

BOOK REVIEWS

***The Politics of Economic Regionalism: Explaining Economic Regional Integration in East Asia.* By Kevin G. Cai. Basingstoke: Palgrave Macmillan, 2010. Hardcover: 196pp.**

East Asia's regional economic integration (or economic regionalism) has made substantial advances over the last two decades. In the early 1990s, it would have been largely inconceivable that Japan, China, South Korea and the Southeast Asian nations would, within twenty years, have developed the various strands of regional cooperation and interdependence that exists today. While many could have predicted back then with some certainty that China would eventually become the key hub in a robust and enlarging "Factory Asia" system of closely bound international production networks, only few would have bet on East Asian states — with all the baggage of deep historic animosity — meeting on a regular and structured basis to advance regional cooperation at the ministerial level in over twenty policy domains. Yet this is exactly what now occurs within the ASEAN Plus Three (APT) regional framework, and this is just one regional fora centred on East Asia among the many that now exist. A region-wide proliferation of bilateral free trade agreements (FTAs) has, in addition, provided more scope for deepening international economic integration among East Asian countries.

In this book, Kevin Cai offers a concise and insightful overview of the most up to date and innovative thinking on regional economic integration in East Asia. He states early on (p. 3) that "despite the high density of work on East Asian regional integration, it is far from systemic and theoretical, especially when compared to the existing literature on European integration". As I would largely concur with this evaluation, I welcome his attempt to provide a new macro-analytical framework for studying the dynamics and issues on this subject.

In Chapter Two, Cai discusses the deep meta-theoretical contexts that have shaped scholarly thinking on regionalism generally, the core relevant theories and associated concepts being liberalism, nationalism, world systems, realism, multilateralism and interdependence. This is helpful, as it encourages the reader to delve into his or her intellectual subconscious concerning the analytical fundamentals that orientate our thinking on regional economic integration from international relations and international political economy perspectives. This chapter also looks at the development of specific theories of regionalism to complete the picture. This is then followed by the introduction of Cai's two main new concepts he contributes to the scholarly literature: "hard-closed" regionalism and "soft-open" regionalism. It is rather unfortunate that a printing error appears to have arisen with Figures 2.1 and 2.2 (on pp. 29 and 31 respectively) where these concepts were supposed to be usefully and graphically overviewed in relation to "Patterns of World Economic Order" and "Postwar Multilateralism". Hopefully future reprints will correct this error. Essentially, hard-closed regionalism "refers to institutionalised and discriminatory regionalism, which is usually the result of political agreements among national governments involved" (p. 28). Cai cites the European Union and the North America Free Trade Agreement as examples of this. In contrast, soft-open regionalism "is an autonomous process of regional integration that is primarily driven by market forces", and is, furthermore, "uninstitutionalised and non-discriminatory, though it may be encouraged and supported by governments in the region" (p. 29). There are thus strong similarities here with what many analysts would refer to as "regionalisation" — a more bottom-up process of regional integration. These twin conceptual terms are then analysed in contrast to each other and applied to specific analytical factors and variables, such as "complementarity of economic structures within regions" and "external political, security and economic linkages beyond the region". At the end of the chapter these strands are then brought together neatly in one macro-analytical overview of concepts and factor variables in Figure 2.5. This provides the reader with a useful holistic framework around which the book's analysis is structured.

Chapter Three looks at the evolution of the global economic order since 1945, while Chapter Four examines the development of economic regionalism on a worldwide basis since the 1950s. While Chapter One set the deep theoretical context for how we study regionalism, these two chapters provide the empirical contexts, setting East Asian regionalism against a broad global and international

relations backdrop. Chapter Five concentrates on East Asia's regional economic integration. There is a lot to cover, and Cai does this very succinctly, under themes such as "Dynamics and Constraints", "Impact of the 1997/98 Financial Crisis", "Moves toward an East Asian Regional Grouping", bilateral free trade agreements and regional organizations. Some may be disappointed that only one chapter of the book was exclusively dedicated to studying the core empirics of the book's main theme. At the same time, East Asian regionalism is best understood as a process and development firmly embedded in the subject matters covered in Chapters Three and Four. For example, East Asia's regional production networks — which have made the East Asia's intra-regional trade so functionally and systemically integrated — are to varying degrees integrated into larger global production networks. The concluding Chapter Six makes some final arguments and elaborates further on the macro-analytical framework. In sum, this book offers a valuable and succinct analysis on East Asia's economic regionalism that will especially appeal to those looking for a good introductory read on the subject.

CHRISTOPHER M. DENT is Professor of East Asia's International Political Economy at the University of Leeds, England.