

financially powerful and become the foot soldiers in the war of ideas. I could not find an answer to this question in otherwise an intriguing book.

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The Political Economy of Regionalism in East Asia. Integrative Explanation for Dynamics and Challenges

Hidetaka Yoshimatsu,

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Challenge and opportunity – as Hidetaka Yoshimatsu reminds us in this fine book – define this momentous period in the history of East Asian regionalism. Adjustment to the forces of globalization (spearheaded now by the explosive growth of free trade agreements), to China's meteoric rise, and to income disparities in Indochina is a tall order for countries in the region. On the other hand, regional cooperation has made unprecedented progress with initiatives that go beyond inter-governmental negotiations in trade and finance, to cover Track II schemes on a multitude of areas such as the environment, product standard harmonization, and energy. And so, the unavoidable question is: will East Asia seize this historic opportunity to deepen regional solidarity or will it miss the boat?

In order to answer this question, Yoshimatsu grounds his analysis in the three central paradigms of international relations – Realism, Liberalism, and Constructivism (Chapter 1). He proposes an integrative

approach incorporating elements of all three traditions in that East Asian states engage in strategic inter-governmental negotiations to advance their national interests, but cannot disregard market forces, private actors, or international institutions; and they increasingly rely on norms to legitimize their diplomacy. In Chapters 2 and 3, Yoshimatsu explores the nature of regional integration in Southeast Asia and the role of government and private actors in shaping these integration outcomes. He conceptualizes the integration *problematique* in this region as the solution to problems of collaboration and coordination. In the former case, the key issue is rule compliance, and Yoshimatsu finds that while ASEAN has stopped short of developing supranational institutions it has succeeded in centralizing its operations (e.g. strengthening the dispute settlement mechanism) to ameliorate collective action problems. In the latter case, the problem is one of convergence around economic policy and product standards, and in this area both Singapore and Thailand have played a leading role in providing a focal point for the integration process. However, these two countries have at the same time undermined regional cohesion by negotiating multiple FTAs with extra-regional partners. ASEAN's uneven progress in regional integration is to be explained more by inter-state maneuvering, than as a response to region-wide business demands. Subregional business groupings have emerged out of state guidance, and since they have assimilated ASEAN's norms of state sovereignty and consensual decision-making, they are not champions of deeper integration.

Fragmentation in Northeast Asia has been more pervasive given the unabated Cold War divide and lingering historical and territorial frictions. In this inhospitable environment, regional integration initiatives have gained traction at the level of head-of-state summitry and Track II initiatives. The business sectors in the three Northeast Asian countries have pushed for significant cooperation schemes in the IT and steel sectors, mostly as they try to cope with global competition by developing open source software and increasing energy efficiency (Chapter 4). However, paralleling dynamics in Southeast Asia, a powerful transnational business association capable of fostering integration (and akin to the European Roundtable of Industrialists) has not emerged, for two main reasons: institutional asymmetries and preference divergence (Chapter 5). While Japan and Korea have well developed and relative autonomous peak business associations, no such business representation

exists in China. Moreover, while the Japanese business community was keenly interested in an investment pact advancing transparency and rule of law, its Chinese counterpart attached greater priority to an FTA in order to reap the benefits of agricultural exports, and out of concern with protecting indigenous firms.

In Chapters 6, 7, and 8, Yoshimatsu examines the attempts of ASEAN, China, and Japan to gain the upper hand in defining the regional integration process. ASEAN – a smaller player that fears external domination, but nevertheless wants to ride in the coattails of a rising Chinese economy – has deployed a dual strategy of balancing and entangling. Benefiting from greater experience in multilateral negotiations, ASEAN has successfully enticed China to adopt its preferred modalities for goods liberalization and dispute adjudication. On the other hand, ASEAN has been careful not to put all its eggs in the ‘China basket’ negotiating a string of ASEAN + 1 FTAs. China, on the other hand, has pursued a realist strategy through liberal means. The core interest of China is to consolidate economic growth to shore up domestic political control and to increase its international prestige. To achieve this, the Chinese government has incorporated more business interests in its foreign economic policy, has intensified its participation in regional institutions, and has pursued functional integration. Japan’s main concern has been to check Chinese influence through a ‘sandwich’ strategy: negotiating bilateral FTAs with Southeast Asian countries and proposing a supra-regional and more comprehensive ASEAN + 6 FTA. On the other hand, Japan’s more benign cooperation schemes – such as the Asia broadband program and the rice reserve system – generated meager results due to the lack of sufficient resources. Japan’s regional integration policy has therefore been one of ‘naïve liberalism’ (with failure in the IT and agricultural fields) and ‘fragmented realism’ (as domestic divisions prevent the formulation of a grand strategy).

Through these rich case studies, Yoshimatsu has offered us a unique window on the drivers of cooperation and competition in the region. The analysis would have been tighter, however, if the author had developed a more comprehensive theoretical framework and applied it systematically to all chapters. In some of the chapters, there is little reference to its ‘integrative approach’, and Yoshimatsu relies on other theoretical constructs such as collaboration/coordination games or elite cohesion to advance the analysis. Moreover, the proposition that competing IR

paradigms can be integrated with such ease needs reconsideration. After all, these schools of international relations rely on divergent assumptions about the centrality of material versus ideational factors, or on the importance of relative versus absolute gains, and so on. All in all, this book is an essential read for anyone interested in East Asian regionalism, and Yoshimatsu has raised the bar with his novel analysis of trans-regional business lobbies in Southeast and Northeast Asia.

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