

BOOK REVIEWS

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Asian Regional Governance: Crisis and Change. Edited by Kanishka Jayasuriya. Routledge and City University of Hong Kong, 2008. Pp. 284.

The economic and financial crisis that swept through the Asia-Pacific region in 1997–98 hit East and Southeast Asian countries the hardest, particularly those that had been lauded as newly emerging “tigers”. Labelled “the Asian crisis”, it was a wake-up call to regional governments that impressive economic growth alone does not create “modern and mature” states and societies. The quality of institutions and governance is also crucial.

With much of the trade liberalization agendas of ASEAN and APEC thrown into disarray after the Asian crisis, regional leaders began searching for new forms of regional governance. Discussions turned to the merit of “East Asian” regional groupings and “governance” strategies. While many of the latter were born of the need for monetary coordination and macro-economic policies (for example, ASEAN’s regional surveillance process), they are in effect multi-level regional governance mechanisms that link national and international actors around increasingly harmonized standards for corporate governance and transparency, among others. Still, implementation of regional activities and adherence to regional objectives tend to be defined by the interplay of domestic interests and structures.

Kanishka Jayasuriya conceived the notion of gathering academic insights on the challenges of recovering from the crisis and prospects for the new forms of regional governance emerging in the wake of the crisis. Intended originally as an input for the 2001 APEC leaders’ summit, academics in the field contributed their perspectives at a workshop in January 2002. These were compiled as a resource for policy-makers and scholars seeking “to understand the emerging dynamics of regionalism in Asia-Pacific”. The main thrust of this compendium, first published in 2004, offers a critical look at the theory and practice of regionalism, and how to make the process applicable in the twenty-first century.

A decade after the 1997–98 crisis, a sense of déjà vu pervades an Asia-Pacific region weary from the impact of the still unravelling debacle of the credit crisis in the United States that led to a worldwide economic downturn. Many issues and lessons of the Asian crisis remain relevant today: the impact of globalization; emerging regional security challenges; monetary cooperation; issues of sovereignty; democratization and reforms; regional developmental policies; and the respective roles of the United States and China in Southeast Asia.

Within the context of the move towards what the editor terms “regulatory regionalism”, the authors examine the Asia-Pacific region’s move towards regional integration as “regional governance projects” that are rooted in domestic

institutions and structures. Jayasuriya starts off with a conceptual overview. He develops the argument on the relationship between domestic, political and economic structures and forms of regional governance. Nicola Philips compares the Asia-Pacific region's experience to that of another regional grouping — MERCOSUR — in Latin America. She examines the impact of changes in the global political economy as a driver of change in regional groupings, including how regional space and leading actors emerge.

John Ravenhill, Greg Felker, Andrew Rosser, and Amitva Acharya take these themes further by examining regional governance strategies vis-à-vis domestic interests and different groups or coalitions that influence policy. Ravenhill views the proliferation of bilateral and multilateral trade agreements in the region as indicative of an increasingly overt push of domestic interests. This is most evident in bilateral agreements, which are preferred over broader regional arrangements. Felker looks at China's increasing role in Southeast Asia, particularly China's economic emergence and the implications for Southeast Asian production networks in the global system. Rosser uses a case study of Indonesia's corporate governance regime to show the improbability of importing "outsider models" of governance and reform. Transitional issues that emerged with the new forms of regional governance will require governments in Asia-Pacific to shed their authoritarian tendencies. In exploring what he terms "participatory regionalism", Acharya is of the view that this is one of the challenges the region faces, where traditional notions of sovereignty and non-interference will face off with moves towards increased openness and a more assertive civil society.

Helen Nesadurai, Natasha Hamilton-Hart, and Nick Thomas look at the emerging new regionalism at work in the region. Nesadurai argues that domestic interests and a desire to remain in control may still influence how governments adopt regional governance arrangements. Hamilton-Hart provides a detailed analysis of financial and monetary coordination as

a critical element of regulatory regionalism, especially in crisis prevention and management. Though powerful domestic interests and political differences between countries pose considerable obstacles, ASEAN's Chiang Mai Initiative provides hope that monetary coordination may yet prove successful in the region. Thomas looks at mechanisms, such as the ASEAN+3, that indicate an emergence of regional governance strategies that exclude the West. The fabric of these putative mechanisms has yet to be tested by new challenges.

In the book's concluding section, Mark Beeson, Daojing Zha, and Joseph Cheng examine how major powers like the United States and China will play out their roles in the post-crisis regional landscape. Beeson's analysis of the coercive role of the United States under the Bush administration provides food for thought on how the region, particularly the ASEAN nations, will manage (and attempt to influence) ASEAN-U.S. relations in future. Zha and Cheng give a detailed picture of the implications that a rising China will bring to processes of regional governance, and have a bearing on how the region, especially ASEAN, engages with the United States.

In a region facing a new cycle of crisis and change, the contents of this edited volume will continue to be an indispensable resource as more seek to understand the complexities of changing global and domestic political economies, and the challenges confronting the new modes of regional governance that emerged after the 1997–98 crisis. As an initiative for a new research on regionalism in the twenty-first century, it will doubtless inspire follow-up efforts to understand the coordination and collaboration issues that result from accelerated regional integration, and the challenges of resolving these issues in a framework where extra-regional powers and environments play an increasingly significant role.

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