

which requires the government to revise the 2003 Labour Law. While this could bring significant benefits to the economy, the political cost will be huge for any incumbent government. That is why even the current administration has not been able to implement reforms in this sector.

Overall, the book does not delve into the cost of structural reforms before highlighting their sweeping benefits. Also, there is no mention of the human factor behind the policymaking process. On the topic of institutional reforms, the authors do not discuss whether anyone in the current administration is willing to drive such an agenda in the face of the obstacles brought about by vested interests. Without such considerations, hoping for growth acceleration is almost delusional.

Despite strong assumptions and generalized policy prescriptions, the book offers some useful frameworks to study the complexity of the Indonesian economy. While it does not fully capture the intricacies involved in understanding the political-economy dimension, it does provide important directions for further research on the feasibility of implementing structural reforms in the country, so that it can reach its optimal economic potential in the near future. Given the fast-changing nature of the global economic situation, researchers and policymakers keen on learning more about the Indonesian economy can use this book as a starting point.

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***An Evolving ASEAN: Vision and Reality*, edited by Jayant Menon and Cassey Lee. Manila: Asian Development Bank, 2019. Pp. 198.**

The edited volume *An Evolving ASEAN: Vision and Reality* provides interesting insights on the evolution of the region-making and region-building processes in Southeast Asia. Shedding light on ASEAN's community building exercise from the inside out, the authors take a deep dive into the motives, interests and reservations of the grouping's participant nations, the lessons they have learnt in the process, and their collective future direction. The book is particularly timely, as it helps readers understand ASEAN's policy response to mitigate the unprecedented challenges brought upon by the COVID-19 pandemic.

The book is a great starting point for researchers interested in ASEAN's socio-economic affairs. Presented in clear, simple language, it lays out even the most complex ideas in an easy-to-understand style, a feature that will be particularly useful for readers who are not familiar with the Association's organizational and operational structure. The volume is composed of seven chapters, plus an introduction by Narongchai Akrasanee, the former Minister for Energy and Minister for Commerce of Thailand. Through the elaborate narratives and detailed statistics, the authors not only examine ASEAN's evolution over the past five decades, but also foresee multiple futures for the regional organization. This past-

present-future continuum is carefully constructed, with each author presenting a national perspective, followed by a shared experience.

Setting the historical context, the late former Secretary-General of ASEAN Rodolfo C. Severino argues that political and security interests were the main driving forces behind the establishment of ASEAN in 1967. During the Cold War, the grouping adopted a two-pronged strategic approach. This included: first, preventing historical disputes among member states from developing into armed conflicts; and second, keeping major external powers from using the region as an arena for their own battles. The focus shifted progressively towards economic integration during early 1990s, with the conclusion of ASEAN Free Trade Area (AFTA) in 1992, the ASEAN Framework Agreement on Services (AFAS) in 1995, the ASEAN Investment Area (AIA) in 1998, and subsequently with the introduction of the ASEAN Economic Community (AEC) in 2015. Although there are several shortcomings and challenges in the realization of the AEC, there is certainly a strong political will to further deepen regional integration and connectivity.

In this book, it is argued that the Asian Financial Crisis (AFC) of 1997 was a major catalyst in deepening regional economic cooperation within the region. The crisis also made ASEAN aware of the importance of strengthening its partnership with dialogue partners, especially China, Japan and South Korea. Certain political and institutional obstacles, however, continue to hinder the integration process. For example, although tariff lines have almost been completely eliminated, certain politically sensitive goods (such as iron/steel and rice in many countries) and some “sacred cows” (such as automobiles in Malaysia) are still seen as significant barriers.

Nevertheless, the Association has a bright economic outlook, as Setboonsarngs notes: “As globalization advanced to a stage where industries demanded efficient supply chains, the investment strategy shifted to utilizing ASEAN as a production base. ASEAN responded to market forces and recalibrated the region’s regulatory environment to facilitate the establishment and operation of distribution and supply chains” (p. 84). In the same vein, Tham Siew Yean argues: “ASEAN has the potential to position itself strategically if there is cohesive economic integration with an enlarged, seamlessly integrated ASEAN market” (p. 129). In order to further strengthen economic ties, Setboonsarngs cautiously suggests that ASEAN should not refrain from using its dispute settlement mechanism, as trade and investment disputes, so far, have largely been dealt with informally through negotiations. This would be instrumental in building a truly rules-based ASEAN.

In the grouping, the pace of regional integration is not even. This is because the investment in the economic pillar far surpasses the attention paid to the other two pillars—political security, and social and cultural development. In the context of the growing geopolitical rivalries between major powers, especially between China and the United States, ASEAN must walk a tightrope, and smartly navigate through the associated uncertainties. Today, economic security and national security are virtually inseparable, and economic statecraft is being widely implemented at varying degrees. In this regard, the editors claim: “Given the interdependence between economics and geopolitics, however, ASEAN as an institution will have to confront and resolve these challenges if it is to maximize progress on its joint economic potential.” (p. 7).

The book also highlights some other challenges that ASEAN is facing, such as a political trust deficit among member states, lack of leadership, development gaps, and strong competition to secure access to scarce strategic resources. Hence, the organization’s main tasks ahead include: promoting shared strategic interests and values; effectively narrowing regional disparities through the Initiative of ASEAN Integration (AIA); offering more support to micro, small- and medium-sized enterprises (MSMEs); and enhancing collective leadership to effectively address pressing regional and global issues. Regarding the regional development gap, Florian Albuero proposes that a “regional-national nexus” approach is the need of the

hour, with greater emphasis on national-level interventions. On the same topic, Chia Siow Yue suggests that the less developed members of ASEAN “will have to ensure a favourable business and investment climate to attract more FDI from within ASEAN and the richer ASEAN economies would need to respond with more financial and technical assistance and private sector investment.” (p. 112).

The edited volume was published before the outbreak of the COVID-19 crisis, which has now been classified as a pandemic by the World Health Organization (WHO). In a short span, the crisis has significantly reshaped ASEAN’s geopolitical and geo-economic landscape, and is a litmus test of its institutional capacity and leadership. In this scenario, the “One ASEAN One Response” policy, initiated by the Association’s leaders in 2016, should be implemented. Aimed at responding to disasters (both in and outside the region), it involves meaningful participation of relevant stakeholders to achieve the speed, scale and solidarity needed to mitigate the negative consequences. As the world reels under the pandemic, and like the book suggests, ASEAN needs to continuously improve in the areas of leadership, crisis management and overall cohesion.

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***The Future of China’s Bond Market*, edited by Alfred Schipke, Markus Rodlauer and Longmei Zhang.** Washington, DC: International Monetary Fund, 2019. Pp. 420.

China’s bond market has gained greater international recognition since the country’s transformation into the world’s second largest economy. At the end of 2017, the national bond market capitalization had reached 9 per cent of the global GDP, up from about 1 per cent in the early 2000s. The liberalization of the Chinese capital market, increasing globalization of domestic companies, and the inclusion of the renminbi (RMB) in the IMF Special Drawing Rights (SDR) basket have all contributed to the heightened interest in the nation’s bond market segment.

This book is very timely in providing a comprehensive overview of the Chinese bond market, and will appeal to both financial market professionals as well as academics. One interesting point is that, while the title refers to the future of the bond market, a large portion of the book is also devoted to documenting its historical progression.

There is no doubt that the rise of China’s bond market has been impressive. Nevertheless, there continue to be several challenges that need to be addressed to further enhance the market’s performance. By bringing together contributors from the International Monetary Fund, People’s Bank of China, China Securities Regulatory Commission, the Ministry of Finance, and the China Clearing Depository Corporation, this edited volume skilfully combines global expertise with detailed local knowledge to provide an in-depth analysis and policy recommendations. The book will appeal to academics conducting research on China’s financial system and investors looking to participate in it.

The book is divided into four parts. The first part provides a broad outline of the Chinese bond market and its place in the global financial system. It charts the rise of the market and elaborates on the different types of its constituent bonds. The authors also shed light on the process of opening up the national bond market and offer important suggestions to further reform and strengthen the segment. The two chapters
