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REVIEWS

Babe, Robert. 2009. *Cultural Studies and Political Economy: Towards a New Integration*. Maryland: Lexington Books. 239 pp.

Robert E. Babe's premise in this book is to cross the gaps between two disciplines and to anticipate what he calls a "new integration." Whether the "old" integration has failed because its split had been untenable in the first place, or has been found to be inadequate, is not belabored in this somewhat belated revisit to a tenacious binary. What is at hand is an aspiration to what might be a redemptive reencounter between cultural studies and political economy, or a productive refunctioning of a malfeasant antinomy.

First, he defines the objects of the thesis:

> Cultural studies may be loosely defined as the multidisciplinary study of culture across various social strata, where culture refers to arts, knowledge, beliefs, customs, practices, and norms of social interaction. Studies in political economy of media, in contrast focus on the economic, financial, and political causes and consequences of culture.

Second, he makes the claim that there is a rift between the two:

> I argue here that in their formative years, the political economy of media and cultural studies were fully integrated, consistent, and mutually supportive, but the poststructuralist turn in cultural studies caused media studies to split into hostile political economy and cultural studies camps. I also claim that that split today, however, is no greater than the current division within cultural studies itself—between poststructuralism and cultural materialism . . .

Then, he concludes:

> The renowned split between political economy and cultural studies has been, in a sense, a distraction, a faux debate. Attracting so much attention on account of the bitterness exuding from the combatants, the hostilities have diverted analysts from focusing on the more basic problematic—the bifurcation of critical cultural studies itself into cultural materialism and poststructuralism.

This reconstructive procedure is a rather daunting—even unnerving—considering that the terms of the disciplines in question yield three universalizing and at the same time particularizing discourses: the cultural, the political, and the economic. The robust condition alluded to in this sequence of normative categories is somewhat diminished by the production of knowledges within the disciplines. That said, disciplinal knowledge may offer a compelling language with which to understand the "real" and without which this reflexive gesture might not in fact be contemplated and performed.

What is intriguing here is not so much the anxiety over the context within which all this plays out as the desire to integrate. And so we ask: What could underwrite this urge to consolidate and therefore to attempt to render the "total" by way of the wished-for rapproachement? There is more than one way to make sense of this. There could be an unconscious pressure to grasp the "global" and the various problematics it entails. Or it could be that the author simply wanted to ameliorate the disciplines within a transdisciplinal or even a postdisciplinal frame, and harness an "integration" to ratchet up more explanatory power, in other words, for the refinement of the disciplines. The latter view is feasible because the study demonstrates sensitivity to the habitus of the said disciplines as embodied in practitioners, publications, colloquia, exchanges, alignments, polemics, even everyday controversies, and so on. On one level, this is largely about the academic bureaucracy "doing" theory.

The book begins with an instructive reconstruction of the arguments of both disciplines, the history of their thought, the intellectual investments in both technologies of theory, and the crucial shifts to a level of criticality within, thus the terms "critical political economy" and "critical cultural studies." Again, this is quite a difficult task because it risks reducing complexities and nuances of thinking, as well as internal contradictions, into broad strokes and in the interest of a sprawling survey. To a great extent, the disciplines in this exercise

become singular in the end, their plurality ironically repressed. This is not without its virtue, nevertheless; in fact, it is able to lay out a possible horizon, a perspective through which to narrate the story that may invite further elaboration and dispute, with other data and tropes.

What should productively inflect this narrative is something that is not acutely intimated in Babe's effort. And this matter is quite central to a project that in due course proves to be a fraught integration. This is the history of the idea of culture. While sufficient space is devoted to Raymond Williams, Stuart Hall, and other key figures in cultural studies—which is not to be conflated with the study of culture—there is no intricate discussion of the concept of culture as it is construed in disciplines like anthropology, sociology, philosophy, and aesthetics. The conversation with the social sciences on culture is a significant oversight. Corollarily, the attendant materialist debate that inheres in the conjuncture is not grappled with as well.

Moreover, the view from the nonwestern world is not implicated, and therefore the book does not benefit from a postcolonial interpretation of both disciplines and the lessons of practice elsewhere. There is substantial literature already on the ways in which cultural studies and political economy have been appropriated outside the so-called center, and it would have been indispensable for an "integration" to fundamentally disrupt the Eurocentric narrative of the disciplines. In this regard, it is not only the post-colonial that is bracketed, but the poststructuralist, too. This prevents the book from further probing the depths of the longed-for interface because it is not inclined to engage with the philosophical ramifications of this turn in theory. This gap occasions significant problems because at the end of the book, poststructuralism is cast as that which has negated the "integration." As Babe contends: "the ontologies of cultural materialism and poststructuralism are so antithetical." One wonders then if the author himself had fallen into the trap of the dichotomy that he has sought to refuse and if a more dialectical approach would have yielded a different proposition. Further still, one wonders what poststructuralism might in fact contribute to the dismantling of the duality if given a chance. The book's conclusion, in fact, harks back to a strange place—structuralism, with Babe arguing that "a major difference between Grossberg and Garnham, between Poster and Innis, between Baudrillard and Williams, between poststructuralists and political economists/cultural materialists, one suspects, is that the former in each cases are at least implicitly descendants of de Saussure, and the latter of Pierce."

One wonders why cultural studies and political economy would be contingent in the last instance on language.

All these possibilities in engagements may have finally foreclosed some new paths for the reflection on more responsive categories for the cultural and the political such as "cognitive mapping," "structure of feeling," "intimate knowledge," the "biopolitical," "cultural memory," "history of consciousness," "distribution of the sensible," to name the most interesting. If there was integration needing to be conjured with utmost urgency, these could have been the adumbrations.

Let me end with a tangent. Aleš Erjavec in his meditation on the theory of the day asserts:

> Even if many of these theories are contradictory in themselves or among themselves, they nevertheless reveal a deep contemporary need for a novel theory or theories that would conceptually analyze and philosophically grasp the current historical conditions of global capitalism. The only way to do this is of course on the basis of universalism and in opposing relativism. (2009, 85)

He continues that this is

> occurring because today the world is not only economically and culturally a global place, but because also social contradictions are increasing and have become global too . . . It thus remains to be seen whether Marxism or some other—perhaps new—dynamic and responsive social theory will emerge, for only such a theory has any actual future. (2009, 86)

It is at this point where this review of cultural studies and political economy becomes extremely instructive: on the threshold of a transcendent moment beyond the antinomy. All told, this book is a beginning of a reconsideration. And as in all beginnings, it may be seen either as a false start or a necessary first step.—**Patrick Flores,** *Professor, Department of Art Studies, College of Arts and Letters, University of the Philippines-Diliman*

Reference

Erjavec, Aleš. 2009. Art and: A toothless tiger, a cuddly panda or a snow leopard? *International Yearbook of Aesthetics* 13, 74-86.

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Pollard, Vincent Kelly. 2004. *Globalization, Democratization and Asian Leadership: Power Sharing, Foreign Policy and Society in the Philippines and Japan*. Hants, England: Ashgate Publishing Limited. 203 pp.

In this tome, Vincent Kelly Pollard examines foreign policymaking in the context of "intermestic politics," a term that combines aspects of the domestic, intergovernmental and transnational aspects of politics that, in turn, configure or result in policymaking. Pollard asks the question: "Why then have presidents and prime ministers of some democratically elected governments in Asia better achieved their foreign policy objectives than others?" In attempting to answer the question, he focuses on the idea of the executive's ability to "share power," and introduces an analytical tool that he refers to as the Social Process Model.

In the Social Process Model, the overlapping of three major factors—precedent, executive initiative, and stretched organizational pluralism—determine the success or failure of executive foreign policy goals. To Pollard, precedent "refers to structural influences and includes national institutions, campaign promises, treaties and other international agreements, policy legacies, gender, standard operating procedures, value diffusion, global markets and similar forces." Executive initiative is understood as "agency and includes the chief executive's public and private statements, other agenda setting actions, and other effective and self-defeating policy legacies. Stretched organizational pluralism "refers to the extent to which the foreign policymaking power is shared, willingly or unwillingly, with other individuals and institutions. Actors falling under the category of stretched organizational pluralism run the whole gamut of non-government organizations, including ones with local, national and international scope of action, citizens' movements, international media, agencies of other governments, military organizations and so on. Pollard illustrates the usefulness of the Social Process Model as a perspective in understanding foreign policymaking in following cases: 1) President Ferdinand E. Marcos's skillful resurrection of the Foreign Policy Council, established by his predecessor, to gather support from Philippine political personalities of divergent if not conflicting ideologies and interests for his pursuit of greater Philippine involvement in regional cooperation, a move which eventually saw the birth of the Association of Southeast Asian Nations (ASEAN); 2) President Corazon C. Aquino's failed attempt at extending

the military bases agreement with the United States, a result complicated, among others, by the anti-bases Convenor's Group Statement which she signed in 1984, by her predominant "open options," and by her inability to communicate effectively the "full range of her military relations preferences for a single public audience," or more specifically, to the Philippine public; and, 3) the politics of foreign aid centering on increasing the Ministry of Foreign Affairs's influence in directing Japan's Official Development Assistance (ODA) and the developments that led to the declaration of the Cabinet ODA Charter that combined universal and particularistic criteria of a) protection of the environment, b) democratization of political systems, c) spread of market economies, and d) demilitarization.

As a book on methods, theories, perspectives and approaches to politics, Pollard's work undoubtedly inspires. It is not very often that one encounters a well laid out method or approach to the study of foreign policy that is decidedly multivariate in character and that veers away from the usual unidimensional and linear historical narrative. It also helps that the book is well illustrated with figures and tables that summarize and explain data in a most simple and direct manner. Indeed, the book is a must read for graduate students and aspiring policy analysts who want to understand alternative ways in making data and models meet and how to glean observations from such methodological matchmaking. However, substantively, in terms of content, the book slightly disappoints. Readers will notice that the discussions on the Philippine cases are obviously "thick" compared to that of the Japanese cases, which are obviously "thin." More discriminating readers will however have to suffer through several glaring errors found in the book. For instance, Sabah is mistakenly located in "Eastern (peninsular) Malaysia" (page 158). Claudio Teehankee appears twice in the list of members of the Foreign Policy Council convened in 1967 (page 30). And President Corazon C. Aquino is referred to as "Aquinas" (pages 78 and 97). Notwithstanding the "asymmetry" in its discussion of cases and errors in editing, the work is still very much an engaging one.—**Matthew Santamaria,** *Professor, Asian Center, University of the Philippines-Diliman*

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Santos, Soliman L., and Paz Verdad Santos. 2010. *Primed and Purposeful: Armed Groups and Human Security Efforts in the Philippines.* Quezon City: South-South Network for Non-State Armed Group Engagement. 440 pp.

The Philippine state has been under siege since its creation. Postcolonial state building has not only been under siege from outside forces; it has also fallen prey to the transactional and predatory contests of the ruling classes. This explains why the Armed Forces of the Philippines (AFP) has been one of the busiest and politicized armed forces in the world after World War II. The wounds that bleed the Philippine state of its legitimacy and purpose are bored from within and without.

Does knowledge of the primed and purposeful nonstate armed actors prime the state into acting as an institutional whole, free from the transactional interests of ruling parties? Will it move the state to reconsider, i.e., to engage the armed groups as part of the solution rather than treat them as a security problem? Does the same knowledge prime the public into arguing for its own sake rather than allowing political elites to take command of the bargaining process towards peace and human security?

In *Primed and Purposeful*, Soliman Santos, Paz Verdad Santos, and a group of contributing authors pose these challenges to a broad public—be they from the government, civil society or the business sector—who interact with, affect, or are affected by Philippine armed groups. It also calls on the academic community to investigate less-known insider information and the proposition that the non-state armed groups should be engaged as part of the solution.

What makes the book a compelling read is that the authors come from the very publics to whom they direct the book's message. The group consists of academicians, academician-advocates, a lawyer-advocate, a journalist-advocate and a writer-advocate. They speak from the audience with brown bags of hefty information derived from conversations rather than pelican briefs of stolen data. No prior study in the Philippines has yet dared to undress the armed groups in public in this manner.

The book also heaves with the freshness of recent conflict events, including accounts of informant deaths taken before the manuscript was finally sent to press. The conduct of the study is as meticulous as the anatomical dissection of each group. The principal authors first

came out with findings from a small arms survey, arguing that the proliferation of small arms is fueling the armed conflict. This volume brings to the fore the actors that pull the trigger. It focuses on two main groups in two insurgencies: the Communist Party of the Philippines-New People's Army (CPP-NPA) on the communist front and the Moro Islamic Liberation Front (MILF) on the Moro rebel front—nonstate actors that pretend to be and act like a state wherever they hold sway.

It is this purposeful character that persuades the authors to describe them as predictable groups that should be engaged. In real life, however, the Hydes of their Jekylls act unpredictably in the military sphere, as demonstrated by the unpredictable tactical movements that the public could only observe after the fact—when bomb fragments are analyzed, corpses are counted or blood trails are traced to determine the number of wounded bodies dragged or carried on makeshift stretchers. Every armed group wishes not to be telescoped by the perceived enemy even as it publicizes long-term wishes to suggest non-negotiables and predictability.

The long-term wishes are in fact the core topics of peace talks because it seems easier to protractedly deal with strategic options and possibilities of accommodation rather than talk about who goes to prison for human rights violations. Justice is usually shelved when both sides have accountabilities that they prefer to settle bilaterally than explain to the public.

Besides the two groups is a chorus line of other armed groups, some of whom are hardly known to the public except through sporadic accounts of bombs, deaths, kidnappings and capture in the evening news. Everyone knows about the Abu Sayyaf and the oft-published names of Janjalani and the Oakleys of Abu Sabaya not only because of the killings and kidnappings committed by them, but also because the United States insinuates that they are linked to Jemaah Islamiya and Al Qaeda. But who would know about the Bungkatol Liberation Army except for Department of Environment and Natural Resources personnel in Caraga Region who, apart from tirades regarding neglect of ancestral domain claims and illegal logging issues, are forced under duress to sign resource use permits? Who would know about the Lumadnong Pakig-bisog Sa Caraga-Bagani Warriors, also in Caraga, except for the AFP that aims to use indigenous peoples (former NPAs) against fellow indigenous peoples, who still support the CPP-NPA-NDFP (National Democratic Front of the Philippines)?

The authors argue that all armed groups should have redeeming value. The working hypothesis is to create such value by transforming them into solution partners. By engagement, the immediate gain is mitigation of losses in human security and development. Evidence shows that peace talks create environments of suspended violence in addition to expectations of lasting peace.

The keyword used is "engage," akin to the post-9/11 Western call to engage the Islamic world. Nonetheless, the authors recognize the dilemmas of engagement. Previous engagements leading to documents such as the 1996 Moro National Liberation Front (MNLF)-Government of the Republic of the Philippines Peace Agreement or the 2000 Government of the Republic of the Philippines-Rebolusyonaryong Partido ng Manggagawang Pilipino [Revolutionary Worker's Party of the Philippines]/Revolutionary Proletariat Army/Alex Boncayao Brigade (RPMP/RPA/ABB) Interim Peace Agreement, either led to the collapse of one party (the MNLF) or fragmentation (such as the split of the RPMP/RPA/ABB)—all in less than five years.

The nonmonolithic characterization of the Philippine state even tends to be less problematic compared to the chorus line of nonstate armed groups arising from splits and mutation. From such occurrences, one group claims to be *the* group that the state should deal with and most often, the best way to get attention is to activate unpredictable behavior. The MILF got away with the anger of commanders Bravo and Umbra Kato over the outcry resulting from the suspension of the Memorandum of Agreement on Ancestral Domain. It read the government's Medium Term Philippine Development Plan commitment to ink peace agreements by 2010 as good enough reason to place on the negotiating table whatever elements of "un-peace" it chooses to. The CPP-NPA-NDFP also gets away with human rights violations by arguing that the Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law is an obligation of the state and not its own.

The authors clearly posit the potential positive outcome of engagement—it could possibly lead to human security. The compilation of hitherto publicly unknown data of structures, formations, armaments and bases of operations is a daring attempt at undressing the nonstate armed groups. The investigative dimension of the research is in fact reflective of rigor against every conceivable odd. It is a feat that one would normally attribute to clandestine operations of intelligence services. For military strategists, the information is a useful element for

the Sun Tzu approach (of knowing the enemy and knowing one's self) to winning battles. The challenge is how to convert this information into a political instrument with redeeming value and for the collective good rather than the decimation of one or the other. Past pitfalls point to the use of the negotiating table as façade for other veiled intentions.

The authors have also lucidly laid down the pitfalls of engagement by looking at historical facts or even the grim impossibilities of accommodation by looking at the strategic and seemingly irreconcilable positions of the parties in conflict. In fact the working hypothesis could breed a number of counter-hypotheses based on "if" conditions:

- What if the state uses hard data on the actual strengths and capacities of nonstate armed groups to reinforce the military approach to elimination of security threats?
- What if the state is not ready to engage due to lack of or incoherent peace policy?
- What if the armed groups use engagement to reinforce legitimacy here and abroad?
- What if the armed groups use engagement as a shield against government attacks and use the opportunity to recover lost ground?
- What if the parties are not even prepared to engage either due to thin legitimacy and mandates or pure lack of capacity to negotiate?

The authors chose not to deal with the voices of the affected with a valid argument that that subject has been examined by other studies. They also chose not to suggest engagement of other non-state armed groups whose priming and purpose are less predictable. More interestingly, there is no explicit suggestion about the justiciability of unpredictable acts—the kidnappings, bombings, killings, banditry, rent from protection and all other acts that make humans and their economic endeavors less secure.

If there is one other thing assumed or lightly undressed in this volume, it is the Philippine state—the most primed and purposeful leviathan that has always poised itself against any nonstate armed group with a singular and oft-repeated proposition: uphold the Constitution, national security and integrity of the republic. In its current form,

whoever occupies central authority is willing to decentralize violence to secure ruling class predations. The state and the other primed and purposeful groups belong to a constellation of armed actors in a seemingly endless dance of peace and violence while the international community is off-and-on invited to intermissions of gunless dialogues. Meanwhile, the public struggles hard to interpret their motions on the daily news with the hope of finding meaning to it all.

There might yet be another possibility—that the affected publics might reject the engagement as an elite spectacle as they wait until the moment is ripe to make better sense of their lives. In the concluding chapter, the authors suggest the possibility of positive outcomes outside the peace process but not necessarily in the theater of war.—**Ed Quitoriano,** *Consultant, RiskAsia Consulting, Inc.*

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Plummer, Michael G., and Chia Siow Yue, eds. 2009. *Realizing the ASEAN Economic Community: A Comprehensive Assessment.* Singapore: Institute of Southeast Asian Studies. 252 pp.

The nations of the Association of Southeast Asian Nations (ASEAN) are challenged to form an economic community, much like the European Economic Community, after forming a free trade area. The ASEAN rose to the challenge. At the Twelfth ASEAN Summit in Cebu in January 2007, the ASEAN decided that it will create the ASEAN Economic Community (AEC) by 2015. The AEC will create an opportunity for the region to enhance its competitiveness through economic liberalization, reform, and cooperation.

Realizing the ASEAN Economic Community: A Comprehensive Assessment is edited by Michael G. Plummer and Chia Siow Yue. The former is Eni Professor of International Economics at The John Hopkins University, School of Advanced International Studies-Bologna and former Senior Fellow at the East-West Center; his main academic interests are international trade, international finance, and economic integration, especially in the Asian context. The latter is a Senior Research Fellow at the Singapore Institute of International Affairs. Her main areas of research are development economics and international economics, with a focus on Southeast Asian economics, especially Singapore.

The introduction written by Plummer and Siow Yue assesses ASEAN economic growth and performance: a) while economic

performance varies greatly, growth rates are increasingly correlated since the Asian Financial Crisis; b) rapid structural change is due to ASEAN's outward orientation; c) international trade has been the driving force of structural adjustment; and d) the current economic crisis will mostly likely cause a decrease in intraregional trade in absolute and relative terms. The editors say that it will be difficult to implement the program of building an economic community both technically and politically. There will be costs, it is true, but the benefits accrue to all ASEAN member states and stakeholders. The rest of the chapters present quantitative estimates and qualitative analyses of such gains.

Chapter two, penned by Zakariah Rashid, Fan Zhai, Peter A. Petri, Michael G. Plummer, and Chia Siow Yue, is titled "Regional Market for Goods, Services, and Skilled Labor." The computational general equilibrium (CGE) model of the AEC incorporates the recent heterogeneous firms trade theory and features intraindustry heterogeneity in productivity and fixed cost of exporting. The model is calibrated to the Global Trade Analysis Project global database, uses 2004 as the base year, and includes twenty-two country/regions, including all ASEAN countries, and twenty-one sectors. The results show an overall increase in ASEAN real income, the potential gains of all member states from the AEC, and considerable gains by extending the AEC to include ASEAN's East Asian partners as well as the United States and the European Union. ASEAN trade is expected to boom, both at the AEC level and the sectoral level. The modeling exercise also notes the importance of the "hub and spoke" system, with ASEAN as the hub. Flows of skilled workers will likely increase significantly in ASEAN. In this regard, policies for increased worker mobility must be set in place.

Chapter three is about "Competition Policy, Infrastructure, and Intellectual Property Rights," written by Wisarn Pupphavesa, Santi Chaisrisawatsuk, Sasatra Sudsawasd, and Sumet Ongkittikul, based on the AEC Blueprint, which envisions a "competitive economic region" by 2015. Their analysis argues strongly "that effective implementation of measures already stipulated in the AEC Blueprint—and related measures that might be considered in the future—will generate significant economic gains to ASEAN in general and to its less-developed members in particular." Improving intellectual property rights laws and implementing these will help stimulate innovation and attract foreign direct investments (FDI). In their empirical estimation of the impact of several AEC-related policies on economic growth and

FDI inflows, developing countries of ASEAN will benefit the most from increases in competition and infrastructure development. In addition, the share of FDI inflows as a percent of gross domestic product (GDP) is expected to increase with the improvement of "price controls."

What is the impact of AEC on FDI inflows? This is answered by chapter four, entitled "The AEC and Investment and Capital Flows," authored by Rafaelita M. Aldaba, Josef T. Yap, and Peter A. Petri. The approach used here is that of asking how ASEAN compares to "frontier" FDI levels—that is, to FDI levels that prevail in the world's most successful FDI-attracting economies. In order to make the concept of "frontier" operational, they estimated three different measures of performance, all expressed in terms of FDI stock/GDP ratio:

1. The average of the three highest years of FDI/GDP ratios experienced by a particular economy in the past;
2. The seventy-fifth percentile of the global distribution of FDI/GDP ratios; and
3. The point halfway between the economy's current ratio and the ninetieth percentile of global distribution.

The results indicate all economies, except Singapore under certain measures, gain FDI by moving to the frontier, as its inward FDI stocks are already near to top of the global distribution. What would be the welfare gains associated with such increases in FDI stocks? Overall, a rough estimate shows that host economy benefits amount to an annual 5 percent return of FDI socks or the annual USD6-13 billion range, or from 0.5-1 percent of annual ASEAN GDP. Policies will differ according to the member state. On the impact of ASEAN Investment Area (AIA), the authors, citing Plummer, conclude that AIA has had a generally positive effect, has reduced barriers to investment while opening up sectors. The authors also cite literature to suggest the need to develop a "new scheme" to promote the region's dynamic involvement in regional and international production networks.

What is the effect of forming an economic community on the development gap between the older members of ASEAN and the ones that joined ASEAN in the 1990s, i.e., Cambodia, Laos, Myanmar, and Vietnam (CLMV)? What conditions or policies should be set in place to narrow the development gap? There is an attempt to answer these

questions in chapter five, "Narrowing the Development Gap" by Dionisius Narjoko, Pratiwi Kartika, and Teguh Wicaksono. They start by noting the income differences across ASEAN countries, the average being ten times that of CLV (Myanmar is absent from the analysis). This is due to the disparities in income of the first six members of the ASEAN, particularly Singapore and Brunei. In fact, the data they present show that the 2006 USD purchasing power parity of Brunei and Singapore were 21 and 18 percent times that of the gross national product of Vietnam, which tops that of Lao People's Democratic Republic and Cambodia. Income differences can be in part explained by income difference *within* member states, so that policies that focus on income distribution *within* countries can help reduce income gaps *across* countries. Another way in which integration can help is through a unified market that will benefit poor countries the most by deepening the involvement of small and medium enterprises in regional production chains and international production networks. However, this measure is fraught with difficulties, because of the weak infrastructure of ASEAN and the "universal lack of initiative in harmonizing regulations." This points out the policies that are needed by the member states. Finally, the authors deplore the lack of necessary political will to create a special fund to launch a program to narrow the gap, a way that has been proposed in the Eminent Persons Group (EPG) report. An alternative approach they propose is "a more systematic and focused program in developing institutions and soft-infrastructure."

What policies are needed to make ASEAN more competitive? This is tackled in chapter six, "Competition and Leverage," by Peter A. Petri. China, India, and the CLMV countries are fast gaining on ASEAN's established exporters. Moreover, the destination of exports from the world's most developed economies is shifting to the region's emerging markets. ASEAN's exports have also been focused on Asian markets, and have indeed managed to keep pace. Likewise, production networks are becoming the engine of regional integration and comparative advantage. One other major trend is that governments are turning to "regional and bilateral (rather than global) solutions to address international trade and monetary objectives." Asia is also experiencing a lot of free trade agreements in its bosom, the implication being that "ASEAN needs sophisticated ability to manage multiple tracks of economic policy." Priority must be given to making ASEAN a major hub for trade agreements because it brings substantial benefits—as

much as 10 percent of ASEAN income. The following obstacles need to be addressed:

1. Members should not only free up trade but pursue "deeper integration of markets and production systems," i.e., national reforms well beyond trade liberalization;
2. Members should adopt a strategy for making regional integration compatible with international integration, i.e., "policies that incorporate the requirements of global markets into the regional policy agenda," because the gains will not happen automatically; and
3. Members must forge coherent positions in international economic decisions.

Finally, the benefits of the ASEAN Economic Community are laid out in a final chapter by Michael Plummer and Chia Siow Yue. CGE estimates show that: 1) the AEC would lead to substantial gains or a 5.3 percent increase in economic welfare relative to the baseline; 2) all ASEAN member states should gain from the AEC "even if different measures affect member states differently;" and 3) a wide range of stakeholders will gain from the AEC.

The book is a comprehensive assessment of the ASEAN as an economic community, as requested by the ASEAN Secretariat and responded to by the United States Agency for International Development and the ASEAN-US Technical Assistance and Training Facility sponsored by the US State Department. It is authored by a number of well-known and dyed-in-the-wool Asian experts whose main interest is regional integration. It does not mince words on the need for national policies for forming an economic community that succeeds. It not only offers statistics for practitioners but offers a well-thought out, sober, and enlightening assessment of the economic community that is the ASEAN. How I wish it were read by scholars and the man-in-the-street—if it is not too daunting—to start a debate on the auspiciousness of the ASEAN Economic Community.—**Gwendolyn Tecson,** *Professor, School of Economics, University of the Philippines-Diliman*