org/external/mmedia/view.aspx?vid=79187341001>.
73. Uhn Cho, "Global Capital and Local Patriarchy: The Financial Crisis and Women Workers in South Korea," in *Women and Work in Globalising Asia*, ed. Dong-Sook S. Gils and Nicola Piper (London: Routledge, 2002), 57.
 74. *Ibid.*, 59.
 75. Nicholas D. Kristof, "With Asia's Economies Shrinking, Women Are Being Squeezed Out," *New York Times*, June 11, 1998. See also Teena Amrit Gill, "Asian Crisis Hits Women Hardest," *Asia Times Online*, June 6, 2000, <http://www.atimes.com/asia-crisis/BF06Db01.html>.
 76. Ernesto M. Pernia and James C. Knowles, "Assessing the Social Impact of the Financial Crisis in Asia," Economics and Development Resource Centre, Asian Development Bank, November 1998.
 77. Uhn Cho, "Global Capital and Local Patriarchy," 62.
 78. Jenina Joy Chavez, *The Asian Financial Crisis and Filipino Households: Impact on Women and Children* ([U.K.]: Focus on the Global South and Save the Children, 2001), 27–28.
 79. Lori J. Pennay, "The Disproportionate Effect of the Asian Economic Crisis on Women: The Filipina Experience," *University of Pennsylvania Journal of International Economy* 21 (2000): 443, 447–48, 450.
 80. Kimberley Chang and Julian McAllister Groves, "Neither 'Saints' nor 'Prostitutes': Sexual Discourse in the Filipina Domestic Worker Community in Hong Kong," *Women's Studies International Forum* 23.1 (2000): 73.
 81. Diane Nelson and Nilufer Cagatay, "The Social Content of Macroeconomic Policies," *World Development* 28 (2000): 1355.
 82. Thanh-Dam Truong, "A Feminist Perspective on the Asian Miracle and Crisis: Enlarging the Conceptual Map of Human Development," *Journal of Human Development* 1.1 (2000): 159–64.
 83. *Ibid.*, 161.
 84. Thanh-Dam Truong, "The Underbelly of the Tiger: Gender and the Demystification of the Asian Miracle," *Review of International Political Economy* 6.2 (1999): 146.
 85. Amelita King Dejardin, "Economic Meltdown Has a Woman's Face," *Japan Times*, March 8, 2009, <http://search.japantimes.co.jp/cgi-bin/eo20090308a1.html>.