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***The ASEAN Economic Community. A conceptual Approach. By Jacques Pelkmans.***

Cambridge, UK: Cambridge University Press, 2016. Pp 231.

On 31 December 2015, the ASEAN Economic Community (AEC) was officially launched with the intent to mark a new milestone in the path to deeper integration in Southeast Asia. The AEC, together with the Political-Security Community and the Socio-Cultural Community form the three pillars of the ASEAN Community. Many questions have arisen on the significance and importance of this long-awaited achievement for economic development and the emergence of the region as a political actor in the international scene. With multiple Chinese initiatives in Asia such as the Free Trade Area of the Asia-Pacific, the Asian Investment Infrastructure Bank and the One Belt One Road initiative, the competing US-led Trans-Pacific Partnership initiative, as well as the conflict over South China Sea's sovereignty, the discussion on the concept of ASEAN is timely.

The book focuses on the AEC and is part of a wider research project entitled "Integration Through Law: The Role of Law and the Rule of Law in ASEAN Integration" undertaken by the Centre for International Law at the National University of Singapore, which aims at achieving a theory and conceptual framework of Asian legal integration. This explains why the book applies a conceptual approach to make the AEC intelligible. Two key concepts of the AEC are analysed in detail: the "single market" and "single production base for segments of global value chains" and their interrelations. The book also gives ample room to an extensive scrutiny of the instruments of implementation.

Following the short introductory chapter which justifies the conceptual approach, Chapter 2 is the longest chapter by far (69 pages) and is the core of the book. It delineates the

foundations of economic integration in the general case and a modern stage approach specifying the logics of deepening the commitments and widening of the scope of the AEC. There are two aspects of deepening commitments: “negative” (the removal of discrimination and barriers) and “positive” integration (the joint action by member states to create new instruments, rules and institutions). One of the strengths of the chapter resides in the application of this framework to clearly locate where the European Union (EU), the North American Free Trade Area (NAFTA) and the AEC stand. It is widely known that the integration in EU is much deeper than other agreements, so the comparison between NAFTA and AEC has more relevance. What makes NAFTA work is the combination of a very detailed treaty at the outset and a powerful private litigation system culture which can also count on a solid judicial system. This confers credibility and transparency in the implementation and compliance of the treaty in the eyes of businesses. ASEAN typically starts with a “vision” expressed by political leaders while the details are set through lengthy procedures under the strict control of national governments. This creates uncertainty and a “waiting attitude” by businesses. The absence of any compliance mechanism and possibility of private litigation against governments undermine ASEAN’s credibility and transparency. Only items that fit with national interests are effectively implemented by each government. The chapter proceeds with elaborating on four strategic choices that ASEAN faces to increase its coherence and credibility. This leads to the presentation of two different economic rationales of the AEC: “a cooperative ASEAN-led development strategy” and “a pro-competitive quasi-single market strategy for development”. Chapter 3 defines the concept of the AEC by looking at its core documents such as the 2003 Bali Concord II Declaration and the recommendations given by the High Level Task Force (HTLF), which is responsible for giving operational substance to key concepts included in the declaration. The chapter not only shows a weak link between the “Bali Vision” and the recommendations, but also shows that the HTLF falls short of providing a clear interpretation

of the five key concepts: free flow; single market; single production base; equitable development; and ASEAN's economic competitiveness. One additional difficulty is that while ASEAN leaders give repeated assurance to not imitate the structure of the EU, they intentionally use a form of language that reminds people of the EU's core treaties. To provide some clarity, the author employs the EU concepts as a benchmark to elucidate their meaning in the context of ASEAN. Readers learn that: free flow does not mean free movement; there will not be a genuine single market; the single production base is intended to promote ASEAN-based segments of global value chains with more trade facilitation measures; equitable development is a wish that do not rest on any serious decision while competitiveness is just mentioned once in the Bali Declaration. The chapter ends with a presentation of a new detailed document, the Roadmap adopted in 2010, which fills the void of the Bali Declaration by incorporating agreements and ASEAN directives which again look very similar to EU directives.

Chapter 4 is dedicated to the inspection of the implementation instruments defined by the Roadmap. The author again painstakingly reviews the five key concepts and observes some progress in specific areas. But the overall assessment remains the same. There is a huge gap between the ambitious objectives of the AEC and the avowed instruments of implementation. Nonetheless, the author returns in Chapter 5 to a new comparison of the AEC and NAFTA based on the analysis of fifteen substantive provisions. The two entities share several characteristics when it comes to substance although NAFTA does not pretend to be a single market. One interesting result is that "ASEAN could come close to what NAFTA has accomplished if it would implement and comply with all the WTO codes that the ASEAN-6 have long committed to (...) and amend or go beyond them where it suits Southeast Asia..." (p 176). Chapter 6 presents three options for the AEC: a single-market-minus; ASEAN as a

regional production base; and AEC as a living regional market and development compact. It comes up with a set of recommendations to achieve them.

The strength of the book is undoubtedly its capacity to synthesize voluminous official documents to provide the reader with the essence of what the AEC proclaims to be. This is probably the best exegesis of ASEAN official statements. But the book ascribes too much significance to them. Experience has shown that declarations, agreements, even detailed commitments may be signed by ASEAN member states, but it does not mean that they will actually be implemented. The book itself is riddled with numerous examples of possibilities to avoid commitments and directives. One simple reason for that is there is no serious monitoring scheme, not to mention litigation or sanction possibilities. If a member state does not implement what it has officially committed to do, it is common knowledge that no measures are taken against the member. Although very instructive, the very detailed comparisons between NAFTA and the EU tell readers what the AEC is not, but it does not expound on what it really is. Perhaps, as the author himself acknowledges at the end of the book on page 182, the real question is this: Can ASEAN combine an extreme form of inter-governmentalism due to its sensitivity to national sovereignty with effective implementation to properly serve the common interest of the AEC?

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