

between national governments members or between ASEAN nationals.

Chapter 4 offers options and recommendations to address the shortcomings and weaknesses of the current system on institutional and legal infrastructures without being prescriptive. It acknowledges that ultimately decisions will rest on ASEAN leaders and policymakers. Emphasis was made on institutional reforms, showing the need for national governments to relinquish some of their sovereignty to the ASEAN Secretariat to ensure implementation of and conformance to the agreements and policies. This is important because beyond 2015, much of the regional integration issues that ASEAN will be dealing with are related to post-border access; thus, stronger institutions are required.

Chapter 5 provides the summary and conclusions, highlighting the need to revisit the agreements, their relevance and applicability in order to make the AEC an attractive single production base and single market for investors.

In general, the main strength of the book is the authors' analyses of the shortcomings and weaknesses of the institutional and legal foundations of the AEC. They provide a fresh perspective on the AEC, which is currently dominated by economic and political analyses. The analyses are provocative, yet reflective and pragmatic. This was shown by the authors' approach of citing actual cases in ASEAN in the various chapters of the book. In order to illustrate what needs to be addressed, the authors highlight the implementation or non-implementation of its agreements and processes. Likewise, the options and recommendations in Chapter 4 are very relevant and timely as ASEAN is now working on its economic partnerships with TPP and EU. Unless the issues are dealt with, not only will the AEC goals be at risk, but ASEAN will also be at a disadvantage in these global arrangements.

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***Rules of Origin in ASEAN: A Way Forward.* By Stefano Inama and Edmund W. Sim. Cambridge: Cambridge University Press, 2014. Pp. 436.**

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Although the world economy has seen an improvement in trade and investment relations, the various Regional Trading Arrangements (RTAs) which propel them — such as Free Trade Agreements (FTAs) — tend to discriminate against non-members. This is because FTA members enjoy preferential benefits (zero-tariffs or fewer non-tariff measures) over non-members. This imbalance in trade privileges has led to serious complications when countries engage in international trade. Rules of Origin (ROOs) are often the source of such problems; while they may be easy to implement to goods which are completely produced in one country, they become much harder to enforce on goods with component parts made in more than one country.

*Rules of Origin in ASEAN: A Way Forward* discusses this issue in the context of the ASEAN Free Trade Agreement (AFTA) by providing a complete analysis of how ASEAN member states established their ROOs. The book begins with the development of ROOs in ASEAN countries from the early stages of ASEAN's Preferential Trading Arrangements (PTAs) to the current situation under the ASEAN Trade in Goods Agreement (ATIGA). It also examines ASEAN's various attempts to extend its internal ROOs to its non-ASEAN FTA partners. By doing so, Inama and Sim thoroughly explore the complexity of ASEAN's current ROOs and explain their relative low utilization. The authors conclude the book by presenting an innovative solution: the use of self-certification to simplify the ROOs' procedures.

Through this book, Inama and Sim make a good contribution to the current debates about the ROOs within ASEAN's RTAs. Its appendices are equipped with a collection of the ROOs within both AFTA and in ASEAN's FTAs with its partner countries. However, the book lacks adequate empirical research into country-specific issues

which led some ASEAN members to promote self-certification and made other members reluctant to do so.

The proliferation of FTAs around the world increased global attention to the issues that ROOs were created to deal with. Initially imposed to prevent trade deflection from non-member countries of FTAs, ROOs can, if properly implemented, eliminate free riding. In certain cases, they can also be used as an anti-circumvention policy against the distortive domestic policies of other countries, such as dumping. In essence, ROOs can be used to achieve the country's economic objectives by extending trade protection to both the producers of the factors of production and those who manufacture the final products in member countries (Estevadeordal and Suominen 2005, p. 340; Lombaerde and Garay 2007, p. 4).

Inama and Sim clearly and logically pointed out the reasons why ROOs are under-utilized. ROOs provide a host of difficulties by complicating administrative procedures and creating an overlapping setup of often ambiguous and unpredictable rules and regulations. These are discussed in Chapter 2. The absence of transparent and straightforward ROOs is the result of a lack of substantial contribution by each country's customs authorities during trade negotiations (p. 10). The ROOs' consequent shortfall in quality has made ASEAN's member states reluctant to use them when trading with each other or their external partners.

However, the recent creation of the ASEAN Economic Community (AEC) presents a perfect opportunity for ASEAN's governments to review and revise their ROOs in order to make them simpler and more effective. As mentioned earlier, Inama and Sim promote self-certification, something which is already carried out by exporters (as discussed in Chapter 5). The current process — which emphasizes paper documentation over a scrutiny of the facts of a transaction — makes clear that ASEAN's current ROOs need to be reformulated. The authors argue that even with self-certification, transactions are not immune to government audits that might

lead to the imposition of penalties on those who break the rules. As a system that enables certified exporters to show their own invoice declarations for their goods, self-certification should be far less complicated in terms of its procedures, Form D documentation and financial costs. By removing or revising the inhibiting factors of their ROOs, ASEAN's members can enable their exported products to be more competitive and therefore accelerate the flow of goods throughout the region.

Self-certification has already been implemented in a number of ASEAN countries. It was first implemented as a pilot programme in Brunei, Malaysia, and Singapore in 2010, followed by Thailand in 2011 (pp. 78–79). In the following years, Indonesia, the Philippines, Vietnam and Myanmar have also started to use self-certification with some limitations. However, Laos remains hesitant to allow the usage self-certification while Vietnam, Indonesia, and the Philippines refuse to fully implement it. Their scepticism is largely due to a perceived unreliability of some exporters and importers. While many exporters and importers can be counted on to present valid documents and declarations, those who are not able to do so continue to remain a thorny issue for these countries. As a result, their governments have all agreed to implement self-certification as long as it only applies to manufacturers (trading companies are excluded from this programme).

ROOs can only be effective when a simple framework is provided with fewer restrictive procedures that minimise the scope for interpretation and administrative discretion (Brenton 2013, p. 575). Although ASEAN has previously gone for the "ASEAN-X" approach, which is a possible way for member countries that do not fully agree with the general consensus to opt out, ASEAN members can only ensure a best outcome by making a common decision on ROOs. Therefore, members should not implement ROOs unilaterally. Self-certification is one possible solution, but it needs to be supported by a rigorous post-entry audit by national customs authorities that imposes severe penalties on those who contravene

certification. ROOs should uphold rather than undermine ASEAN's efforts to establish a single economic community and enhance rather than diminish the benefits of a more integrated ASEAN economy.

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***From Community to Compliance? The Evolution of Monitoring Obligations in ASEAN.* By Simon Chesterman.** Cambridge: Cambridge University Press, 2015. Pp. 198.

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The book is a commendable, though initial, effort to study monitoring in ASEAN. During the first four decades of ASEAN's inception, monitoring had not been taken seriously by the governments of member countries. Its importance only gained traction recently, when the level of regional cooperation was raised to systematic community-building.

During the research process, the author and his research assistants found a dearth of information on the topic — which is to be expected. The information provided in the book is slightly outdated since this study was done in 2012. ASEAN has since moved on, going beyond the official "establishment" of the ASEAN Community in 2015 to crafting a new ASEAN Community Vision 2025 Roadmap. Nevertheless, the book provides an interesting conceptual framework to study monitoring in ASEAN (Chapter 2). Researchers interested in this topic can adopt the author's approach while conducting additional studies on monitoring, reporting, and compliance in the post-2015 ASEAN Community.

Although conceptually interesting, Chesterman's understanding of the "ASEAN Way" (pp. 8 and 94) is rather limited. The "ASEAN Way" is more than policy-making through consultation and consensus. It includes: the preference of a low level of institutionalization (no ASEAN Secretariat during the first ten years of ASEAN; no new entities outside of the ASEAN Secretariat except for the ASEAN Regional Forum; the ASEAN Plus Three or the East Asia Summit); quiet diplomacy; emphasis on the positive (including no naming or shaming of any member government in public); more flexibility for newcomers (Cambodia, Laos, Myanmar, and Vietnam); and equal contribution to the annual budget of the ASEAN Secretariat. All these finer details of the "ASEAN Way" have influenced how monitoring in ASEAN has developed, or, in some cases, failed to ensure compliance.

Since adopting the ASEAN Charter in 2007, two substantive components remains non-operational: the legal personality of ASEAN in Article 3; and the Dispute Settlement Mechanisms (DSMs) in Article 23 (good offices, conciliation, and mediation) and in Article 25 (arbitration). The long and continuing delays for certain countries to ratify their domestic laws have raised serious doubts among observers on the willingness of governments to make ASEAN more rule-based — let alone to accept more compliance. In this connection, the three questions presented on