

these networks overestimated the stability of their "idiosyncratic" pan-Asian commercial system. The overseas Chinese stand to lose the most from the removal of these idiosyncrasies or, less euphemistically, from the elimination of the special ties between many ethnic Chinese businessmen and political elites.

More frightening is the possibility that ethnic Chinese minorities in Southeast Asia will be victimised. In Indonesia, ethnic Chinese businesspeople are already being put up as scapegoats and have been subject to looting and police interrogation. Any spread of this sentiment across the region could be extremely destabilising. It could invite a response from China, which has historically taken an interest in the fate of the overseas Chinese, and as recently as the 1960s took in Southeast Asian Chinese with communist sympathies who were facing persecution because of their ethnicity. Even though Beijing now recognises that the overseas Chinese are citizens of their adopted lands, the commercial linkages with these communities have never been so strong, and could form the basis for an intervention from the mainland.

Many developing Asian countries had hoped that Japan would provide capital leadership in the wake of the crisis. However, this leadership has not materialised. Indeed, the notion of an Asian Fund first mooted by Japan at the Hong Kong IMF/World Bank meetings in September 1997 gained momentum right up to the APEC Leaders Meeting in Vancouver but has since that time disappeared. Japan's future position in Asia is by no means certain, but one important determinant could be whether it emerges as a technological leader/insider or a technological follower/outsider with respect to China. This kind of framework for thinking about alternative futures is illustrated in Figure 1.