

The author has very consistently worked on the above agenda and he seems to leave aside a question readers may have: if the objective is not to explicate the meaning of the flag as a symbol in the making of nationhood, if as he says his intention is “to restrict myself to study this symbol and not what it ought to or intends to represent”, what is the significance of such a study beyond the domain of theory-making in respect of the visual experience, or rather illustrating the applicability of such theory derived from European authors? In fact much of this book is actually concerned with historical processes which the declared agenda would exclude, and he throws light on the construction of symbols in the nation-making process. That remains a contribution to historiography even if the author prefers to foreground his theoretical position derived from philosophers like Giorgio Agamben.

It will not be inappropriate to highlight one of the findings of the author. This is the extraordinary insight of Mahatma Gandhi on the significance of the visual representation of national identity. Gandhi believed that what mattered was not so much the words in the rhetoric of nationalism as the visual impact of the flag as a symbol, the emotions aroused by the flag seen by the “believing eye”. “My ideal is speaking to the crowd from under a tree. Never mind if the voice does not reach the thousands, nay millions. They come not to hear but to see” (p. 84). This was Gandhi’s view expressed in a letter to the sociologist Patrick Geddes in April 1918. This shows Gandhi’s deep understanding of the power of the visual. A good deal of the author’s central thesis, when you separate it from the philosophical vocabulary, may be considered to be an elaboration of Gandhi’s perception.

The publisher cannot be congratulated on the production quality of this work. There are linguistic lapses which the copy editor should have taken care of (e.g. pp. 90, 95, 179, 237, etc.) and the index to the book is grossly inadequate. The most important shortcoming is the fact that all the photographs are in black and white even as the author emphasizes the significance of colour. The whole point of documentation of the visual representation and differing colour schemes of the flag is lost if the visuals are only in black and white and not in colour.

On the whole this work is commendable for the empirical research which has gone into it, while the author’s analysis of the empirical data raises many new questions which demand attention and further study.

China risuku to ika ni mukiau ka: Nikkantai no kigyō no chōsen チャイナ・リスクといかに向きあうか : 日韓台の企業の挑戦 (“How to Cope with ‘China Risk’: The Challenges of Japanese, Korean and Taiwanese Firms”).

Edited by Shigeto Sonoda 園田 茂人 and Hsin-Huang Michael Hsiao 蕭新煌. Tokyo: University of Tokyo Press, 2016. Pp. 272. ISBN 10: 4130402750; ISBN 13: 978-413040275-0.

Reviewed by Wei-Hsiu Huang, University of Tokyo

E-mail whhuang@ioc.u-tokyo.ac.jp

doi:10.1017/S1479591417000080

China’s economy began to expand rapidly after the country adopted its reform and opening-up policy in 1978. However, the pace of growth of China’s economy has been slowing since 2015. There have also been increasing concerns about China’s ambiguous stance toward market neutrality, opaque rule of law, and issues concerning product safety and intellectual property violations. Moreover, China’s rise has led to instability in the surrounding regions and posed a challenge to the existing international order, as seen in the state’s strained relations with Taiwan and its territorial disputes with neighboring states over the East China Sea and South China Sea. All these issues are collectively known as the “China risk”, a term referring to a variety of country risks involving China. This book is

an attempt to elucidate, through comparative analysis of political risks, how companies in Japan, South Korea, and Taiwan perceive the China risk as they pursue business opportunities throughout the regions.

Since the days of the Cold War, cross-Strait relations have been viewed as a serious security concern for the East Asian region. Since China and Taiwan do not have diplomatic ties, businessmen from Taiwan cannot expect any guarantee from the Chinese government or support from Taiwan as they invest in China. Chapter 1 analyzes how businessmen from Taiwan have been dealing with China's provincial governments on their own under such restrictive conditions. China, when it adopted the reform and opening-up policy, began a "peaceful unification" initiative and called for economic exchange with Taiwan. However, the policy also has an object, which utilizes economic instruments as political leverage to induce specific desired outcomes. Chapter 2 analyzes how China used Taiwanese businessmen to influence Taiwan politics.

Chapters 3 and 4 are about South Korean companies. China has been South Korea's most important economic partner since the two states established diplomatic relations in 1992. Chapter 3 points out that South Korean conglomerates sought to maximize the economic benefits to be gained from China without paying much attention to the China risk, a strategy that led to the strengthening of the two countries' economic ties. As pointed out in the concluding chapter, South Korea, unlike Japan, does not have historical issues with China that could strain the two countries' relations. Therefore, for South Korean conglomerates, the China risk only refers to the domestic problems in China. Chapter 4 points out that small- and medium-sized enterprises in South Korea respond to the China risk differently. These companies spread the risk by investing in other states.

Chapters 5 and 6 analyze changes in Japanese companies' perception of the China risk from 1972 to the present. Chapter 5 deals with Phase 1: 1972 to 1991 and Phase 2: 1992 to 2001. Chapter 6 focuses on Phase 3: from 2002 to 2011 and Phase 4: from 2012 onward. During Phases 1 and 2, China's anti-Japan sentiment did not affect the two countries' business relationship. However, political risks stemming from anti-Japan sentiment gradually began to surface during Phase 3. During Phase 4, Japanese companies encountered anti-Japan demonstrations in China. In response, they adopted the China Plus One strategy, under which they diversified their investments and reduced their commitment in China.

Chapter 7 reiterates the importance of human relations – an issue taken up in other chapters as well – and summarizes the characteristics of the differing ways in which Taiwanese, South Korean, and Japanese executives interact with Chinese officials.

The concluding chapter summarizes three points: the influence of state relations, companies' different approaches to the China risk in accordance with the resources they have at their disposal, and China's rise as a change factor. This chapter argues that companies' differing risk perceptions are rooted in complex bilateral relations between China and the companies' home countries.

There are two major features of this book. First, it focuses on the risks that companies may face when investing in China, even though many of the current discussions on the China risk tend to emphasize national security concerns. As far as I know, this book is the first study on the China risk published in Japan that compares and contrasts the responses of the three neighboring countries from the standpoint of companies. Second, the book provides an international comparative analysis from the viewpoint of companies. I investigated prior research on Taiwan's economic policy toward China at a time when Taiwan's direct investments in China were not yet very active. Most studies at the time were limited to theoretical discussions because of a paucity of data.¹ The authors in the book

1 Kō Ishū (Huang Wei-Hsiu) 黃偉修, *Ri Tōki seiken no tairiku seisaku kettei katei: soshikiteki kettei to dokudan no sōkoku senkyūhyaku kujūroku nisen'nen* 李登輝政權の大陸政策決定過程：組織的決定と独断の相克 1996~2000 年 ("The Decision-Making Process under Lee Teng-hui's Administration toward Mainland

under review have provided their analysis using the abundance of data available today and interviews that they themselves had conducted. Thus, the analysis in this book is highly persuasive.

Political developments in each country may also bear out the book's assertions. In Taiwan, the Democratic Progressive Party, which supports Taiwan's independence, has won both the presidential election and the legislative election. This was the first time in Taiwan's history that a transfer of power took place both at the executive branch and at the legislative branch at the same time. What triggered this development was the so-called Sunflower Movement, in which student and civic organizations occupied the parliament building in March 2014. This negative reaction is exactly what is discussed in chapter 2.

After the publication of this book, South Korean President Park Geun-hye decided to deploy the THAAD missile defense shield. Chinese media said that the Chinese government would not hesitate to impose economic sanctions against South Korea in response. However, South Korea depends heavily on major conglomerates, which have sought to deepen their ties with China, to sustain its economy. Therefore, the book highlights potential problems that South Korean companies may face in dealing with the China risk before they actually surface.

Therefore, I agree with the analysis provided in the book, and think that it is based on outstanding research. But I still have some questions and concerns.

First, one of the consistent themes of this book is the importance of building human relationships and the training of human resources to achieve this end. However, the book does not make it clear how effective such human relations really are in handling the China risk. For example, the intellectual property rights issue is considered the most significant topic in the debate on the China risk. Peter Navarro, the director of the National Trade Council in the Donald Trump administration, criticizes China's handling of intellectual property violations by citing problems of pirated and forged products.² The book does emphasize the importance of building human relationships, but it does not attempt to demonstrate how such relationships may function when it comes to solving actual problems like the intellectual property rights issue.

Second, the book argues that companies take different approaches in handling the China risk depending on the different resources they have at their disposal. The book cites the case of Taiwanese companies that sought to address deteriorating labor–management relations in China by establishing better human relationships (pp. 19–31). However, it is ironic that Taiwanese companies typically face labor conflicts in their home country more frequently than Japanese or South Korean peers do in theirs. Taiwanese companies also face worker strikes and violence in Vietnam. For this reason, it is possible that labor conflicts in China may also be related to companies' management strategies. But the book does not provide any comparative studies about the management strategy moreover, so this observation seems to be a general statement about the management strategy.

Still, these questions and concerns raised by me will not diminish the book's contribution to the comparative studies of the China risk, which remains an extremely important subject of research. This book is undoubtedly essential reading for those seeking to deepen their understanding of the China risk, and will certainly inspire many researchers to undertake their own studies to examine for themselves its viewpoints and conclusion.

China, 1996–2000: Contradiction between Collectivism and Dogmatism”) (Okayama: University Education Press, 2012), pp. 117–18.

2 Peter Navarro, *The Coming China Wars: Where They Will Be Fought and How They Can Be Won* (Upper Saddle River, NJ: FT Press, 2008), pp. 1–14.