

interventionist state” debate though a historically informed, political economy analysis of IMT supported by econometric techniques.

However, at times, the book feels like it is providing conclusions that are too sweeping and broad. For instance, statements like “IMT has done so well for so long” (p. 129); or Malaysia has a “robust policy and institutional environment to support science and technology that accounts for its comparatively higher TFPG” (p. 173) would require time-specific references to be truly accurate as there are certain situations during the time period under study where one can argue that the conclusion does not stand true.

Also, despite its argument to bring back politics, it is sometimes odd that the book does not discuss political, bureaucratic or economic actors beyond a perfunctory mentioning of Suharto, Mahathir or Sarit. This leaves the reader with the feeling that real people and what they actually did are missing from the account. Given that leaders and their muddling through strategies are the focus of the book, this is a problem.

Finally, as Rock points out, IMT’s era of high growth is nearing its end without real TFPG, innovations and further human capital development. While corruption has not hindered growth in the past, it has now become so endemic that it can hinder future growth. In fact, one can argue that strong men, corruption and rent-seeking have weakened the state’s oversight capacity and mechanisms, sowing the seeds of their own demise. One clear example is the 1MDB scandal in Malaysia.

The task of chronicling and analysing this, however, is outside the book’s scope and is a story in progress, whether it be: in Indonesia where Jokowi, a former local government official who does not come from the traditional political elite background, won the national popular vote to be elected president; in Malaysia where Mahathir has been voted back to power as prime minister, leading the opposition in its challenge to UMNO; or in Thailand where the military has been intervening for the past two decades to stop the democratically elected government of Thaksin and his alter egos from running the government. The next chapter of the story has unfolded and those who intend to carry the analysis forward would benefit from reading Rock’s book as a starting point.

NOTE

1. According to World Bank Research (2014), there are only nine countries worldwide that have experienced sustained economic growth from 1960 to 2010, namely: China, Japan, Korea and Taiwan in North Asia; small states Oman in the Middle East and Botswana in Africa; and Indonesia, Malaysia and Thailand in Southeast Asia.

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***Understanding China: Chinese Global Production Networks in ASEAN*, edited by Young-Chan Kim.**
Switzerland: Springer, 2016. Pp. 288.

China’s success in globalization with its heavy interventionist strategy, including its current “Made in China 2025” programme, has attracted wide attention from policymakers and scholars. In fact, this topic has gained additional academic interest due to the recent U.S.–China trade war. The book *Understanding China* is a compilation of articles on China’s trade and investment policies and the respective implications

for ASEAN member states. While this is not the only book that discusses China's relationship with the world, it differs from the rest in that it mainly focuses on the China–ASEAN ties, offering a macro/holistic perspective of this unique regional relationship. The authors also examine China's involvement in selected free trade agreements and its political relationship with ASEAN. More importantly, specific empirical country-based case studies offer new insights on the subject.

Gao and Zhang's opening chapter provides an overarching view of China's integration within ASEAN. The authors engage in a painstaking exercise of decomposing the trade patterns between the economic giant and ASEAN member states, despite limitations in data availability. Trade in value added and currency swap agreements provide additional information for assessing the economic value of these ties. The editor, Kim, further provides a rich discussion and a historical as well as a comparative evaluation of Regional Comprehensive Economic Partnership (RCEP) and Trans-Pacific Partnership (TPP) from the perspective of the United States, followed by Japan's involvement in the former agreement. The chapter also examines how China could potentially contribute to the agreements. In the subsequent chapter, Lean and Smyth offer general observations on trade and investment patterns in the context of Malaysia–China relations. This chapter, however, would have benefited from an in-depth analysis of the types of investment between both nations and their impact on Malaysia's trade performance. In fact, some discussion on heavy Chinese presence in Malaysia's construction, ICT and solar energy sectors would have provided an interesting perspective on the topic.

In the case of the trade relationship between Indonesia and China, Fukuoka and Verico use standard trade analysis tools to reveal, for example, their respective comparative advantages; notably, China enjoyed a comparative advantage in 77 per cent of the products traded in the primary sector. The authors also show that only certain sectors benefited from these trade ties. They point out the declining performance of the manufacturing sector in Indonesia, arguing that it can worsen due to large trade deficits with China. It is also claimed that this decline is caused by the influence that business elites have on policy and the lack of Indonesia's institutional capability in implementing effective economic programmes.

In the case of China and Thailand, Liu and Jayanthakumaran note a significant increase in trade and investment between them, especially after the implementation of the China–ASEAN Free Trade Agreement (CAFTA). However, there has been no notable change in the comparative advantage at the sector level post-agreement. They conclude that CAFTA is still at its infancy stage. In the next chapter, Fujii adopts a comparative perspective to scrutinize the urban food demand function in the Philippines and China. He suggests that the food demand function has undergone structural changes in both countries. However, it is less clear how this chapter connects with the overall theme of the book, especially in understanding the dynamics of Chinese global production network in ASEAN.

Sophal Ear in the chapter titled "Greater China, Cambodia and the Garment Industry", on the other hand, adopts a sectoral approach in examining Cambodia's garment industry. This historical perspective helps the readers to understand the evolution of the industry and China's involvement in this sector. The author sees this as a positive development, but cautions about the political and economic strings attached to such trade benefits enjoyed by Cambodia. The chapter is well analysed and provides useful insights on the global production network in the garment industry. Kivimaki then describes the economic relations between China and Myanmar by taking a longitudinal approach, starting from 1948. The author argues that Sino-Myanmar economic relations are largely conditioned by political links between the two nations, and concludes by highlighting the need to resolve political challenges. The author also discusses how China's reputation as an anti-hegemonic power in Myanmar can be used as an exemplar to avoid lingering suspicions and fears of Chinese agenda in the region.

Siddiqui, in his chapter, claims that mainstream economics has missed the role of the developmental state in contributing to the progress of Singapore. His discussion focuses entirely on the role of the

state in different developmental stages of the country. While the chapter argues this well with adequate analysis, it would have been a better fit if the author had examined the role of state in the context of China–Singapore relations, the overall theme of the book. Ngoc, the author of the chapter on Vietnam–China relations, despite acknowledging the contribution of China, also recognizes the issue of trade deficit with China. Vietnam has primarily focused on its fierce economic competition with the latter. The author brings the trade structure to the fore, arguing that high dependency on Chinese inputs, possible negative externalities due to heavy dependence on imports, and the lack of export-import structure optimization are disadvantageous to Vietnam. As a future policy direction, drawing on some of the Vietnamese lessons, the author offers numerous policy recommendations on how the China–ASEAN relationship can be better positioned to gain mutual benefits.

Next, Yang and Hsiao hone in and discuss the presence of overseas Taiwanese businesses, the so-called *Tai-shang*, in Southeast Asia. The chapter is well organized, and the authors compare the presence of China and Taiwan based businesses in Southeast Asia. They also provide a general profile of Taiwanese businesses including interesting statistics, contribution and challenges related to Taiwanese trade presence in the region. In another chapter, Dasgupta investigates the India–China relationship, first by discussing the former’s growth trajectory, and later drawing lessons for India from China’s industrial development experiences. The chapter further elaborates on the trade relations between the two large economies by providing rich data and poses institutional arguments for the performance differences between them. The chapter’s fit within the context of ASEAN is, however, less than clear, given its heavy and exclusive focus on bilateral relations. The competing or complementary role of India and China within ASEAN’s context would have been an interesting area to investigate.

The final chapter focuses on the central role of China in ASEAN by questioning if the former complements or competes with the latter. Again, the narrative is centred on trade and bilateral investment flows. The authors, Qin, Xu and Zhang, conclude that China is an important trade partner of ASEAN, specifically for import supplies for the Association, and trade in intermediate goods to China. The investment flows suggest that China’s focus is on the mining, energy, construction and manufacturing sectors in ASEAN. Therefore, the authors opine that China plays a complementary role in the development of ASEAN.

While the strength of the book lies in providing a macro picture of China–ASEAN trade relations, it would have been useful if the book had also included micro-level studies, like investigating Chinese global production networks in ASEAN. Industry- or even firm-level specific evidence would be resourceful for economic policy planning in ASEAN. Nevertheless, the book is an interesting read as it debates the ramification of China’s presence in the Association. Future research can extend this debate by assessing how Chinese global production networks affect ASEAN, focusing on selected sectors, industries or firms.

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