

the power relations that can resist or promote redistribution. On special cases like South Korea and Taiwan, both of which experienced declining inequality while booming economically, the author points out the contribution of land reform to this outcome, but also stresses the exceptional circumstances surrounding it and the crucial role of human capital investment.

The next three chapters focus on particular policy matters: fiscal policy, growth policy, and commitment to equity. We gain an instructive overview of taxation and public expenditures in Asia, and an analysis of the efficacy of utilizing the fiscal system for redistributing income and redressing inequality. With wide variation in types and rates of taxation across Asia, there is much scope for drawing lessons within the region, besides referencing the advanced OECD economies. Chapter 11 juxtaposes the growth policy and strategy of China and India, which have both pursued inclusiveness as a priority and yet registered widening inequality in recent decades, more steeply in China. The authors also discuss South Korea's post-war transformation and outstanding success of rapid growth with declining inequality. They broadly concur with the analysis of Chapter 8, but pay special attention to the reversal of that trend since the Asian Financial Crisis. Rising inequality in South Korea poses challenges to its growth strategy, inducing greater emphasis on equal opportunity, skills development, anti-discrimination measures and youth- and gender-attuned employment policies.

Chapter 10 introduces us to the Commitment to Equity Assessment, a diagnostic framework to evaluate how well government expenditures and taxes contribute towards eradicating extreme poverty, reducing inequality, and promoting human capital accumulation. Twelve countries have been appraised using this method, including Brazil, which serves as a substantial case study within the chapter. Latin America features as a region in Chapter 12, presenting an illuminating reference point for Asia, specifically from the angle of middle-class growth. This phenomenon in Latin America, whose members have widely reduced economic inequality and also pursued

more equitable distribution of voice, opportunity and power, leads the author to be optimistic about other regions, including Asia.

The singularity of countries' inequality conditions and experiences recurs as a theme throughout the book. *Inequality in Asia and the Pacific* accordingly includes a set of country-specific studies on Pakistan, Indian, and China. A chapter on Southeast Asia and another focused on urbanization in Asia round up this volume. Fruitfully as well, the conceptual and policy contents of the preceding chapters, and the overarching themes of the project, lend structure and cohesion to these empirically denser papers. The findings may not be definitive; inequality is inevitably contentious. Nonetheless, this volume contributes a richly informative, substantive and stimulating resource for reference, debate, and further research.

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***ASEAN Economic Community: A Model for Asia-wide Regional Integration?*** Edited by **Bruno Jetin and Mia Mikic**. Basingstoke: Palgrave Macmillan, 2016, Pp. 350.

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This edited book focuses on the ASEAN Economic Community (AEC). It is written and published in the same year as the AEC has been created. In the light of this event, the authors describe: ASEAN's current state; how the region has changed since the association's establishment in 1967; and also examines ASEAN's future challenges. This book is an interesting read for policymakers, economists and anyone interested in ASEAN and the AEC.

The AEC has four pillars to transform ASEAN into an economic community: (i) a single market and production base; (ii) a competitive economic region; (iii) equitable economic development;

and (iv) integration into the global economy. The book concentrates on pillars one, three and four, with a focus on trade and social inequalities. The book is divided into three parts. The editors give most weight to the first part on ASEAN Economic Integration in the context of East Asian regionalism (Chapters 1 to 7). The second and third parts deal with the impact of regional integration on structural change, employment, poverty, and inequalities (Chapters 8 to 15).

Following a quick introduction on the book's structure and topics, Chapter 1, written by David Martin Jones, directly addresses the original purpose of ASEAN: a regional security arrangement with a non-interference policy. The Association, however, is focusing its attention on further economic integration within the region through the AEC, and beyond, through the Regional Comprehensive Economic Partnership (RCEP). Contrary to the official ASEAN view, the author doubts if further significant integration between these nations, whether in politics or economics, is possible due to the practice of non-interference and non-binding consensus. Jean-Raphael Chaponniere and Marc Lautier discuss ASEAN's history within Southeast Asia in Chapter 2. Mia Mikic (Chapter 3) examines the Association's next steps within the region with the development of RCEP, and globally, with the U.S.-led Trans-Pacific-Partnership Agreement and the China-led Free Trade Area of the Asia Pacific. The conclusion is that regional cooperation is mainly foreign-driven and that deeper integration, for example the ASEAN Free Trade Area, was a reaction to other integrated markets around the world. ASEAN's main economic achievement has been the removal of tariffs; while on a global perspective, the core ASEAN states successfully integrated themselves into the global value chain in automobiles and electronics manufacturing. Yann Duval and Emilie Feyler (Chapter 7) contrast different trade costs between major (free) trade areas, while Prema-chandra Athukorala (Chapter 4) analyses global production sharing and trade patterns within and between Southeast and Northeast Asian states. Concerning tariffs, the authors find that even though ASEAN member

states have a comprehensive tariff reduction agreement, their trade costs, other than pure tariffs, remain very high amongst themselves and are comparatively higher than the same trade costs between China, Japan and South Korea — which have no common free trade agreement in operation. Athukorala highlights the importance of global production networks for ASEAN countries. The core ASEAN member states have been participating in global production sharing since the association's inception and have deepened their participation due to China's rise as a main player in the global production network. ASEAN nations profit from China's participation in the global value chain by restructuring their operations from low- to high-value manufacturing and services tasks.

Chapters 5 and 6, by Nabil Aflouk, Jacques Mazier and Myoung Keun On, and Witada Anukoonwattaka, respectively, explore the exchange rate on ASEAN Economic Integration and the global value chain. In the former case, the authors use economic models to assess exchange rate misalignments between East Asian nations and to determine the most beneficial East Asian exchange rate regime. They find that the exchange rates would preferably have a certain degree of flexibility versus a strict peg to the U.S. dollar or the Chinese yuan. Likewise, the latter chapter reasons that a coordination of exchange rates between the ASEAN countries participating in China's upstream activities may be beneficial.

Kee Beom Kim, Fan Zhai, and Phu Huynh (Chapter 8) use a computable general equilibrium model to forecast the structural change in employment. They conclude that jobs in the ASEAN member states will move from the agriculture sector to the manufacturing and services sectors. In order for structural change to be fair and pro-poor, governments have to invest heavily in peoples' education, especially in rural areas where most agricultural jobs are situated. Improving workers' skills is discussed in Chapters 10 and 11, by Aekapol Chongvilaivan and Teemu Alexander Puutio. The former author analyses the skill premium of workers, due to outsourcing from Western nations to the more specialized and

developed ASEAN countries, and outsourcing of low-skilled jobs from those ASEAN countries to the less developed ASEAN member states. The latter chapter addresses the legal framework of intellectual property rights in ASEAN. In Chapter 9, Francis Cripps and Naret Khurasee compare forecasted baseline estimates of variables such as gross domestic growth, income and agricultural employment to a cohesion-policy-driven ASEAN, which is represented by strengthened cooperation in mitigating inequalities of income and wealth between the member countries by 2030.

Marc Lautier (Chapter 12) and Bruno Jetin (Chapter 13) assess social cohesion. The former chapter calculates a state effectiveness and social cohesion index to discuss the faster and more stable growth as well as the faster recovery after a recession in ASEAN countries compared to countries in Africa and Latin America. The second chapter relates poverty or inequality to social cohesion. Low trust, social mobility or high inequality in living standards may threaten social cohesion and hence political stability in those countries. Nathalie Fau (Chapter 14) addresses infrastructure investment in light of inequality within ASEAN and with other large economies surrounding it. Reducing trade costs and increasing connectivity to the rest of ASEAN or the world is essential to reduce the development gap, however, construction of trans-national infrastructure may also marginalize some social groups. Lastly, Chapter 15 by Christine Cabasset conducts a case study on the largest economy in ASEAN, Indonesia. She finds similarities to ASEAN in terms of spatial wealth and income inequality and in terms of difficulties in governance due to the many levels of government.

All in all, the book is broadly based and renders a great summary of what regional integration in Southeast Asia has achieved and depicts a good picture of what may happen if a wider regional economic community within East Asia is built. The authors do not sugarcoat poor outcomes, delays in policy implementation or other facts related to worries in ASEAN such as corruption, collusion or nepotism. Unlike other edited books, the chapters are for the most part consistent in

quality and level. Most chapters look at the latest available data to compare the different states of the ASEAN member states. In addition, Chapters 5 to 9 and 12 feature quantitative work which make them more demanding, although the theoretical models in Chapters 5 and 6 on exchange rates require an economics background to facilitate understanding.

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***Emerging Capitalism in Central Europe and Southeast Asia: A Comparison of Political Economies.*** By François Bafoil, translated and revised by Michael O'Mahony and John Angell. New York: Palgrave Macmillan, 2014. Pp. 256; originally in French. Paris: Presses de Sciences Po, 2012.

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François Bafoil, based at CERI/Sciences Po, Paris, has written a stimulating comparative reflection on capitalist trajectories in Central Europe and the CMLV countries of Southeast Asia: Cambodia, Myanmar, Laos and Vietnam. These sets of countries share a similar Cold War economic history until 1989. Thereafter, the transition from communism to capitalism reveals two remarkable differences. First, whereas the countries under scrutiny in Southeast Asia are not governed by democratic principles — Vietnam and Laos officially remain communist countries — all Central European countries have become democracies. Second, communist economic arrangements in Central Europe collapsed in 1990 while the transition to capitalist arrangements in the CMLV countries is still ongoing (p. 141).

In ten chapters, including the introductory and concluding chapter, “the various incarnations of capitalism” are investigated. Chapters 1 and 2 introduce the two sets of countries and spell out the conceptual parameters, Chapters 2 to 5 deal