

12-31-2017

Indonesia and ASEAN Plus Three Financial Cooperation

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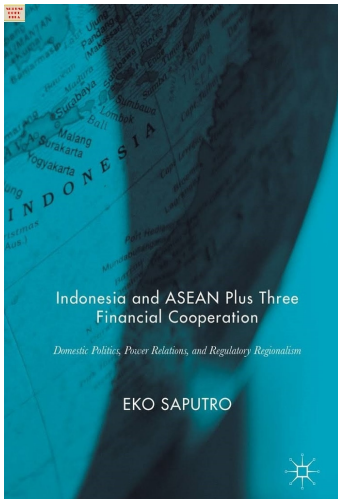
Recommended Citation

Gunadi, Ariswan (2017) "Indonesia and ASEAN Plus Three Financial Cooperation," *Indonesia Law Review*. Vol. 7 : No. 3 , Article 7.

Available at: <https://scholarhub.ui.ac.id/ilrev/vol7/iss3/7>

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INDONESIA AND ASEAN PLUS THREE FINANCIAL COOPERATION



Indonesia and ASEAN Plus Three Financial Cooperation is a very well-written book by Eko Saputro. The ASEAN Plus Three Financial Cooperation was established to maintain and strengthen the common objective of its member, particularly in the economic area.¹ This book analyzes Indonesia's current position in East Asia, in the connection with the ASEAN Plus Three Financial Cooperation. Divided into 7 chapters, the book provides an analysis of Indonesia's role APT financial regionalism with more emphasize on the financial sector instead of education.

The first chapter gives a brief introduction of Indonesia. As one of the most populated countries and politically leading, Indonesia plays an important role as one of the power house in the cooperation despite its response. Not only that Indonesia is a potential market but she also may serve as a prominent base of production in Asia. Indonesia's strength was further confirmed after her survival in the financial crisis in 2009 and successfully built fundamental economics

In the second chapter, the writer attempts to explain the financial regionalism in East Asia. He pictures East Asia as a diverse yet stable despite of some persisting disputes among the members. There are 3 approaches on Financial Regionalism in East Asia introduced in this chapter: Neo realism, constructivism, and neo-functionalism. Either approach finds 2 factor as prominent elements that help examine national response to East Asian Financial Regionalism, power relations and domestic factors.

The progress of East Asian Financial Regionalism is covered in the third chapter. This chapter aims to investigate the evolution of financial regionalism in East Asia, including the projects between ASEAN and APEC as they shape financial regionalism in East Asia. Throughout the chapter, the writer also analyze the South East Asia Countries' cooperation, starting by the ASEAN establishment, national security cooperation and eventually the financial cooperation. ASEAN also plays a substantial role in Asia's capital market development. This chapter also explains the APEC existence and some contra of its establishment in boosting the financial cooperation. In the last part, it is explained that one of APT mission is to protect the members from financial crisis by developing an exclusive financial cooperation. This measures are embodied by the some initiatives endorsed by APT, namely The Chiang Mai Initiative Multilateralisation (CMIM), the ABMI and the Credit Guarantee and Investment Facility (CGIF).

¹ Vyacheslav V. Gavrilov, *Framework of the ASEAN Plus Three Mechanisms Operating in the Sphere of Economic Cooperation*, (Japan: CALE Discussion Paper No. 7, 2011), p.33.

The next chapter focuses on examining the influence of domestic politics on Indonesia's responses to APT financial cooperation from 1945-2013. The writer believes that Indonesian domestic politics have influenced Indonesia's stance toward APT financial cooperation. Analysis included in this chapter are the approaches of different administrations, from the non-democratic administration, the transition administration, to the democratic administration. It also briefly explains the history of Indonesia's domestic politics in responding to the APT financial cooperation, starting from self reliance, conditionality imposed by the International Monetary Fund, to the engagement of Indonesia in various cooperation, especially in financial sector. The influence of Indonesian democratization toward the financial regionalism in East Asia is also intensively described in this chapter.

The fifth chapter deals with the power relations, bilateral ties and Indonesia's Responses. China-Japan relationship is becoming one of the main focuses in this chapter. The writer analyzes the effect of Sino-Japanese power relations to the regional governance of APT, how Indonesia response to it and how it influences Indonesia's response toward the cooperation.

The last two chapters of the book discuss Indonesia's role in two respective cooperation, Chiang Mai Initiative Multilateralisation and ASIAN Bond Market Initiative and the Asian Bond Market Initiative. The sixth chapter examines the response of Indonesian financial authorities to the development of the CMIM, while the last chapter covers Indonesian's response of refusal due to the assessment that Indonesia is yet to be ready to be a part of regional bond market integration.

Conclusively, this book provides a deep analysis of Indonesia's response toward APT and may serve as a strong foundation of regulatory regionalism. By entering the APT, there are several obstacles that should be taken into consideration, including the history of the region (cultural, linguistic, and political division) and the dramatic events (that caused severe social, political, and economic dislocation).² The most essential factor of the APT development is the ASEAN itself.³ The roles of ASEAN include its institutional development⁴ and norms.⁵ I believe this book will be highly beneficial for academicians and practitioners in giving a broad insight on foreseeing Indonesia's steps in APT.

Title : Indonesia and ASEAN Plus Three Financial Cooperation
 Language : English
 Publisher : Springer Nature
 Authors : Eko Saputro
 Pages : 251 + xv
 Year : 2017
 Reviewer : Dr. Ariawan Gunadi, S.H., M.H. (Faculty of Law, Universitas Tarumanagara)

² Richard Stubbs, *Emerging East Asian Regionalism?*, (USA: Asian Survey 42 No. 3, 2002) pp. 450-451

³ Mark Beeson, *ASEAN Plus Three and the Rise of Reactionary Regionalism*, University of Queensland, p. 13.

⁴ Pattharapong Rattanaseevee, *Towards institutionalised regionalism: the role of institutions and prospects for institutionalisation in ASEAN*, (UK: e SpringerPlus 2014, 3:556) p.1.

⁵ *Ibid.* p.4.