

Rosenberg, David. *ASEAN-China Relations: Realities and Prospects*, edited by Saw Swee-Hock, Sheng Lijun and Chin Kin Wah. Singapore: Institute of Southeast Asian Studies, 2005. Book Review. *The China Journal*; Issue 56; July 2006; 229-231.

The global implications of China's rise are nowhere more evident than in its relations with ASEAN. To the growing mountain of literature on ASEAN-China relations, this conference volume adds the authoritative views of thirty scholars, policy experts, and government officials from China and almost every country in ASEAN, including the ASEAN Secretary-General, and senior representatives from China's Ministries of Foreign Affairs, Defence, Commerce, and the Chinese Academy of Social Sciences. The ASEAN-China Programme of the Institute of Southeast Asian Studies (ISEAS) convened the conference in June 2004 as part of an ongoing study of ASEAN-China relations.

At the outset, the editors provide a very useful and well-organized chronology and overview of ASEAN-China Relations that serve as an executive summary for the book. Twenty-four chapters explore two main themes, regional security (ASEAN Regional Forum, ASEAN + 1, ASEAN + 3, maritime security) and economic integration, in particular, through CAFTA, the China-ASEAN Free Trade Agreement. Selected highlights follow.

Eric Teo Chu Cheow describes three waves of the East Asian socio-economic transformation: liberalization and globalization in the 1980s and 1990s, the economic crisis of 1997, and the SARS epidemic of 2003. Each one reinforced ASEAN-China relations and created a stronger "Asian identity." He outlines three models for East Asian integration: networking existing or proposed FTA's into a new huge East Asian Free Trade Area, a Japanese state-led "flying geese" model of vertical integration, and a China-centred "bamboo capitalism" model based on intra-regional FDI flows. He proposes a synthesis with a firm social dimension (p. 16).

Of all the bilateral and sub-regional FTA's that have been implemented or are under negotiation in East Asia, CAFTA is the most influential one with the largest growth potential, involving the most members. It will compose a unified market with 1.8 billion people, US\$2 trillion of GDP, US\$1.7 trillion total trade volume and more than US\$600 billion of foreign reserves. What effects will CAFTA have on domestic economies? Will it accelerate a hollowing out of ASEAN industries? Zhang Xiaoji examines how CAFTA can help avoid damage from the trade diversion effects of the European Union and the North American Free Trade Agreement. Japan is by far the most powerful economy in East Asia; however, the author asserts that its weak political status, mercantilist policies, and conservative agricultural policies have prevented Japan from playing a core role in the region. He details how national growth capabilities can be enhanced by expanding intra-regional trade; for example, in IT

products and components (p. 75). He cautions, however, that ASEAN's consensus decision-making principle requires "ten separate negotiations with ten ASEAN countries." (81)

Suthiphand Chirathivat reports on a CAFTA simulation that indicates substantial gains for China's textile and apparel, motor vehicle, and electronic equipment sectors and a decline in agricultural goods. According to the model, the CAFTA will benefit ASEAN food exports, primary commodity exports, especially chemicals, rubber and plastic, textile fibers, and electrical components. ASEAN would face declines in fruits and vegetable imports, as well as apparel (pp. 237-244).

The face-to-face candid exchanges on security relations at the conference are reflected in several chapters here. Mohamed Jawhar Hassan provides a frank assessment of the accomplishments and shortfalls of the ASEAN Regional Forum, along with a list of remedial proposals; e.g., ASEAN plus non-ASEAN co-chairs and back-to-back ARF and APEC summits. Hassan is one of several authors who note the massive military modernization efforts underway in the region, especially by the United States (p. 39).

Cao Yunhua observes that ASEAN has made a strategic readjustment to increase both American and Japanese security and military influence in Southeast Asia in an effort to balance China's increasing economic influence (p. 122). Hu Shisheng finds the "China factor" in nearly every development of India's "Look East" strategy. India's military aid, training, and exercises not only advances its regional ambitions (p. 142); it also provides a welcome counterbalancing role to the big powers (p. 146).

Michael Richardson sees a "resurgence of tension," which "can hardly be about ornithology and tourism." It is largely about China and Japan's growing need to secure control over natural resources, especially offshore oil and gas. Joint development programs have been proposed but not yet implemented (p. 202-203). Richardson has several suggestions for ASEAN and China's regional security: step up naval training exercises with counter-terrorism and anti-piracy components, and expand participation in the US-led Cobra Gold military cooperation exercises. China could further diffuse tensions, he suggests, by abandoning its broken-line maritime boundary claim and freezing its activities concerning disputed areas (p. 205)

The South China Sea territorial disputes, once seen as potential flashpoints, have been substantially mitigated by the 2002 Declaration on the Conduct of Parties, according to Gao Zhiguo (p. 339). Aileen Baviera concurs, noting that it was China's first formal multilateral agreement on the South China Sea, and that the whole of ASEAN is a party to the agreement. Further, China has a substantial stake in making the agreement effective, as it limits the internationalization of the disputes; i.e., no involvement by non-ASEAN parties such as the U.S. or Japan (p. 352). But it is still a Declaration, not a Code, laments Baviera, with too many "motherhood statements" and not enough verifiable commitments" (p. 347).

How does one assess all these snapshot views of a rapidly evolving phenomenon? According to the historical standard, remarkable progress has been made. ISEAS Chairman Wang Gungwu observes that “it would have been inconceivable for any of our founders that we can now expect concrete plans to be drawn up for ASEAN and China to develop a Free Trade Area” (p. xv). The key turning point, many contributors assert, was the announcement of a “new concept of security” by Hu Jintao, then China’s vice president at the Indonesia Council on World Affairs in July 2000 (p. 154). Since then, ASEAN-China meetings and agreements have proliferated.

According to the cross-national standard, ASEAN-China relations have been strengthened considerably in recent years. However, CAFTA still has a long way to go compared to the EU or NAFTA. In 2001, the percentage of intra-regional exports for the EU-15 was 61.9%; for NAFTA, it was 55.5%; for ASEAN, it was only 23.5%. For ASEAN + 3, intra-regional exports were still only 32.0% of total exports (p. 70). Clearly, there is considerable potential for expanding intra-regional trade as the key to East Asian regional integration.

According to the optimal standard of progress toward common goals of regional security and economic integration, ASEAN-China relations must contend with three formidable challenges: how to cope with a rising China when it becomes a superpower in its own right; in an East Asian region with – for the first time – both a strong China and a strong Japan; and with a United States which aims to maintain its sole superpower status.

There is no widespread consensus in the book on how to meet these challenges. However, Jusuf Wanandi speaks for many in observing that the major security issues facing ASEAN-China relations are non-traditional ones such as the internal impacts of globalization due to the financial crisis of 1997, the destabilizing world market pressures on domestic society, and the increasing economic competition among member-states that test the evolving bonds of a growing ASEAN. He sees three major traditional security regional conflicts that might have a spill-over effect on ASEAN-China relations: the cross-straits relationship between China and Taiwan, the problem of nuclear proliferation in North Korea, and the stand-off between India and Pakistan in South Asia. To respond to these evolving security concerns, he - and many contributors - contend that continued institution-building efforts are critical (p. 165).

Toward this end, China's foreign policy reorientation and post-Cold War global market forces have opened an extraordinary window of opportunity for strengthening ASEAN-China relations.

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