

ASEAN'S FIRST DECADE

Thakur Phanit



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INTERNATIONAL STUDIES CENTER

FOREWORD

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In 2020, the International Studies Center (ISC) established a book series on diplomatic history as a component of its publication programme. The ISC therefore wishes to express its deep appreciation to Ambassador Thakur Phanit for permitting the ISC to publish his thesis *“Regional Integration Attempts in Southeast Asia: A Study of ASEAN’s Problems and Progress”* under the new title of *“ASEAN’s First Decade”* as the second volume in this book series. While the first volume was on the subject of Thailand’s foreign policy, this second volume deals with a wider subject of regional integration in Southeast Asia, in which Thailand played a major role.

Ambassador Thakur’s thesis presents a comprehensive analysis of problems and progress in regional relationships among the original five members of ASEAN between 1967–1978 as well as assesses the prospects for regional integration. Cooperation in ASEAN’s economic, social, and political sectors constitute the principal dependent variables of this study. The independent variables, the reasons and explanations of ASEAN’s problems and progress, are identified as several intra-regional and extra-regional elements. Some concluding assessments, such as the necessity for more decision-making power to be provided to ASEAN institutions in order to improve ASEAN cooperation, and the likelihood of ASEAN to remain a “slow but steady” organization, have proven to be prophetic in subsequent decades of ASEAN development.

As Ambassador Thakur’s thesis is printed for the first time, the ISC decides to keep this book as close to the original thesis form as possible. Although ASEAN has moved forward in the four decades since this thesis was written, we need to

comprehend the issues, the context, and experience the scope of the discussions, as when the thesis was being written, presented to, and accepted by the Pennsylvania State University in 1980. That is how ASEAN's first decade can properly be understood.

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ABSTRACT

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This dissertation presents a comprehensive analysis of problems and progress in regional relationships among the five members of the Association of Southeast Asian Nations (ASEAN) during the period from 1967 to 1978, and assesses the prospects for regional integration.

Cooperation in ASEAN's economic, social, and political sectors constitute the principal dependent variables of this study. The independent variables, the reasons and explanations of ASEAN's problems and progress, are identified as several intra-regional and extra-regional elements.

Analysis of the dependent variables shows that ASEAN's progress in the economic and social sectors has not been impressive; the level of regional interdependence in these aspects is still minimal. Although intra-regional trade has not been improved, cooperative achievements are noticeable in several areas, including basic commodities, industrial complementation and harmonization, trade liberalization, and common policies vis-à-vis the outside world. Socially, the great majority of the masses and elites of ASEAN member states are still isolated and uninterested in regional cooperative activities. It is only during the past few years that local awareness of ASEAN's importance has increased significantly. Progress has been much more marked in the political sector; policy cooperation has improved considerably, and regional solidarity and unity are greatly strengthened.

Several variables have influenced cooperation in ASEAN. Negative effects flowed from the lack of economic complementarity, the lack of modern associational groups, member strategies and perceptions which emphasized nationalism, the weak institutional structure, and the decision-making style. Positive influences stemmed from elite socialization, perceptions

of economic dependence upon external powers, and perceptions of external political/security threats. Two variables – ASEAN members' size or economic equality and internal politics – were believed to exert neither negative nor positive effects.

The concluding assessment based on this research is as follows: (a) ASEAN cooperation could be partially improved by providing ASEAN institutions with more decision-making power, and by promoting regional identity among the ASEAN public; (b) the future prospect of regional integration in ASEAN was not a promising one, and ASEAN was likely to remain a “slow but steady” organization; (c) the “spillover” effects on ASEAN regionalism could be confirmed in various areas, although they were too weak to turn ASEAN into a supranational organization; and (d) with the still limited knowledge regarding the various aspects of ASEAN's regional integration attempts, further research is urgently recommended.

TABLE OF CONTENTS



ABSTRACT	vi
LIST OF TABLES	xi
LIST OF FIGURES	xi
LIST OF MAPS	xi
LIST OF ABBREVIATIONS	xii
ACKNOWLEDGEMENTS	xiii

CHAPTER ONE: INTRODUCTION: CONCEPTUAL AND ANALYTICAL FRAMEWORK	1
---	---

• Regional Integration: Problems of Definition and Conceptualization	6
• Analytical Framework for the Study of ASEAN	12
• General Outline of This Research	25

CHAPTER TWO: ASEAN'S BACKGROUND, OBJECTIVES, AND STRUCTURE	27
---	----

• Path to ASEAN	28
• ASEAN's Purposes and Organizational Structure	39

PART I.

ANALYSIS OF ASEAN'S PROGRESS AND OUTPUT: NEGATIVE OR POSITIVE TREND?

CHAPTER THREE: THE ECONOMIC SECTOR: PROGRESS AND JOINT EFFORTS	47
---	----

• Economies of ASEAN: A General Observation	49
• ASEAN's Economic Transactions	53
• ASEAN's Joint Economic Actions and Projects	58

• The Role of the Private Sector in Economic Activities	73
• General Problems of ASEAN's Economic Integration Attempts	76
• Summary	79

CHAPTER FOUR: THE SOCIAL SECTOR: 81 INTERDEPENDENCE AND JOINT EFFORTS

• Progress and Interdependence Among ASEAN's Mass	83
• Interdependence Among ASEAN's Elite	84
• Some Thoughts on ASEAN's Social Interdependence and Its Indicators	94
• ASEAN's Activities and Programs in the Social Field	95
• Social Interest Groups in ASEAN	99
• Summary	100

CHAPTER FIVE: THE POLITICAL SECTOR: 103 PROGRESS AND COMMON POLICIES

• Institutional Progress	105
• Policy Progress	108
• Attitudinal Progress	118
• ASEAN and the Concept of Security Community	121
• Towards an ASEAN Security Community?	131
• Significant Trend of ASEAN's Political Output	133
• Summary	134

PART II.

ANALYSIS AND EXPLANATION OF ASEAN'S PROBLEMS AND PROGRESS: INTRA-REGIONAL AND EXTRA-REGIONAL ELEMENTS

CHAPTER SIX: ASEAN AND ITS INTRA-REGIONAL ELEMENTS	139
---	-----

• Size or Economic Equality of ASEAN Members	141
• Internal Pluralism and Politics of ASEAN Members	145
• Elite Socialization and Its Impacts on ASEAN	156
• ASEAN Members' Strategies and Perceptual Conditions	159
• ASEAN Structure and the Method of Negotiation	175
• ASEAN Intra-regional Elements: Significant Findings	181
• Summary	184

CHAPTER SEVEN: ASEAN AND THE OUTSIDE WORLD 185

• International Economic Issues and ASEAN	187
• ASEAN's Extra-regional Security and Political Issues	213
• Extra-regional Elements of ASEAN: Significant Findings	246
• Summary	248

PART III.

FURTHER EVALUATION, FUTURE PROSPECT, AND CONCLUSION

CHAPTER EIGHT: THE PATH OF ASEAN: ASSESSMENT AND PROSPECTS AHEAD 253

• Assessing the "Slow but Steady" ASEAN	254
• The Uncertain Future and the Prospect of Regional Integration	259
• Summary	269

CHAPTER NINE: THE ASEAN EXPERIENCE: FINAL REVIEW AND CONCLUSION 271

• Final Review of ASEAN's Regional Efforts	272
• ASEAN Experience and the Study of Regional Integration	276

NOTES 283

SELECTED BIBLIOGRAPHY 329

LIST OF TABLES

•

TABLE

I.	Nye's Paradigm of Regional Integration	16
II.	ASEAN Exports of Certain Products (1976)	50
III.	Population, Per Capita GNP and GNP Growth in ASEAN	51
IV.	Manufacturing Sectors in the ASEAN Countries, 1973	52
V.	ASEAN Trade, 1967-1974	55
VI.	Direction of ASEAN Trade (Percentage)	56
VII.	ASEAN Postal Parcels to and from Thailand, 1974-1977 (weight in kilograms)	85
VIII.	ASEAN Postal Parcels to and from Thailand, 1974-1977 (number in 1,000 items)	86
IX.	ASEAN Telegrams to and from Thailand, 1974-1977 (number in 1,000 telegrams)	87
X.	Number of ASEAN Students Enrolled Abroad, 1969-1973	88
XI.	ASEAN Visitors to Thailand, 1971-1977 (number in 1,000 visitors)	93
XII.	List of ASEAN Non-Governmental/Private Organizations	150

LIST OF FIGURES

•

FIGURE

1.	ASEAN's Organizational Structure	42
2.	Simple Model of ASEAN Cooperation Process	273

LIST OF MAPS

•

MAP

1.	Southeast Asia	30
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LIST OF ABBREVIATIONS

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ASA	Association of Southeast Asia
ASEAN	Association of Southeast Asian Nations
ASEAN-CCI	ASEAN-Chamber of Commerce and Industry
ASPAC	Asia and Pacific Council
EACM	East African Common Market
ECAFE	Economic Commission for Asia and the Far East
EEC	European Economic Community
ESCAP	Economic and Social Council for Asia and the Pacific (formerly ECAFE)
CACM	Central American Common Market
CSIS	Center for Strategic and International Studies, Jakarta
FAO	Food and Agriculture Organization
ISEAS	Institute of Southeast Asian Studies, Singapore
LAFTA	Latin American Free Trade Association
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific, and Cultural Organization

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(above) Founding Fathers of ASEAN at Laem Taen Government House, Bang Saen, Chonburi Province, Thailand, on 5 August 1967 (*Bangkok Post*)

(below) Signing Ceremony of the Bangkok Declaration on 8 August 1967 (From left to right) Narciso Ramos (Philippines), Adam Malik (Indonesia), Thanat Khoman (Thailand), Tun Abdul Razak (Malaysia) and S. Rajaratnam (Singapore) (*Bangkok Post*)



(above) Representatives of ASEAN countries at the 6th ASEAN Ministerial Meeting, Pattaya, Thailand, during 16-18 April 1973 (From left to right) Indonesian Foreign Minister Adam Malik, Malaysian Deputy Prime Minister, Tun Ismail Al-Haj bin Datuk Haji Abdul Rahman, the Philippines Secretary of Foreign Affairs General Carlos P. Romulo, Singaporean Minister of Foreign Affairs S. Rajaratnam, and Thai Deputy Foreign Minister Brigadier-General Chatichai Choonhavan (*Bangkok Post*)

(below) Thailand's Prime Minister M.R. Kukrit Pramoj hosted a dinner reception for the delegates of the First Pre-ASEAN Summit Ministerial Meeting at Pattaya on 10 February 1976 (*Bangkok Post*)



Thailand hosted the First Pre-ASEAN Summit Ministerial Meeting at Pattaya on 9 – 10 February 1976, in which the Permanent-Secretary for Foreign Affairs, Anand Panyarachun, chaired the Senior Officials' Meeting (above) and the Foreign Minister Brigadier-General Chatichai Choonhavan chaired the Ministerial Meeting (below) (*Bangkok Post*)



(above) ASEAN leaders at the First ASEAN Summit in 1976 (From left to right) Singaporean Prime Minister Lee Kuan Yew, Malaysian Prime Minister Datuk Hussein Onn, Indonesian President General Soeharto, the Philippines President Ferdinand E. Marcos and Thai Prime Minister M.R. Kukrit Pramoj (*Department of ASEAN Affairs, Ministry of Foreign Affairs of Thailand*)

(below) Thai delegates, led by the Foreign Minister Brigadier-General Chatichai Choonhavan, at the First ASEAN Summit in 1976, Bali, Indonesia (*Department of ASEAN Affairs, Ministry of Foreign Affairs of Thailand*)

CHAPTER

- 1 -

INTRODUCTION:
CONCEPTUAL AND ANALYTICAL
FRAMEWORK

The 1960s were, to some extent, the years of regionalism and attempts towards regional integration among the developing countries in South America, Africa, and Southeast Asia. During this decade, numerous regional organizations were established. Among them were the Central American Common Market (CACM), the Latin American Free Trade Association (LAFTA), the Caribbean Community and Common Market, the Andean Common Market, the East African Common Market (EACM), and the Association of Southeast Asian Nations (ASEAN).¹

Impressive gains in the economic sphere can be found upon reviewing the progress towards integration that was achieved during these early years in South America. In LAFTA, the CACM, and the Andean Group, for example, trade barriers within the respective regions had been effectively and expeditiously removed. In the CACM in particular, transaction rates among its members after a decade of its existence had increased dramatically. But in other areas, such as the political

sector, it was clear that there had been no progress towards a high level of integration. In his study of the CACM's integration, Philippe Schmitter found that there was "no transcendence, ... no development of a supranational political process, [and] no emergence of a new and wider sense of community loyalty."² The same assessment could also be applied to other South American integration movements. A high level of political integration seemed to be extremely difficult to achieve among the developing nations.

By the mid-1970s, however, even attempts towards economic integration in South America were in serious trouble. The "football war" between El Salvador and Honduras in 1969 wrecked the CACM, and subsequent efforts to revive regional integration movements have not been very successful. In LAFTA, the disagreement over the common list of products to be freed unconditionally of trade restrictions has significantly limited operations. The Andean Group also suffers from disagreement among its members. They are presently attempting to reconstitute themselves following Chile's withdrawal in 1976 over a dispute on the issue of foreign investment.

As for our study of ASEAN, a quick look at its problems and performances affirms us of the various difficulties in the integration attempts among developing countries. After more than ten years of concerted efforts in the economic, social, and political sectors, ASEAN has yet to be actually integrated. The five member governments of ASEAN still hesitate to make any decision which involves some surrender, albeit small, of their sovereignty. Despite ASEAN leaders' numerous rhetorical statements expressing their desire for a stronger ASEAN unity, strict nationalism within the region is still acting as the principal obstacle to the transformation of ASEAN into a supranational entity. ASEAN therefore remains primarily an arena for the five members to conduct mutual consultations over their joint

efforts and policies.

Even though the common endeavors of ASEAN at the present time do not reach the stage of integration, the prospect of ASEAN becoming integrated in the economic, social, and political sectors cannot be overlooked. In fact, there is clearly a trend suggesting that ASEAN is moving slowly towards regional integration. This important regional trend can be illustrated by the following brief survey of ASEAN's progress.

Established in August 1967, ASEAN started to progress slowly with regard to common efforts towards regional integration. The early years of ASEAN produced little economic progress. Much of the time and effort in these years had been directed at building friendship and mutual trust among the members.

It was only in 1972, after five years of existence, that ASEAN became more achievement-oriented, particularly in the economic sector. Various measures have now been taken to increase intra-regional trade. Modest progress has now been made with regard to such measures as preferential trade arrangements, industrial complementation and harmonization, and agreements on basic commodities such as oil and rice. Perhaps more important are the joint actions taken by the members in order to improve their economic relations with extra-regional powers.

There has also been slight progress with respect to the social and political sectors. The ASEAN member governments have promoted various activities and programs to accelerate social development and interactions among their population. Several non-governmental groups have been formed in ASEAN and the number of these groups is increasing. In the political sector particular progress can be seen in the area of policy formulation; weightier topics are now included in the ASEAN framework. In addition, ASEAN's solidarity seems to have been greatly

strengthened, as characterized by the decrease of mutual conflicts and the increase of responsiveness within the region.

There are, of course, various intra-regional as well as extra-regional factors which can explain the integration movement of regional organizations. In the ASEAN case, the impact of extra-regional elements upon integration is undoubtedly significant, perhaps even more important than intra-regional elements.³ It is generally argued that the existence of strong non-regional actors tends to compel nation-state within a region to harmonize and integrate their policies more intensively. This argument is relevant to ASEAN. It is not an exaggeration to suggest that the fear of China in the past was one of the most important factors leading to the creation of ASEAN, while the distrust of militarily strong Vietnam in recent years has been an essential stimulus for ASEAN unity. However, in a study of a regional organization such as ASEAN, we cannot limit ourselves to investigate only a single variable such as ASEAN members' perception of external threat. In order to understand ASEAN comprehensively the analyses of other related variables and their impacts upon ASEAN are also necessary.

Before turning to the actual analysis of ASEAN's important aspects, it is necessary to establish the conceptual and theoretical framework that will be used throughout this research. Hence, the remainder of this chapter will: (a) seek to clarify the term "integration" and provide an overview of the conceptual and definitional problems related to the concept of integration; (b) establish the analytical framework for this study, as well as specify the study's purposes and the variables to be investigated; and (c) present the general outline of this research.

REGIONAL INTEGRATION: PROBLEMS OF DEFINITION AND CONCEPTUALIZATION

Students of international regional integration often find the term “integration” confusing. The concept of integration has been conceived of and defined in many ways. Some of the definitions are summarized by Fred M. Hayward as follows: (a) “the process of shifting loyalties from a national setting to a larger entity,” (b) “the ability to ensure peaceful change over time,” (c) “the establishment and maintenance of community,” (d) “the ability of a system to maintain itself,” and (e) “the collective capacity to make decisions.”⁴

Although scholars still disagree on what integration should mean, when discussing integration, they generally refer to only two things – integration as a *condition* or integration as a *process*. Among those who define integration as a condition are Karl W. Deutsch and Amitai Etzioni. Deutsch and his co-authors in *Political Community in the North Atlantic Area* refer to political integration as a terminal condition in which a group of people have

attained within a territory a sense of community and of institutions and practices strong enough and widespread enough to assure, for a long time, dependable expectations of peaceful change among its population.⁵

Like Deutsch, Etzioni views integration as a condition and asserts that a political community is integrated when

(a) it has an effective control over the use of the means of violence (though it may ‘delegate’ some of this monopoly to member-units); (b) it

has a center of decision-making that is able to affect significantly the allocation of resources and rewards throughout the community; and (c) it is the dominant focus of political identification for the large majority of politically aware citizens.⁶

Disagreeing with Deutsch and Etzioni, another group of scholars portray integration as a process. However, as one integration student pointed out when discussing definitions of integration, there are “nearly as many definitions of integration as a process as there are theorists.”⁷ Moreover, some scholars, such as Ernst B. Haas, have redefined their concepts of integration several times. In his earlier work Haas defines integration as

the process whereby political actors in several distinct national settings are persuaded to shift their loyalties, expectations and political activities towards a new center, whose institutions possess or demand jurisdiction over the preexisting national states.⁸

This view is somewhat modified in one of his later works in which he conceives of integration as

referring *exclusively* to a process that links a given concrete international system with a dimly discernible future concrete system. If the present international scene is conceived of as a series of interacting and mingling national environments, and in terms of their participation in international organizations, then integration would describe the process of increasing interaction and the mingling so as to obscure the

boundaries between the system of international organizations and the environment provided by their nation-state members.⁹

Drawing upon the ideas of Haas, Leon N. Lindberg, in his study of European economic integration, defines integration as

(1) the process whereby nations forgo the desire and ability to conduct foreign and key domestic policies independently of each other, seeking instead to make *joint decisions* or to *delegate* the decision-making process to new central organs; and (2) the process whereby political actors in several distinct settings are persuaded to shift their expectations and political activities to a new center.¹⁰

In a later work of Haas' in which he makes an assessment of the study of regional integration, he does not include a shift in the loyalties of political actors in his definition. Haas describes the study of regional integration and distinguishes it from other relating terms as follows:

The study of regional integration is concerned with explaining how and why states cease to be wholly sovereign, how and why they voluntarily mingle, merge, and mix with their neighbors so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflict between themselves. Regional cooperation, organization, systems, and subsystems may help describe steps on the way; but they should not be confused with the resulting condition.¹¹

Also looking at integration, Philip Jacob and Henry Teune propose that integration is “a *relative* term, envisaging a set of relationships which are *more* or *less* integrated, or a progression of events leading to an *increase* or a *decrease* of integration.”¹²

Not only does regional integration theory have trouble creating a commonly accepted definition of integration, whether it be a process, a condition or both,¹³ but it also suffers from the absence of a general agreement on the relevant indicators of integration. A group of theorists led by Karl Deutsch, Bruce M. Russett, Donald J. Puchala, and Hayward R. Alker, Jr. emphasize transaction flows (such as trade, mail, tourism, migration, telephone, and other forms of technical communications) as indicators of integration. Alker and Puchala assert that the level of trade between nations “can serve as a reliable indicator of their degree of political integration.”¹⁴ However, Puchala in his later works has retreated from this position. In examining transactions, Russett accepts the fact that trade, tourism, and the rest can serve as irritants in relations between states, though on average they seem to bind nations together. Russett argues that transaction flows will be beneficial only when they are “*mutual* and on the basis of *relative equality*.”¹⁵ Transactions or ties that are perceived as exploitative or “colonial” do not seem to be beneficial to integration. Ernst Haas, on the contrary, questions transaction and communications rates as reliable indicators. Haas contends that what is more significant is whether a rise in transactions precedes, reinforces, results from, or causes integration.¹⁶ This question is vital for devising a rigorous theoretical framework to explain integration. Therefore, instead of using transactions as indicators, Haas believes that successful integration is indicated by the growth of a pluralist political arena in the context of effective community institutions.

Many scholars have suggested other indicators of integration. Philip Jacob, for example, has proposed what he

calls “ten integrative factors” which might contribute to the development of more reliable indicators. These factors are proximity, homogeneity, transactions, mutual knowledge or cognitive proximity, functional interest, communal “character” or social “motive,” structural frame, sovereignty-unit, governmental effectiveness, and previous integrative experience.¹⁷ Ernst Haas, Philippe C. Schmitter, Joseph S. Nye, Jr., Leon Lindberg, and Hayward Alker¹⁸ express the desirability of a “multiple indicator” approach. They also design and develop indicators or indices in quantitative forms, to be employed in their sophisticated quantitative models constructed for studying international and regional integration.

With different usages of indicators by different scholars, it is not surprising that separate studies of the same subject can lead to totally opposite conclusions. Using transaction flows and elite and mass attitudes as indicators, Deutsch, for example, argues that “European integration has slowed since the mid-1950s and it has stopped or reach a plateau since 1957-58.”¹⁹ Employing different sets of indicators, Lindberg, Ronald Inglehart, and Carl J. Friedrich argue in their separate studies that it is only since 1957-58 that European integration has made substantial progress.²⁰

Discussing the problem of conceptualization and overly simple individual indicators in the literature of regional integration, Joseph Nye suggests that definitions provided by authoritative integration theorists have been too inclusive and thus too general to be of consistent use. According to Nye,

The concept of integration, verbally defined as forming parts into a whole or creating interdependence, can be broken down into economic integration (formation of a transnational economy), social integration (formation of a

transnational society), and political integration (formation of transnational political interdependence). These three can in turn be broken down into more interesting and useful subtypes, each associated with a clear measurement.²¹

Nye finds two important advantages to using this differentiated view of integration. One is that research can proceed on a specific case without an *a priori* decision about the relative importance or sequence of economic, social and political developments. The other is that more qualified and falsifiable statements are permitted than is true of more ambiguous and general approaches.²² As a result, Nye believes, use of this differentiated perspective will produce findings more useful for comparative analyses.

To avoid the confused concept of integration, the problem of definition should be settled here before we turn to the actual analysis of ASEAN. The various definitions of international and regional integration cited above seem to suggest two related elements. In short, these definitions are concerned with (a) the delegation of decision-making power or sovereignty to a new central organ which is above national or *supranational*; and (b) the capacity of this new central organ to assume responsibilities and to make obligatory decisions in behalf of national governments.

In this research, regional integration is defined as the process whereby a *supranational* condition in a region is created, in which a new regional entity possesses binding decision-making power and assumes functional responsibilities formerly restricted to national governments.²³

The above definition should help eliminate the problem of ambiguity with regard to the terms "integration" and "regional integration" which are used in this research. With "supranational" as its key word, this definition also helps to clarify the present

status of ASEAN. So far, ASEAN has yet to achieve integration in the region, as it has not yet attained any functioning supranational status within its framework and activities.

ANALYTICAL FRAMEWORK FOR THE STUDY OF ASEAN

• *Purpose, Theoretical Framework, and Sources*

This research is an attempt to present a comprehensive analysis of problems and progress in regional relationships among the five members of ASEAN. It also represents an effort to determine the prospects of regional integration in the ASEAN region. My primary purpose is to find the answers to the following broad questions: From the inception of ASEAN in 1967 up to the end of 1978, what have been ASEAN's progress and output? What have been ASEAN's major obstacles and constraints of its efforts in the economic, social, and political areas? What variables play important roles in supporting or obstructing ASEAN's regional relations? How and why do these variables play such important roles? How do the five member governments adjust their national interests to suit regional objectives and goals? What are the prospects of ASEAN becoming a vehicle of regional integration? How can these prospects be improved?

With regard to theoretical framework, there are different approaches which can be adopted for our study of ASEAN. But in social science research there always exists a question of "relevancy of theory or theories" to be employed. The following discussion will attempt to elucidate this problem.

Up to the present time, three influential but separate theoretical approaches – the federalist, communications/transactional, and neo-functionalist approaches – helped to shape the conceptions of the outcome of integration.²⁴ The federalist

approach to integration concerns itself with (a) the development of a theory of action designed to realize a regional federation and (b) the study of federal integration patterns. It places a normative preference upon the attainment of complete federation. Anything less than federation is perceived as imperfect and incomplete.²⁵ The communications/transactional approach contends that an increase in communications between nations will result in a closer “community” if loads and capabilities remain in balance. It also argues that increased communications will lead to mutual responsiveness which will be converted into a willingness to accept peaceful change in relations.²⁶ The neo-functionalist approach concentrates on peace and welfare economics. According to this view, world peace occurs in a situation of rising regional functional interdependence and integration. Arguing that integration must begin with a real delegation of decision-making authority to a supranational agency, the neo-functionalist theorists envisage a cumulative and expansive process whereby the supranational agency slowly extends its authority so as to progressively undermine the independence of the nation-state.²⁷

Complaints about the irrelevance and incompleteness of the various theories have been plentiful. Louis J. Cantori and Steven L. Spiegel, for example, urge students of integration to supplant the three different approaches by their “empirical system approach.”²⁸ Like Cantori and Spiegel, Donald Puchala is dissatisfied with the present theories because of the so-called “blind men and elephants” problem. This refers to the attempts of different theories to capture different aspects of the integration phenomena.²⁹ Ernst Haas believes that regional integration theories are obsolete, especially when studying the European Community. But in Latin America and Asia, Haas contends that theories of regional integration continue to retain a good deal of relevance.³⁰

Given these problems this research attempts to assimilate the various theories. In examining the problems and progress of ASEAN, as well as the prospects of ASEAN regional integration, I have taken some liberty in the use of the communications/transactional and neo-functionalist approaches. Works of neo-functional theorists, particularly by Philippe Schmitter and Joseph Nye, are primarily employed because they have particular relevancy to this research. Methods of the communications/transactional approach are also used when appropriate. Transactional analytical methods and skills are largely attained from the works of integration theorists such as Karl Deutsch, Donald Puchala, and others.

In so far as analysis is concerned, this dissertation is primarily descriptive and not quantitative in nature.³¹ This has partly resulted from the lack of Southeast Asian data in quantified forms in general and from the types of data used in this research in particular.

In making judgements on ASEAN's regional efforts and prospects, I relied primarily on sources from ASEAN countries, especially ASEAN national newspapers such as the *Straits Times* (Singapore), *New Straits Times* (Kuala Lumpur), *Bangkok Post*, *Nation* (Bangkok), *Manila Times*, *Philippine Daily Express*, and *Indonesia Times*. Publications such as the *Far Eastern Economic Review* and the *New York Times* also provided essential information. Similarly, official documents and reports published by the ASEAN Central Secretariat and the ASEAN member governments were also employed. As for statistical data and materials, they were mainly obtained from various volumes of the *United Nations Statistical Yearbook* and the *Asia Yearbook*. In addition, I also relied on data from my own interviews with concerned government officers of ASEAN countries as well as with officers of the ASEAN Central Secretariat, conducted mostly in Southeast Asia during February and March 1978,

in order to obtain more details of their attitudes, perceptions, and values with regard to regional interactions in ASEAN.

• *Variables of the Study of ASEAN*

As far as the investigation of ASEAN's dependent and independent variables is concerned, Joseph Nye's and Philippe Schmitter's frameworks are adopted here as principal guidelines for this research. Although Nye's suggested list of dependent variables is intended to study the various important dimensions of integration,³² this list also satisfactorily serves the main objective of this study. Not only does this scheme provide this research with the necessary analytical tools to study the actual progress or output of ASEAN after more than ten years of joint efforts, but it also suggests several important indicators for measuring the actual level of interdependence within ASEAN's economic, social, and political sectors. Similarly, Nye's and Schmitter's proposed lists of independent variables are adopted here for the same reasons: their comprehensiveness and suitability.³³ But these lists of dependent and independent variables need some modifications when applied to the study of ASEAN. Explanations for these necessary alterations are presented later in this chapter.

The following dependent and independent variables will be investigated in this research:

Dependent Variables: With the adoption of the Nye paradigm, ASEAN's progress and output in three dimensions – economic, social, and political – are considered as principal dependent variables. Therefore, dependent variables in this study are internal (inside ASEAN) in origin. It is necessary to note here that in my attempt to analyze dependent variables of ASEAN, I take the Nye paradigm as the guideline and try to present the analysis as completely as possible (see Nye's paradigm in Table I). However, data involving regional integration attempts

TABLE I Nye's Paradigm of Reginal Integration

Type of Integration	Subcategories	Type of Evidence and Operations
I. Economic	Trade	Regional exports as percentage of total exports
	Service	Expenditure on joint services as percentage of GNP
II. Social	Mass	Transactions (trade, mail, etc.)
	Elites	1. Intra-regional air passengers
		2. Students in neighbor countries as percentage of total students
III. Political	3. Other	
	Institutional	
	a. Bureau-cratic	Budgets and staff as percentage of budgets and administrative staffs of all member countries
	b. Jurisdic-tional	Supranationality of decisions; legal scope; expansion of jurisdiction
	Policy	Scope (percentage of ministries or equivalents affected)
		Salience (ranking of fields by experts and by expenditure by fields)
		Extent (Lindberg scale of locus of decision)
	Attitudinal	Elite and mass polls probing identity, intensity, urgency
		Bargaining behavior; flexibility in length of time and number of fields
	Security Community	Hostile incidents (case studies)

Sources: From Joseph S. Nye, Jr., *Peace in Parts: Integration and Conflict in Regional Integration* (Boston: Little, Brown & Co., 1971, p. 41; also in Joseph S. Nye, Jr., "Comparative Regional Integration: Concept and Measurement," *International Organization*, Vol. 22 (Autumn 1968), p. 875.

in Southeast Asia are now being gathered only on some of the indicators. In other areas no data have yet been gathered. Therefore, this research is restricted to some extent by the lack of data; in addition, several of the broad elements from the paradigm are not available in indicator form. Faced with these problems, I have made some alterations and adjustments. Explanations and justifications of the various indicators and their alterations in this study are as follows.

The progress and output of ASEAN's *economic sector* will be divided into two subtypes, trade and service, both of which can be measured quantitatively. In order to determine progress in trade, Nye suggests that we use the proportion of intra-regional exports to the total exports of the region as the principal indicator. In this study of ASEAN's trade progress, however, we employ both ASEAN's import and export figures. This total trade figure should provide us with a more complete indicator for determining trade progress. If the percentage of ASEAN's intra-regional trade increases in comparison to ASEAN's total trade, this will indicate that progress has been made. With regard to progress in the area of services, the principal indicator will be the joint expenditures on jointly administrated services as a percent of ASEAN's GNP. With this figure, we will be able to indicate the progress of ASEAN's joint services, and also to determine whether or not ASEAN members pay attention to their joint economic scheme.

The importance of the two indicators discussed above also lies in the fact that they can tell us about the actual level of economic interdependence within the ASEAN region. Higher levels of intra-regional trade and joint expenditures mean higher economic interdependence. Interdependence is believed by regional integration theorists to be an important background condition and variable of integration. Hence, ASEAN's level of economic interdependence will provide us with information

concerning the prospect of integration in the region.

In the *social sector*, ASEAN's progress and output will be divided into two categories, mass and elite. Here, social transactions will be used as major indicators. As for the mass category, such social transactions as trade, mail, and telegram activity will be employed to determine the level of social interdependence among the ASEAN masses. These types of transactions are appropriate indicators as they have interpersonal communications connotations. A study of these indicators can therefore provide us with a suggestion as to what extent ASEAN has become a transactional society.

However, with the unavailability of ASEAN's data on mail and telegrams, only Thailand's data will be chosen to represent the ASEAN region. This should not create misleading information because Thailand represents the average of the five ASEAN countries in terms of size, population, and level of development.

Progress and the level of interdependence in the elite category will be determined by such social transactions as the number of college students from ASEAN countries studying in the region compared with outside the region and the number of visitors from the region compared with visitors from outside the region. In ASEAN countries, study and travel abroad can only be afforded by members of the wealthy or elite groups. Consequently, these two selected indicators seem to be adequate to determine the level of interdependence among the ASEAN elite.

ASEAN's progress and output in the *political sector* will be categorized as involving institutional, policy, attitudinal, and security community, each with appropriate indicators for measurement. Progress of ASEAN's institutions is determined by bureaucratic growth (in terms of budgets and staff) and by jurisdictional growth (in terms of increasing supranational

decisions and jurisdiction). This look at ASEAN's decision-making will help clarify whether or not the condition of supranationality exists in ASEAN, and hence affirm the existence or nonexistence of integration in the region.

As far as progress in the area of policy is concerned, this research will analyze the extent to which ASEAN acts as a cohesive bloc in making policy decisions. Actual progress in this aspect will be determined by the increase in the number of various fields under ASEAN's common policies as well as by the increase in the importance of these common domestic and foreign policies. These indicators of policy progress will provide us with information on how much ASEAN has expanded its joint and common policies in terms of scope, extent, and importance.

With regard to progress in the area of mass and elite attitudes, Nye suggests a variety of indicators such as data obtained from elite interviews, content analysis of periodicals or statements by leaders, and public opinion polls. In ASEAN, however, attitude study is hindered by a lack of opinion polls concerning questions of support or non-support for regional grouping or of regional identity. ASEAN's mass attitude cannot thus be measured by actual polls but rather by such related factors as contact with foreigners, personal experience, impact of events, education and persuasion, and government programs. Similarly, elite attitudes are judged by speeches, statements, and opinions of the elite in the ASEAN mass media.

Finally, this research also attempts to investigate the prospect of ASEAN becoming a security community in terms of Karl Deutsch's concept. It will look at various inter-ASEAN tensions and the prospect of peaceful solutions in order to determine whether or not ASEAN has achieved a lower degree of mutual conflicts and a higher degree of mutual responsiveness. Findings from this study will undoubtedly enhance our knowledge of ASEAN's political output and the prospect of

ASEAN integration in general.

With the modification of Nye's scheme of dependent variables as described above, this dissertation thus seems to have sufficient tools to determine the actual level of progress and interdependence in ASEAN's economic, social, and political sectors. But in order to illustrate a broader picture of ASEAN output after more than ten years of joint efforts, the study will also be supplemented with an analysis of ASEAN's actual joint actions and policies. Therefore, the following aspects of ASEAN's dependent variables will also be analyzed: joint economic actions and projects, the role of the private sector in economic endeavors, joint social activities and programs, ASEAN's social interest groups, and ASEAN's common political/security policies.

There may be several problems, however, with this study of ASEAN's dependent variables. To some students of regional integration, this selection of Nye's dependent variable list might be questionable. This disagreement stems from the fact that there is still much diversity of opinion about the dependent variable to be used in integration study, particularly between the neo-functionalist and transactionalist methods. While the dependent variable of the neo-functionalists has been primarily concentrated on attributes of the regional union such as shifts in loyalties and developments of supranationality, transactionalist studies often consider transaction rates (such as exchange of goods or information, and sometimes elite or mass attitudes) to be the dependent variable. More attention has been given in the neo-functionalist literature to the individual national policies and strategies within the regional organizations.

With this dispute over the issue of dependent variables among the various approaches, it therefore seems appropriate to use a multidimensional framework which draws together a number of different theoretical approaches. In this context, Nye's model seems to provide a fruitful synthesis to the problem. The

model has set out various principal dimensions which represent the ways in which a condition of integration may be manifested and measured. These dimensions include, for example, mutual economic and social transactions, coercive power of the union, shared decision-making, joint functional administration, and homogeneity of elite and mass attitudes. By studying activities within these dimensions, conclusions can be drawn as to whether a condition of integration is present, and, if so, to what degree or level.

Particularly because there is no consensus on the nature and purposes of the integrative process, Nye's combination of approaches promises to be the most fruitful. Its synthesis of complementary elements from various approaches promises to stimulate a richer set of research hypotheses than would be obtained from any single framework. Research is also more likely to progress through the emphasis on common, rather than exclusive, elements of various approaches.

The relevance of research on integration has occasionally been questioned by analysts concerned with conflict management. As illustrated by the CACM experience, various indicators of integration can register positive development for several years, and yet war can still occur.³⁴ To use such experiences to question the relevance of integration studies, however, is misconceived. The question, instead, concerns understanding of the variables and processes involved in integration. It seems more reasonable to demand further study of such factors as changes in intra-regional politics and national actors' strategies and perceptions during integrative efforts than to condemn the entire exercise as irrelevant.

Independent Variables: A number of elements are recognized here as principal independent variables to be investigated. To avoid unnecessary confusion, independent variables are not differentiated as economic, social, political,

and security; instead, they are divided into intra-regional (inside ASEAN) and extra-regional (outside ASEAN) elements. In order to explain their importance, several questions are asked: What is the nature of these variables? How do the leaders of ASEAN countries perceive them? How much effect or influence do these variables have with regard to ASEAN's progress and regional integration?

The comprehensive list of independent variables suggested by Nye and Schmitter is adopted here with some modifications. Rates of transaction are eliminated, because they will be analyzed as a dependent variable or an indicator of the level of interdependence within ASEAN; ASEAN's structure will be added, because at the present time it is overlapped and confused, thereby significantly affecting ASEAN's output.

Principal independent variables of ASEAN (both intra-regional and extra-regional) are as follows:

A. Intra-regional Elements

1. Size or economic equality of ASEAN members: degree of homogeneity or symmetry in relative capacity to control outcomes in the context of ASEAN. This is important since differences in ASEAN members' size and level of economic development may negatively affect ASEAN's progress. These problems of inequality have been known to hinder the LAFTA's integration. Study of this variable can thus help explain ASEAN's progress and can also indicate whether size variations constitute a major integrative potential for ASEAN.

2. ASEAN members' internal pluralism and politics: extent to which functionally differentiated and formally organized groups within member states are organized and capable of articulating demands and influencing policy outcomes independent of control by authority groups; and extent to which politics of members affect the process of ASEAN.

It is generally believed that the low level of pluralism in developing countries has made integration more difficult. In this context, the prospect of ASEAN integration is partially dependent on the degree of pluralism within the region. Similarly, internal politics of ASEAN members can also pose negative or positive impacts upon the Association. Change in internal politics may result in changes of member governments' supports of the regional scheme.

3. Elite socialization and elite value complementarity: opportunities for both ASEAN leaders and bureaucrats attending meetings to develop personal ties and a possible corporate feeling; also, extent of the "pro and con" vis-à-vis regional integration attempts among participant groups.

These variables are important in ASEAN where the mass has little influence in the shaping of regional course. Differences of views and conflicts among corresponding elite groups in ASEAN can damage or destroy regional efforts. Corporate feeling and value complementarity among the elite groups are important for ASEAN's success.

4. National actor strategies and perceptions: extent to which ASEAN's negotiating national actors promote and/or accept increases in the number and type of issues to be deliberated regionally and/or increases in the decisional autonomy of ASEAN; also, equity of distribution of benefits and low visible costs as perceived by ASEAN members.

There is no doubt that strategies and perceptions of members constitute major impacts upon the organization's policies and output. Progress and activities of ASEAN can be accelerated or delayed as a direct result of national strategies, while perceived equitable/inequitable costs and benefits on the part of ASEAN members can enhance or impair ASEAN's cooperative efforts.

5. Structure and the method of negotiation (decision-

making style): extent to which the structure of ASEAN is conducive or obstructive to integration attempts; and also, the degree of unanimity required in reaching decisions. Confused and overlapped organizational structure can reduce ASEAN's efficiencies and effectiveness. Similarly, decision-making style can consume time and make it difficult to reach an agreement, and slow the organization's progress.

B.Extra-regional Elements

1. Extra-regional dependence: extent to which ASEAN members and ASEAN as a whole is subjected to asymmetric economic, political, and security relations which reduce their individual and collective capacity for decision-making without placing similar or mutual restrictions on extra-regional powers.

ASEAN members' dependence upon external powers can reduce their capacity for making decisions. In addition, some types of extra-regional dependence, such as effective security protection provided by external powers, may deprive the members of the organization of a sense of urgency in adopting regional solutions.

2. Involvement of extra-regional actors: extent of the "pro and con" of other governments, international organizations, and non-governmental actors such as international corporations. Support of or opposition to regional efforts on the part of extra-regional actors can create either negative or positive influences upon ASEAN.

3. Perceived extra-regional cogency: extent of senses of extra-regional threat from ASEAN's neighbors and other powers. As is generally believed, conflicts with extra-regional powers and perceptions of threat can constitute positive effects upon internal cohesion. This variable seems to be extremely influential in ASEAN as its members perceive several threats from outside of the region; among them are security threats

from the Communist powers such as China and Vietnam, and economic threats from the protectionist policies of the developed nations.

Within the analytical frameworks described above, the project has the necessary theoretical underpinning of conditions assessment. These schemes are presently the most comprehensive ones to study both dependent and independent variables of regional integration in developed and less developed areas. Consequently, they are useful for coordinating the gathering of variables, and investigating the nature of the interrelationships in order to make an evaluation of ASEAN's attempts as a whole. Furthermore, with the use of these "universal" frameworks, the findings of this research may not be limited to the Southeast Asian context; they may have applications to the study of regional integration in other areas and to comparative regional integration in general.

GENERAL OUTLINE OF THIS RESEARCH

In attempting to analyze all the significant variables of ASEAN, this research will be divided into several portions. Chapter II will provide the reader with ASEAN's general information which includes its brief background, objectives, and organizational structure.

The next three chapters will deal with the analysis of ASEAN's dependent variables or the actual progress and output of ASEAN. Progress in ASEAN's economic sector will be investigated in Chapter III, while achievement in the social and political sectors will be examined in Chapter IV and V, respectively.

After the examination of ASEAN's dependent variables, the following two chapters will attempt to provide reasons why progress in ASEAN is impressive or unimpressive, as well as

what can be done to improve effectiveness. These explanations can be obtained by analyzing the various independent variables of ASEAN. Chapters VI will examine in detail each of the major intra-regional variables which affect ASEAN's regional efforts. These significant variables are: size and economic equality, internal pluralism and politics, elite socialization, members' strategies and perceptions, and ASEAN's structure and decision-making style. Chapter VII will investigate ASEAN's principal extra-regional variables, including international economic issues as well as extra-regional security and political issues. Also, in Chapter VII the impact and effect of such extra-regional elements as dependence, involvement of extra-regional actors, and perceptual conditions of ASEAN members will be identified and examined.

The last part of this research will present an overview or a final assessment of the twelve-year-old ASEAN. Chapter VIII will attempt to predict the uncertain future of ASEAN. This prediction is supported by analyzing the anticipated developments of ASEAN's important elements. Finally, Chapter IX will conclude this study with the following presentations: (a) review the overall process of ASEAN's regional efforts; (b) discuss the viability, both for this study of ASEAN and potentially for similar studies in other regional settings, of the modified analytical framework employed in this dissertation; and (c) assess the value/contribution of this research to integration theory in general.

CHAPTER

- 2 -

ASEAN'S BACKGROUND,
OBJECTIVES,
AND STRUCTURE

PATH TO ASEAN

On August 8, 1967, the foreign ministers of Indonesia, Malaysia, the Philippines, Singapore, and Thailand agreed to sign a joint declaration creating ASEAN, after consultations which took place at the seaside resort of Bangsaen and in Bangkok. This declaration is known as the ASEAN Declaration or Bangkok Declaration.

ASEAN is not, however, the pioneer organization to attempt to achieve Southeast Asian regionalism. Previous attempts in this direction were made by the Association of Southeast Asia (ASA) and MAPHILINDO.¹ ASA was created in 1961 by Malaya (later Malaysia), the Philippines, and Thailand. ASA never produced any tangible achievements, mainly due to the territorial conflict between the Philippines and Malaysia over the Sabah claim, and the organization was dissolved in 1967. MAPHILINDO (intended to be a loose consultative body of

the three “Malay” nations of MALaya, the PHILippines, and INDOnesia) was proposed in 1963 but never was functional primarily due to President Sukarno’s “confrontation policy” towards Malaysia.

This research does not discuss in detail the history of ASEAN.² However, it is interesting to note that there is a difference among ASEAN members with regard to the organization’s beginnings. Malaysian and Thai authorities tend to refer to ASEAN as an enlarged ASA. According to a Thai official source, ASEAN “is a direct offshoot of ASA. It is composed of the three ASA nations with the addition of Indonesia and Singapore, and ... it was agreed among the five nations that ASA should be broadened and also bear a new name.”³ The Indonesian authorities, however, maintain that: “The idea of ASEAN is an original, genuine regional organization ... after the failure of the previous similar endeavors, like ASA and MAPHILINDO.”⁴ This difference is understandable. As founding members of ASA and pioneers of Southeast Asian regionalism, Malaysia and Thailand are proud to claim a direct connection between ASA and ASEAN. Bernard Gordon explains the primary reasons for Indonesia’s differing viewpoint. Indonesian leaders view ASA as a “Western-inspired” organization with which they cannot associate. Also, to accept that ASEAN is an enlarged ASA and not a totally new organization would make it appear that Indonesia “has asked” for membership in a new regional group.⁵

During the 1960s, regionalism was a new experience in Southeast Asia when compared with areas such as Western Europe. Prior to the formation of ASEAN in 1967, the establishing states had little experience in mutually beneficial cooperation.⁶ On the contrary, relations among these states were often marked with territorial disputes, confrontations, and ethnic animosities. Though Malaysia, the Philippines, and

MAP 1. Southeast Asia



Thailand formed ASA in 1961, the Philippines' claim to Sabah in mid-1963 created irritations between Malaysia and the Philippines and therefore crippled ASA from the start. In 1964 the Philippines and Malaysia severed diplomatic relations. At the same time, Indonesian-Malaysian relations were in jeopardy because of Sukarno's preoccupation with the "confrontation policy" against Malaysia. Singapore, the smallest state in the area, had just become independent in 1965 after a "bitter" experience with Malaysia. The environment of the region prior to 1966 contained a great deal of animosity and mutual suspicion. It was with this background that ASEAN was established.

In order to understand the conditions in Southeast Asia which led to the establishment of ASEAN, and also to evaluate the development and performance of the organization, some background information must be explored.

Studying the formation of regional organizations, integration theorists have developed different sets of preconditions leading to economic and political integration. Unfortunately, most of the studied preconditions are incomplete and sometimes irrelevant when applied to developing countries.⁷ In the case of ASEAN, however, the conditions responsible for its inception are primarily four related elements: perceptions of China and Communist threats, perceptions of external dependence and interference, concerned states' deep commitment to national development, and changes in the intra-regional environment.

Although never mentioned publicly by ASEAN officials, the perception of the threat from China in particular, and from Communism in general, was one of the factors that led to ASEAN's formation. Long before the Communists gained power in China, most Southeast Asia's leaders perceived China as threatening their national security. China's own actions and words reinforced this perception. By the mid-1960s, China

had repeatedly called for the overthrow of the governments in Thailand and Malaysia, and gave open verbal support to the organizations aimed against these states. The attempted coup in Indonesia by the Communists in 1965 increased suspicion of Peking's intentions. Most Southeast Asian leaders were persuaded that Peking was involved although some doubts were expressed.

To most Southeast Asian leaders, China represented two threats: fear of China's support to Communist insurgency movements in the area, and fear of direct invasion from China. Even at the present time, these fears are dominant in the minds of some regional leaders. An example of these beliefs appears in Tunku Abdul Rahman's expression:

We do not expect direct aggression from China, but it is something we cannot overlook. One thing is certain, however, and that is if the Communists cannot take these [ASEAN] countries by direct aggression they will stir up trouble inside and in time they hope for the Communist take-over through acts of war. If Russia can have satellites in East Europe, why can't China have satellites in Southeast Asia?⁸

There was also, at the time of ASEAN's birth, a general feeling in Southeast Asia that Communist insurgency fed on the frustrations resulting from poor social and economic conditions. Therefore, regional cooperation was seen as an instrument for improving developmental prospects both socially and economically. These improvements would, in turn, make successful Communist subversion more difficult.

The role of the major powers in the international environment of the 1960s was conducive to fostering Southeast

Asian regionalism as the less developed countries feared exploitation, by external powers, of their weaknesses. This concern was expressed by Philippine Foreign Secretary Narciso Ramos in 1967: "The fragmented economies of Southeast Asia, each pursuing its own limited objectives and dissipating its meager resources in the overlapping or even conflicting endeavors of sister states, carry the seeds of weakness in their capacity for growth and their self-perpetuating dependence on the advanced industrial nations."⁹ Regional cooperation was seen as a potential solution to the problem as it would increase Southeast Asia's bargaining power vis-à-vis the major powers. Thanat Khoman, for example, advocated the idea that regionalism could be a useful means for more effective dealing with advanced industrial powers such as Japan and the world's major powers.¹⁰ Regionalism was also seen as being essential to preventing further interference and rivalry by major powers, thus lessening the threats to the region of domination and manipulation. Indonesian Foreign Minister Adam Malik explained that by the time of ASEAN's founding, the nations of Southeast Asia

were ... aware of the compulsive inclination of outside powers, and especially the major powers, to continue to insert their interests in the affairs of this vitally important part of Asia. Viewed within this inevitable pattern of external influences and conflicting interests, the shaping of a coordinated approach among the nations of Southeast Asia towards the problems of peace, stability and development had therefore become an urgent necessity.¹¹

Finally, in another perspective related to the major powers, Southeast Asian leaders realized that their countries

could not count forever on the protection provided by the Western powers, especially the United States and England. Their belief was reaffirmed when England announced in early 1967 that it would withdraw from its military commitments in Asia. In addition, these leaders were convinced that their countries should be prepared to fill the power “vacuum” which would be created when the Western presence was removed.¹² As Singapore Foreign Minister S. Rajaratnam declared:

The British decision to withdraw from the region in the seventies brings ... to an end nearly two centuries of dominant European influence in the region. The seventies will also see the withdrawal of direct American influence in Southeast Asian affairs. For the first time in centuries Southeast Asia will be on its own. It must fill what some people call the power vacuum itself or resign itself to the dismal prospect of the vacuum being filled from the outside.

My belief is that we can and should fill it ourselves, not necessarily militarily, but by strengthening our social, economic and political foundations through cooperation and collective effort.¹³

Closely related to the problems of peace and stability in the area was the determination of the Southeast Asian nations to achieve national economic development.¹⁴ An environment conducive to national development was necessary for the fulfillment of this goal. As Adam Malik pointed out, “the Southeast Asian countries must develop the capacity to live with the minimum degree of internal disturbance and external

interference, so as to enable the establishment of relative peace and stability, without which national development becomes practically impossible.”¹⁵ Regionalism was a promising choice for creating the desired environment.

Although the elements mentioned above were important, it was the change in the Southeast Asian regional environment during 1965 and 1966 that helped ease the way for ASEAN’s creation. The downfall of President Sukarno and the ensuing new leadership brought the end to Indonesia’s “confrontation policy” against Malaysia. The new leader, President Suharto, realized the necessity of Indonesia joining the new group and possibly performing a leading role. In the Philippines, the new administration under President Marcos favored the policy of good relations with neighboring states. Soon after President Marcos took office the Philippines and Malaysia, with the help of the “good offices” of Thailand, entered into negotiations which led to the resumption of diplomatic ties. During this period, Singapore-Malaysian relations had also been improved, with the gradual reduction of the tension between the two states. The regional atmosphere was now suitable for these nations to join together and form ASEAN.

In addition to the above common factors leading to the creation of ASEAN, what other incentives did the five individual states have for joining together? In Indonesia’s case the decision to join ASEAN was in large part a result of domestic developments since the mid-1960s. With the downfall of Sukarno and subsequent decline of the Indonesian Communists’ power, the new leadership drastically reduced its ties with the Communist countries and, at the same time, became more interested in the idea of a new Southeast Asian regional organization in which Indonesia could play a prominent part. In this respect, ASEAN would provide a legitimate format in which Indonesia could exercise a regional leadership role. Another important incentive

was suggested to the author by Secretary-General Umarjadi Njotowijono (an Indonesian). Namely, joining ASEAN would demonstrate a friendly gesture on the part of Indonesia towards its neighbors after its “wrong move” in foreign policy committed by the previous regime.¹⁷

As for Thailand, the decision to join ASEAN represented the continuation of Thai foreign policy which believed in a strong commitment to and implementation of regionalism. Its promotion of ASEAN could also be seen as a logical product of the main foreign policy principle of Thailand: that Thailand should never become too dependent on any single large power.¹⁸ From the early 1960s up to 1967, growing military relationships between Thailand and the United States became increasingly evident. As far as Foreign Minister Thanat was concerned, ASEAN would constitute a welcome alternative to Bangkok’s dependence upon the United States.

Compared with the leaders of Indonesia and Thailand, Malaysian leaders were less enthusiastic about ASEAN. Prime Minister Tunku Abdul Rahman in particular was reluctant to see ASA scrapped for a new regional organization merely to incorporate Indonesia. Furthermore, his memories of the “confrontation” days made him suspicious of Jakarta’s intentions. However, as Barbara Pace and others pointed out, most members of Malaysia’s foreign ministry did not fully share the Tunku’s views. With the foreign ministry’s strong arguments for closer ties with Indonesia and Thai Foreign Minister Thanat’s persuasiveness, the Tunku changed his mind and accepted Jakarta’s insistence on the need for ASEAN.¹⁹

Singapore’s decision to join ASEAN appeared to be more of a diplomatic necessity rather than an expression of a strong belief in regionalism. There was no other alternative but for Singapore to get along with its neighbors, particularly Malaysia and Indonesia.²⁰ Also, this new regional organization

might bring material and other benefits to Singapore's economy. But perhaps more important was that participation in ASEAN would improve Singapore's image at low cost. It would increase the country's future regional identity and minimize Singapore's image as a Chinese state in Southeast Asia.²¹

Of the five ASEAN member countries, the Philippines' sincere commitment to the new regional organization was the most questionable. Despite President Marcos' rhetorical emphasis on his government's new orientation towards Asia, it was clear that Manila was unenthusiastic about the formation of ASEAN.²² With its long and close security and economic ties with the United States, Manila had never felt the need to involve itself with other regional arrangements such as those ASEAN might provide. Furthermore, disagreements with Malaysia on the Sabah issue made the Philippines reluctant to promote ASEAN regionalism. The Philippines, however, felt compelled to join ASEAN for two main reasons: (a) aloofness would have contradicted President Marcos's verbal emphasis on ties with Asia; and (b) to stay out would not have been compatible with American President Lyndon B. Johnson's encouragement of regional cooperation in Asia.²³

It can be seen from the above discussion of individual members' incentives to join that ASEAN was the product of different yet complementary motivations. This was similar to the ways in which LAFTA and the Andean Pact were created. Studies of Mexico's and Uruguay's decision to join LAFTA²⁴ and analyses of national support for the Andean Pact²⁵ drew a similar conclusion: these two regional organizations were the result of compromises between different economic and political incentives. The main difference between ASEAN and its counterparts in South America was that the former's birth was characterized mostly by political reasons while the latter were established mainly by economic motivations.

With regard to the original membership of ASEAN, it should be noted that there were attempts to attract other Southeast Asian countries. Even before plans for ASEAN were finalized, Burmese and Cambodian leaders were approached by Indonesian Foreign Minister Adam Malik with offers to join the association. The inclusion of these two “neutral” states would have modified ASEAN’s political image which appeared to be too “Western-oriented.” The task of getting Burma and Cambodia interested in joining the group was handled by Foreign Minister Malik. After having consulted with Thai Foreign Minister Thanat, the Indonesian foreign minister paid an official visit to Rangoon in May 1967 to sound out Burmese leaders about the ASEAN proposal. But with its internal problems, policy of neutrality, and concern over China’s expected reactions to its participation in ASEAN, Rangoon showed little formal interest in the proposal.²⁶ Foreign Minister Malik’s later visit to Phnom Penh produced similarly negative results. Citing its policy of strict neutrality and non-alignment, Cambodia declined the invitation.²⁷ Thus only five countries agreed to participate in the new regional arrangement.

An important question related to the birth of ASEAN is why did the leaders of the five countries appear to prefer the creation of ASEAN to reviving former organizations, such as the proposed MAPHILINDO, or increasing their involvement in existing organizations such as the Asia and Pacific Council (ASPAC) or the United Nations’ Economic Commission for Asia and the Far East (ECAFE)?²⁸

The answer to this question contains several factors. Indonesia, for example, would have found it unthinkable to join ASPAC, an organization generally regarded as an anti-Communist grouping and directly sponsored by the United States. Also, although the five countries did not have strictly identical views on ASEAN, there was a widespread belief

within the region that the economic potential of the new group was enormous. There was also a feeling that the existing organizations were either too narrow or too broad, and that ASEAN would have some definite advantages.²⁹ ASEAN would not be as large as ASPAC nor as small as ASA or MAPHILINDO. Philippine Foreign Secretary Ramos reportedly stressed the importance of the physically “compact” size of ASEAN. In an interview at the Bangkok airport, he said that the new organization was “one that offers the highest potential for success of all regional organizations because it is smaller than ASPAC and provides for closer contact.”³⁰ In addition to the geographically well-defined frontier of its members, the five countries shared a common concern with regard to security of the region. Upon consideration of these elements, the five members decided to create this new regional organization.

The above study of ASEAN’s birth demonstrates the intentions of the member states to use this organization to advance their common as well as individual objectives. In the case of ASEAN, *regionalism becomes a means* for the members to pursue their national interests and objectives, and *not an end in itself*.³¹ It would be unrealistic to think of ASEAN as seeking to advance supranational ideals because ASEAN was created to serve as a machinery for the implementation of national functions.

ASEAN’S PURPOSES AND ORGANIZATIONAL STRUCTURE

Several aims and purposes of ASEAN are described in the Bangkok Declaration of 1967. Most of the “declared” purposes aim for cooperation and mutual assistance in fields directly related to regional and national development. Some of the purposes are as follows:

To accelerate the economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership and peaceful community of Southeast Asian nations; ...

To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;

To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;

To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade including the improvement of their transportation and communication facilities and the raising of the living standards of their peoples.³²

Although political and security matters are not explicitly mentioned as ASEAN's purposes in the Bangkok Declaration, these subjects are nonetheless implicitly covered as shown by these statements: "... The countries of Southeast Asia determined to ensure their stability and security from external interference..." and "... all foreign bases are temporary ... and are not intended to be used ... to subvert the national independence ... of states in the area"³³ In addition the following common objectives of the five member nations have been previously discussed: to strengthen regional cohesion as a counterweight to the major

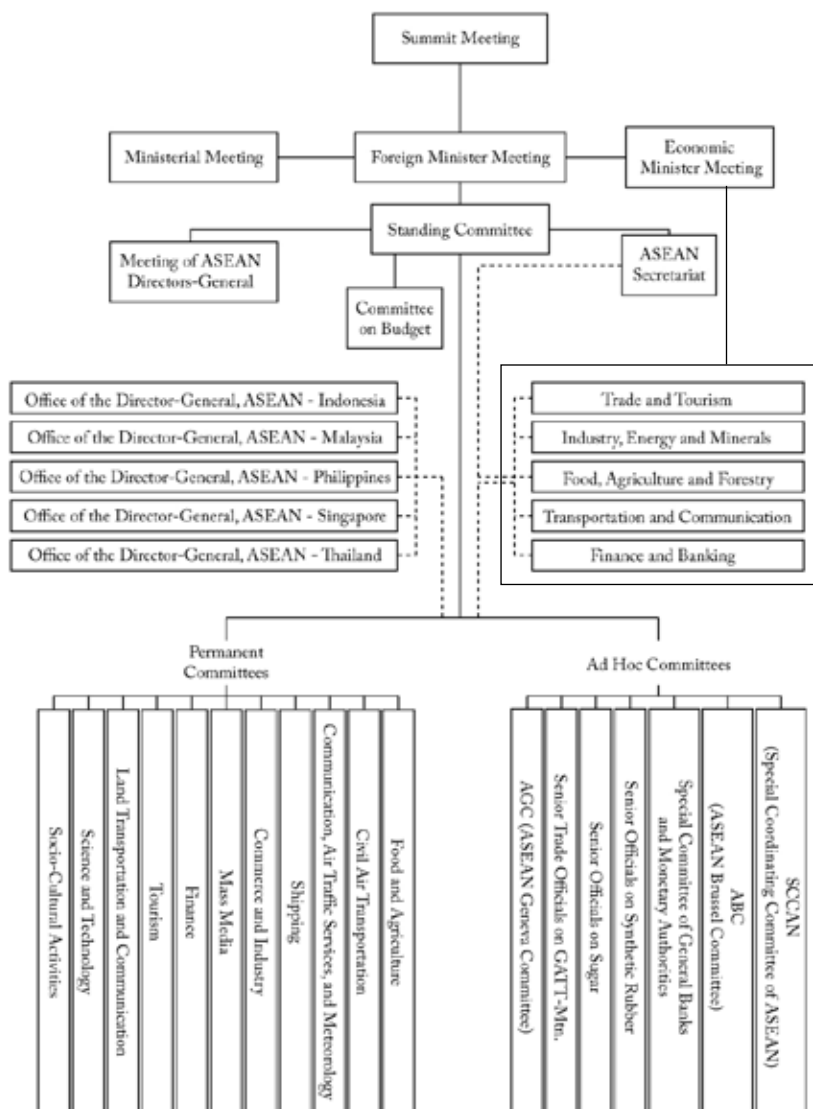
powers' influences, and to promote a regional climate (of peace and stability) conducive to national development. It is in the Declaration of ASEAN Concord, signed on 24 February 1976 during the first ASEAN Summit at Bali, Indonesia, the political and security objectives are explicitly mentioned for the first time. However, the terms used in reference to political and security "program of action" are very general. In the operative section of this Declaration, political cooperation aims at, for example, "strengthening of political solidarity by promoting the harmonization of views, coordinating positions and, . . . , taking common actions." The security part is even vaguer, and is designed to keep ASEAN from having any direct connection with security matters. It only pledges the "continuation of [security] cooperation *on a non-ASEAN basis* between the member states in security matters in accordance with their mutual needs and interest."³⁴ This wording protects the image of ASEAN as an economic, social, and cultural organization.

Organizationally ASEAN consists of eight main organs: Meeting of ASEAN Heads of Government, Meeting of Foreign Ministers or Foreign Ministerial Meeting, Economic Ministerial Meeting, Meeting of Other Ministers, Standing Committee, Permanent Committee and Ad-hoc Committees, ASEAN National Secretariat or Office of the Director-General, and ASEAN Secretariat. The discussion of ASEAN structure here will be only introductory; analyses of its institutional progress, and effects on regional efforts will be presented later.

The highest decision-making body is the Meeting of ASEAN Heads of Government which meets as necessary to give directions to ASEAN. Up to the end of 1978, only two summit meetings had been held in Bali, Indonesia, in February 1976, and in Kuala Lumpur in August 1977.

ASEAN's most important decision-making body is the Foreign Ministerial Meeting, convened annually and held in each

FIGURE 1 ASEAN'S ORGANIZATIONAL STRUCTURE



member country in alphabetical succession. Special Meetings may be convened as required. This organ is responsible for the formulation of policy guidelines and the coordination of ASEAN activities.

Since March 1976, the Economic Ministers with their own economic committees have held an annual meeting separately from the Meeting of Foreign Ministers. This group includes such ministries as trade, commerce, finance, and industry, and it makes recommendations on economic matters for approval by the Foreign Ministerial Meeting.

Other ASEAN ministers also meet occasionally. To date, the ministers of education, information, and social welfare have done so. The standing Committee is located in the country hosting the Foreign Ministerial Meeting. It is composed of the Foreign Minister or his representative as Chairman and the resident Ambassadors of the other four ASEAN countries as members. Its responsibility is to carry out ASEAN's operations in between the Ministerial Meetings.

Permanent Committees and Ad-hoc Committees are located in the ASEAN capitals and rotated every two or three years. There is no constitutionally fixed number of these committees, and they have evolved gradually. As of the end of 1978, there were eleven Permanent Committees, seven Ad-hoc Committees, and five Economic Committees (see Figure 1). These committees are directly responsible for the implementation and operation of regional projects and recommendations approved by the Ministerial Meeting.

The ASEAN National Secretariat is an integral part of the national government. It has the responsibility of dealing with ASEAN affairs and coordinating on a national level the implementation of ASEAN Ministers' decisions. Each National Secretariat is headed by a Secretary-General, who is a senior official in charge of ASEAN affairs in the respective member

country, and who occasionally meets his counterparts in the other countries. But since the establishment of the “ASEAN Central Secretariat” in 1976, the name “ASEAN National Secretariat” has been changed to “Office of the Director-General, ASEAN - (name of member country).”

Finally, the ASEAN Secretariat is the central body aimed at providing greater efficiency in the coordination of ASEAN machinery and effective implementation of ASEAN projects and activities. Established in June 1976 in Jakarta, Indonesia, it is headed by the Secretary-General. He is appointed for two years by the Ministerial Meeting on an alphabetical rotation.

This outline of organization and procedures suggests several shortcomings. The rotation system creates high personnel turnover, thereby impairing continuity and the development of expertise. On the other hand, it equalizes participation in regional projects and insures individual mobility for officials. Apparently, ASEAN personnel feel that these advantages are outweighed by the problems, however, as demands for reorganization are widespread. Indeed, a call for regular reviews of the structure in order to improve its effectiveness is expressed in the Declaration of ASEAN Concord (1976).³⁵ To date, however, the task of reorganization is not completed.

PART

I

ANALYSIS OF ASEAN'S
PROGRESS AND OUTPUT:
NEGATIVE OR
POSITIVE TREND?

CHAPTER

- 3 -

THE ECONOMIC SECTOR:
PROGRESS
AND JOINT EFFORTS

Regional economic integration among developing countries has long been endorsed by international institutions as a practical instrument for economic development. The United Nations' Economic Commission for Latin America (ECLA) argues that prospects for Latin-American industrialization depend on developing a regional trade in manufactured goods, and endorses economic integration as a means to that end. Many developing countries, encouraged by the success of the European Economic Community's integration, have developed organizations aimed at promoting regional economic interaction. ASEAN exemplifies such efforts towards economic development.

The scope of this chapter includes a brief survey of ASEAN's economies, an analysis of the region's economic progress, a discussion of actions undertaken by the member countries with the goal of enhancing their development and industrialization, consideration of the economic role of the private sector, and, in conclusion, an overview of the obstacles to complete economic integration faced by ASEAN.

ECONOMIES OF ASEAN: A GENERAL OBSERVATION

A brief look at the economies of the ASEAN states helps to clarify some of the problems and potential affecting their first decade's economic performance. The ASEAN region is endowed with abundant natural resources. With the exception of Singapore, the economies are predominantly dependent upon the export of agricultural products and mineral resources. In 1976, ASEAN exported a sizable proportion of the world trade of rubber, tin, wood products, palm oil, coconut products, abaca fibre, pepper, tapioca, oil and rice (see TABLE II). The ASEAN countries (with the exception of Singapore) rely mainly on their exports to finance the imports of raw materials, machinery and other products essential to their development.

In terms of growth, the ASEAN economies appear to have performed well in the past decade, especially in the early 1970s. The Second United Nations Development Decade for the 1970s or UNDD II has targeted the real GNP growth rate for 6% and 3.5% in per capita terms. This is the minimum thought to enable developing countries to carry through economic development objectives. Prior the economic and oil crisis which began in 1974, the economies of the ASEAN nations had either fulfilled or exceeded the United Nations' target (see TABLE III).

There is a general belief among economists that for successful regional economic integration, the member countries must be highly interdependent with a relatively homogeneous stage of economic development.¹ Under these conditions, it is likely that trade liberalization measures such as the reduction of tariff and non-tariff barriers in the region will lead to increased intra-regional trade and specialization which will mutually benefit the group.

In ASEAN, however, there exist wide disparities in the level of economic development among the member countries.

TABLE II. ASEAN exports of certain products (1976)

Type of Products	Percentage of World Trade
Natural Rubber (Malaysia, Thailand, Indonesia)	85.0
Tin (Malaysia, Thailand)	62.0
Tropical Hardwoods (Indonesia, Thailand, Philippines)	90.2
Palm Oil (Malaysia, Indonesia)	85.0
Coconut Products (Philippines, Indonesia, Malaysia)	80.0
Abaca Fibre (Philippines)	98.0
Pepper (Malaysia, Indonesia)	50.0
Tapioca (Thailand, Indonesia)	95.0
Oil (Indonesia)*	2.4
Rice (Thailand)*	14.6

*1974 figures

Source: "The Association of Southeast Asian Nations," *Bangkok Bank Monthly Review*, Vol. 18, No. 4 (April 1977), p. 160.

The largest member, Indonesia, has GNP per capita of about US \$200, while Singapore, the smallest, has its GNP per capita of about US \$2,500 (see TABLE III). Malaysia ranks second in terms of GNP per capita of about US \$720, and the Philippines and Thailand are next with their GNP per capita of about US \$300.

Statistics suggest that the economies of ASEAN's members are mainly competitive rather than complementary. As shown in TABLE II, with the exception of Singapore, the ASEAN members primarily produce the same kinds of agricultural products. While Malaysia, Thailand, and Indonesia export 85% of the world production of natural rubber, Indonesia, Thailand, and the Philippines account for 90% of the world production of

TABLE III. Population, per capita GNP and GNP growth in ASEAN

	Popula- tion in million	Growth rate (%)	Per capita GNP (US \$)	Growth rate (%)	GNP growth rate (%)			
	1976	1965-72	1974	'69-73	'69-73	'73	'74	'75
Indonesia	139.62*	2.1	184	4.9	8.7	11.3	7.5	3.0*
Malaysia	12.30*	2.8	723	5.0	7.8	12.1	6.7	3.5
Philippines	43.75	3.1	338	3.5	6.5	10.1	4.8	2.7*
Singapore	2.28	1.4	2,465	10.9	12.8	11.1	6.8	4.1
Thailand	42.96	3.1	292	3.9	7.2	10.3	3.3	6.4

*Estimates

Sources: United Nations, *1976 Demographic Yearbook* (New York: United Nations, 1977); and Far Eastern Economic Review, *Asia 1977 Yearbook* (Hong Kong: Far Eastern Economic Review, 1977), p. 76.

hardwoods. Malaysia and Indonesia account for 85% of the world production of palm oil, and also 50% of the world production of pepper. Indonesia and Thailand also export 95% of the world production of tapioca, while the Philippines, Indonesia, and Malaysia account for 80% of the world production of coconuts. In addition, Malaysia and Thailand also account for 62% of the world production of tin. These products of ASEAN states are competitive in world markets.

From a theoretical point of view, regional integration or even coordinated policies would seem to improve the bargaining position of exporters of primary commodities to developed country markets. This could result in better terms of trade for the ASEAN countries vis-à-vis the developed nations. ASEAN governments are now coordinating closely in the supply and marketing of these products in order to improve their trade terms. This subject will be discussed later in the chapter when we study ASEAN's common actions and projects.

ASEAN's industrial and manufacturing sector also

shows a lack of complementarity. According to one source, the Philippines were the first of the group to launch industrialization in the middle of the 1950s.² The other ASEAN countries followed suit during the next decade. By the late 1960s, all ASEAN states were seriously engaged in industrial development producing mostly consumer goods which were previously imported. With the exception of Singapore, the members' industrial and manufacturing sectors are producing simple and similar products which are mostly food processing, primary processing, and simple consumer goods. Only Singapore's industries are relatively more sophisticated, including such enterprises as shipbuilding, oil refining, electronics and precision instruments. Although there is complementarity in the production of a few goods, the ASEAN members' industrial sector is primarily competitive.

The wide disparities among ASEAN members' industrial sectors are clearly shown in TABLE IV. In terms of value-added, the manufacturing sectors of Malaysia and Singapore are about half of the Philippines and Thailand. However, this figure is misleading. When we consider in terms of per capita value-added,

TABLE IV. Manufacturing sectors in the ASEAN countries, 1973

	Manufacturing Value-added (US \$ million)	%	Per Capita Value-added (US \$)	%
ASEAN	6,809.1	100	31.2	100
Indonesia	1,375.9	20.2	11.0	1.8
Malaysia	889.0	13.1	78.0	12.8
Philippines	1,808.7	26.6	45.0	7.4
Singapore	945.1	13.8	429.0	70.6
Thailand	1,790.4	26.3	45.0	7.4

Source: United Nations (ESCAP), *Statistical Yearbook for Asia and the Pacific* (Bangkok: Economic and Social Council for Asia and the Pacific, 1974)

Singapore comes out at the top of the list with the striking figure of US \$429 while Indonesia is at the bottom with only US \$11.

This analysis of the economies indicates that there is a lack of complementarity in the agricultural and industrial sectors of the ASEAN states. One of the effects can be seen in the low level of ASEAN's economic transactions, particularly with regard to intra-regional trade. The discussion that follows focuses on intra-regional economic transactions within ASEAN. Other aspects of ASEAN's economic sector, including common actions, the role of the private sector, and the general problems of joint economic efforts in ASEAN will then be presented.

ASEAN'S ECONOMIC TRANSACTIONS

To integration theorists and economists, the rate of intra-regional economic transactions is believed to be highly significant as an indicator of regional economic integration. Ernst B. Haas and Philippe Schmitter suggest that it is essential to consider the rate of transactions prior to the formation of the regional organization itself.³ This assumption presumes that almost all economic groupings of the developing countries will be unlikely to succeed. However, some economists argue that a high rate of economic transactions is not a necessary prerequisite of successful integration. As Bela Balassa comments:

[The] low degree of economic intercourse in less-developed areas can hardly be used as an argument against their integration. Rather, the differences observed in regard to intra-area trade in Western Europe and in underdeveloped regions reflect differences in the level of their economic development.⁴

In studying economic interdependence and integration, Joseph Nye suggests that we study these measures: trade and services. According to Nye, the level of economic interdependence in the area of trade can be determined by “the proportion of intra-regional *exports* to the total *exports* of the region.”⁵ However, this seems to be inadequate as it only covers half of the dual aspects of trade – exports and imports. To judge the level of interdependence by using intra-regional exports alone without taking intra-regional imports into consideration can be misleading. A member of the group may hold the highest percentage of intra-regional exports but import few products from other group members. On balance, the percentage of the *whole* intra-regional trade vis-à-vis the *whole* extra-regional trade would appear to be a better indicator. Thus, ASEAN’s trade interdependence in this research is the proportion of ASEAN’s intra-regional trade to the total trade of the whole region. As for services interdependence, it is expenditures on ASEAN’s joint administrative services, including regional trade schemes, as a percent of gross ASEAN product.

• *Progress and Interdependence in Trade*

Statistical data of trade within ASEAN and ASEAN trade with the rest of the world during the 1967-1974 period are far from impressive. The low level of intra-regional trade worries some leaders of ASEAN. Prime Minister Lee Kuan Yew of Singapore was the first ASEAN leader to express publicly his dissatisfaction with the slow progress in ASEAN trade.⁶

TABLE V shows that intra-ASEAN trade from 1967 to 1973 comprised only 15-16% of total ASEAN trade, while ASEAN trade with the rest of the world in the same period was about 84% in average. In 1974, intra-regional trade declined to 12.8% while extra-regional trade grew to 87.2%. After many years of common efforts, ASEAN’s intra-regional trade did

not show any sign of improvement. The bulk of this trade was rice exported from Thailand to the rest of the food-deficient members, and products from ASEAN countries exported to Singapore in order to be re-exported.

But in comparison to the trade figure of similar regional organizations in South America, the 15-16% figure of ASEAN's intra-regional trade is quite substantial. The 1976 statistics show that only the CACM had a higher intra-regional trade rate than that of ASEAN. The CACM's regional trade in 1976 comprised about 20% of its total. ASEAN's intra-regional trade seemed to be far better than those of the other three South American economic groupings. The 1976 figure of intra-regional trade of LAFTA, the Andean Group, and the Caribbean Community were about 12%, 6%, and 6.5%, respectively.⁷

TABLE V. ASEAN trade, 1967-1974

Year	Trade within ASEAN		Trade with Rest of the World	
	US \$ million	Percentage	US \$ million	Percentage
1967	1,654	16.7	8,278	83.3
1968	1,643	15.1	9,209	84.9
1969	1,967	16.3	10,121	83.7
1970	2,092	15.7	11,199	84.3
1971	2,360	16.8	11,688	83.2
1972	2,583	16.2	13,361	83.8
1973	3,556	15.6	19,239	84.4
1974	4,776	12.8	32,537	87.2

Sources: Shee Poon-Kim, "A Decade of ASEAN, 1967-1977," *Asian Survey*, Vol. 17, No. 8 (August 1977), p. 761. Data of 1967-1970 obtained from Lee Kuan Yew's opening address at the Fifth ASEAN Ministerial Meeting, Singapore, April 13, 1972. The rest derived from International Monetary Fund, *Direction of Trade* (Washington, D.C.: International Monetary Fund), various volumes, 1971-1974.

In ASEAN intra-regional trade, there are wide divergences among members. For example, the 1975 figures of intra-ASEAN exports as a proportion of the total member exports range from 2.6% for the Philippines to 27.5% for Singapore, while Indonesia, Thailand, and Malaysia account for 10.3%, 15.9%, and 24.2%, respectively.⁸ However, Singapore's high percentage is due mainly to its being an entrepôt trading center. Taking out the re-export products from Singapore, intra-ASEAN trade is lowered.

TABLE VI. Direction of ASEAN trade (Percentage)

EXPORTS	<u>Industrial Countries</u>				<u>ASEAN</u>	<u>Socialist Countries</u>	
	Total	US	Japan	EEC	Total	Total	China
1973	62.1	17.1	27.5	15.9	19.6	3.1	1.1
1974	61.9	17.3	30.4	11.7	15.9	2.9	0.8
Average	62.0	17.2	28.9	13.8	17.7	3.0	0.9
IMPORTS							
1973	60.2	16.0	25.1	16.5	11.8	3.8	3.2
1974	57.5	14.5	24.2	16.2	10.7	3.8	2.9
Average	58.8	15.2	24.6	16.3	11.2	3.8	3.0

Source: Adapted from Far Eastern Economic Review, *Asia 1977 Yearbook* (Hong Kong: Far Eastern Economic Review, 1977), p. 77.

The low rate of intra-regional trade can be seen as a reflection of ASEAN's excessive dependence on the industrial market economies of the West and Japan. As shown in TABLE VI, more than 60% of ASEAN's trade is conducted with industrialized countries such as Japan, the United States, and the EEC.

The "colonial legacy" is often referred to as a principal reason for the low intra-regional trade and heavy dependence

upon the industrial market economies. The argument is: “due to the long and intensive period of colonial exploitation in the ASEAN area, trade patterns were, following independence, still heavily tilted in favor of the colonial powers ... e.g. Indonesian trade oriented primarily towards Holland, Malaysia to the United Kingdom, Philippines to the United States.”⁹ However, the situation has been significantly changed. With the increase of Japanese economic power, the former colonial powers have not been successful in maintaining their previously dominant share of their former colonies’ trade. As one study notes, the Netherland’s relative share of trade with Indonesia has sharply declined over the years giving way to Japan; as has the United States’ share in the Philippines and England’s shares in Malaysia and Singapore.¹⁰

• *Interdependence in Services*

With respect to services interdependence in ASEAN, the exact expenditures on the joint administrative services and common trade schemes are almost impossible to calculate. Almost all of the concerted trade schemes are administered through the national bureaucracy of ASEAN’s individual government. Thus, expenditures involving the administration of intra-regional trade projects are paid directly from each member’s national budget. Significantly, even if the total expenditure in this area could be estimated, the amount would be very small. When this figure is calculated in terms of percentage of the gross ASEAN product, it is too trivial to suggest any statistical significance. For example, the total of ASEAN’s gross product in 1974 was well over US \$62 billion, while the total “ASEAN fund” was only US \$5 million.

It is important to note that this “ASEAN fund” is not the annual budget of ASEAN. With the contribution of US \$1 million from each of the five members, it is mainly used to

finance the research and study projects which aim at furthering ASEAN cooperation in economic, social, and cultural areas.¹¹ When this fund runs out, the ASEAN Foreign Ministerial Meeting will determine the size of the required contribution. This “ASEAN fund” will be channeled back to finance each ASEAN research project being conducted in a member country. At the end of 1977, for example, Thailand had so far received about US \$350,000 from the “ASEAN fund” with a small amount remaining to be expended.¹²

As for other expenditures, the formula of payment will be as follows. The expenses of the ASEAN Secretariat in Jakarta will be shared equally by the five members. For example, the ASEAN Secretariat annual budget for the period of June 1977 to May 1978 is about US \$428,000. The exact amount of each member’s share of the expenditure is US \$85,719.41.¹³ With regard to other kinds of expenditures, e.g., meetings and conferences on ASEAN business, expenses will be borne by the host country.

The above study of ASEAN trade and joint services indicates that ASEAN’s economic transactions and relationships have so far remained at a very low level. These two indicators seem to reaffirm the lack of interdependence in ASEAN economies. Thus, it will be interesting to look at the other dimensions of ASEAN’s economic sector such as past and present joint economic actions.

ASEAN’S JOINT ECONOMIC ACTIONS AND PROJECTS

Since the creation of ASEAN, several ideas have been proposed for promoting closer economic ties within the region. The most important were those put forward by the preliminary report of the United Nations Study Team on Economic Cooperation in ASEAN.¹⁴ The study was carried out during

1970 to 1972 by a United Nations team of experts with the cooperation of ECAFE (ESCAP), UNCTAD, and FAO. It recommended economic activities in these areas: (a) selective trade liberalization, (b) industrial complementation, and (c) package deal agreements in the form of joint industrial projects.

In regard to trade liberalization, the UN report suggested that ASEAN should consider a free trade zone as a long-term objective to be realized gradually. The study recommended many areas of complementary industrial production e.g. rubber products, motor vehicles, building materials, agricultural machinery, processed foodstuffs, and dry cell batteries. Also, the report proposed joint ventures in such areas as nitrogenous and phosphate fertilizer, newsprints, typewriters, TV picture tubes, fisheries, and potash. In addition, it also considered other integrative actions in the fields of agriculture, forestry, shipping, monetary, finance, and insurance.

In the several years since this report was presented, few attempts have been made to realize these goals. At the Ministerial Meeting, ASEAN's foreign ministers merely "took note" of the recommendations. The report had remained on the desk of ASEAN's committees for many years. It was not until after the clear sense of purpose and direction achieved at the Bali Summit in February 1976 that the pace of ASEAN appeared to be accelerated. Shortly after Bali, the Meeting of the Economic Ministers of ASEAN in Kuala Lumpur agreed that cooperation among the five ASEAN members was a matter of urgency. There appeared to be a promise of a real determination to put ASEAN economic regionalism on solid ground.

One reason that makes ASEAN leaders determined to achieve greater economic cooperation is their dependence upon the industrial and developed countries for trade and capital. The same reason can be said to motivate similar concerns among other groups of developing countries such as the Caribbean

Community, the Andean Group, and the CACM. Observing this development, Ernst Haas calls it the *dependencia* doctrine, in which:

The members [of the group] decide that they cannot obtain the right kind of economic growth unless they make common front vis-à-vis their major customers and suppliers of investment capital. Hence they attempt to transform their union into a collective arrangement which gives them a common industrialization plan, a common investment policy, ... and a common negotiating stance with respect to agreements governing the exportation of primary products.¹⁵

Feeling concerning this dependency are often expressed by ASEAN leaders. Adam Malik stresses that economic regionalism is very important “to prevent ASEAN nations from being too much dependent on certain big nations only.” According to Malik, it is imperative for developing countries like those of ASEAN to impress upon the developed nations their need for access to the latter’s markets at fair prices. He also emphasizes that “it is illusory to toy with the idea that one country can afford progress at the expense of others.”¹⁶

• *Basic Commodities*

At the meeting of ASEAN economic ministers in Kuala Lumpur in March 1976, rice and crude oil were accepted as the first two commodities which ASEAN members would accord, through preferential trading arrangements, priority of supply in times of shortage and oversupply. However, as one report notes, the economic ministers could not agree on what constituted critical shortages and gluts. Thus, they decided that

it would be up to the country facing the crisis to appeal directly to other members.¹⁷ They also agreed that arrangements for other commodities would be studied in detail in the relevant ASEAN committees.

With the exception of Singapore, the members are rice producing countries with Thailand the largest exporter. The Philippines, Malaysia, and Thailand have some limited supply of crude oil, and Indonesia produces oil in considerable quantity. Under the arrangement, Indonesia is called upon to give priority in supplying other ASEAN members' needs during times of shortage. However, the arrangement is done through bilateral agreement. For example, during an official visit to Indonesia in late February and early March 1978, Thai Premier Kriangsak Chomanan and Indonesian President Suharto agreed that Thailand will give priority to Indonesia in supplying rice from its exportable surplus, while Indonesia will supply Thailand, upon request, with a certain type of crude oil and industrial liquified petroleum gas.¹⁸ In Singapore, the Thai Premier and Singapore Prime Minister Lee Kuan Yew reached an agreement on long-term arrangements for the preferential supply and purchase of rice and maize in times of shortage and oversupply.¹⁹

• *Industrial Complementation and Harmonization*

Five ASEAN industrial projects have been agreed upon: the production of urea in Indonesia and Malaysia, superphosphates in the Philippines, diesel engines in Singapore, and soda ash in Thailand. Through its Committee on Industry, the ASEAN members also agreed to study in detail other industries such as motor vehicles, steel, telecommunication equipment, and rubber products, for possible complementation.

A basic reason for this industrial complementation and harmonization framework is to take advantage of the larger combined market for components and products. There are some

industries which cannot be economically viable for an individual country but could be efficient if established on an ASEAN basis. Moreover, as one source comments, this framework will also provide opportunities for the expansion and diversification of trade and industrial developments through specialization by the participating countries.²⁰

Substantial progress on the five industrial projects would not only constitute one of the most concrete achievements of ASEAN, but it would also provide the “real test” of ASEAN’s political will. This is because the success of the projects will depend upon the members’ willingness to give preference to ASEAN-backed industries for supplies and to refrain from competitive industry. According to one source, it would be difficult for the Philippines to establish its own urea plant to compete with those already approved for Indonesia and Malaysia. But it would be possible for Indonesia to set up a foreign diesel engine industry to compete with the agreed ASEAN project in Singapore.²¹ Therefore, the overall achievement of the five projects is a test of ASEAN solidarity. Although there were some differences and difficulties, ASEAN’s political commitment towards these endeavors remained strong through mid-1978.

The five ASEAN industrial projects need about US \$1,000 million altogether. After the second ASEAN Summit and the post ASEAN Summit Meeting with the prime ministers of Japan, Australia, and New Zealand in Kuala Lumpur, during 4-8 August 1977, the funding problem was largely resolved. Japanese Premier Takeo Fukuda agreed that Japan will provide US \$1 billion aid in various forms on the conditions that each is an ASEAN project and is confirmed as feasible.

Among the five proposed ASEAN projects, only Indonesia’s urea plant is approaching completion. The feasibility study and study of the plan was made in February 1978 by a group of industrial experts from ASEAN countries and Japan.²²

Plant construction has now been authorized. The other projects ran into difficulties. The issue of Singapore's diesel engine plant is highly complicated. Indonesia is already producing engines of up to 500 horsepower while Malaysia and Thailand are also producing up to 300 and 200 horsepower respectively. These members therefore urged Singapore to concentrate on engines above 500 horsepower. Singapore argued that "as up to 80% of the total diesel engine market within ASEAN falls in the range up to 500 horsepower the concessions its plant would be accorded above 500 horsepower look marginal."²³

The situation became more confused when in early 1978 the ASEAN press reported that some projects might be scrapped. One Malaysian source stated that Singapore was unable to implement the diesel engine project because Indonesia had asked that they not export certain categories of the engine to them, and the Philippines had declined to scrap the phosphate project and replace it with a paper industry.²⁴ The same source also quoted President Marcos of the Philippines as saying "There is no longer any communality intention [in ASEAN] to work out a single industry for each country to supply regional needs; the concept of a single industry per country for the region is being eroded."²⁵ However, Singapore officials had reportedly reaffirmed that the nation's ASEAN diesel engine project was definitely on and not being scrapped,²⁶ and a Thai official was reported as saying that Thailand intended to implement its soda ash project to uphold the spirit of ASEAN cooperation. The same source also suggested Malaysian reluctance to proceed with its urea project as the regional market was not promising; they wanted "to wait and see how Indonesia fairs with its ASEAN project on urea fertilizer."²⁷ At the recent Manila meeting of ASEAN's important Committee on Industry, Minerals and Energy, no statement was made indicating that any projects had been abandoned, though some might be delayed. For example,

Philippine Industry Secretary Vincente Paterno said that the timetable for the Philippines' phosphate fertilizer had been delayed mainly because there was no agreement on where to set up the copper smelter.²⁸ The smelter would produce sulphuric acid for the phosphate plant.

By the end of 1978, however, it was clear that Singapore's diesel engine project would not be implemented due to competition from similar national projects in Indonesia and Thailand. Singapore is now the only ASEAN member without a project, and this situation changed the ASEAN investment formula. Initially it had been agreed that the host country would have 60% equity, with the remaining 40% divided equally among the other four members. (Private sector participation is determined by the members individually.) Lacking a project, Singapore now receives a meagre 1% equity and the non-host members 13%.

• *Common Measures in Trade*

An important proposal, with the aim of promoting intra-regional trade, advocated an "ASEAN free trade area," involving gradual tariff reductions and overall lowering of non-tariff barriers.²⁹ Momentum in the drive gathered in late 1975 when it seemed that a consensus was emerging on the first decisive steps towards a free trade area. During the meetings of ASEAN officials and leaders in late 1975 and preceding the Bali Summit in 1976, the free trade area was proposed and discussed. The proposal was initially put forth by Singapore and the Philippines.

According to one source, Singapore had proposed an ultimate target date along with the commitment to an eventual free trade area. It is believed that the Philippines' proposal would have been the same as that of Singapore, with the target date set about 15-20 years in the future. When the Philippines saw strong opposition from Indonesia, they did not put forth

their ideas. The Philippines went along with the proposal to reduce tariffs for 10-20% in an initial round.³⁰ It was calculated that these cuts would not harm existing industry in any of the ASEAN countries.

Indonesia's adamant opposition was based on its fear that a free trade area or any trade liberalization would work to its disadvantage. President Suharto's opening address at the meeting of ASEAN economic planning ministers in January 1976 reflected Indonesia's position. In his speech, Suharto reminded the ministers that "the promotion of trade cooperation should be carried out carefully and seriously to prevent it from becoming disadvantageous to the economic interest of any of the member states. This is very important, due to the development stages of each member state."³¹ With the lowest level of development in ASEAN, Indonesia believed that the mutual tariff slashing (an integral step towards free trade) would greatly affect its economy, particularly with regard to economic relations with industrialized Singapore. Jakarta was apprehensive that such tariff reduction would further increase Singapore's already large-scale trade with Indonesia, and that Singapore's efficient industries would put Indonesia's out of business.

On this point, Harvey Stockwin of the *Far Eastern Economic Review* disagrees with the Indonesian stance. He states that the basic problem comes from Jakarta's misperception of Singapore's position. The Indonesian leaders fail to understand that: (a) Singapore's industries have been geared towards supplying manufactured products to developed countries' markets; (b) all Indonesian-Singapore trade is by no means disadvantageous to Indonesia; (c) Singapore's achievement and its shortage in land and labor will mean it has less to gain from free trade; and (d) Singapore sees a free trade area mainly as a political plus for itself rather than as a chance to take advantage of its partners' industries. Stockwin therefore suggests that Indonesia should

stress the other end of the problem:

The Indonesians should have assured the Singaporeans, Filipinos, Malaysians and Thais that, with free trade initiated, they would take good care to see that their greater natural resources, potentially plentiful energy supplies, vast market, cheap labor and freely available land would not lure investors to the disadvantage of the others. But, so far at least, the Indonesian negotiators have stood pat on President Suharto's insistence upon short-term goals, and disadvantage to none.³²

Singapore appeared to be diplomatic over its differences with its big neighbor Indonesia, and no longer pushed the free trade area concept. In Bali, it was reported that Premier Lee of Singapore announced that in the interests of all, his country would drop the idea of free trade.³³ After ASEAN leaders agreed on a less ambitious scheme of industrial projects, Lee seemed to be satisfied. One source quoted him as saying that: "For the present, it is what is possible. When it is achieved, we must decide what the next step should be."³⁴

It became clear in early 1977 that some ASEAN leaders were impatient with the slow economic progress and that they had decided to expedite matters bilaterally. During Prime Minister Lee's visit to the Philippines in January, he and President Marcos agreed to implement tariff reductions between their two countries. The reduction would be a 10% across-the-board tariff cut on all bilateral trade. Though this was only a small step, the underlying motivation was that it would lead to further bilateral and intra-regional trade within the ASEAN framework.³⁵ As Foreign Minister Carlos Romulo of the

Philippines stated, "... we have to see how we can carry on with the plan, to avoid stagnating. So the ... 10% tariff cut agreed between President Marcos and Prime Minister Lee Kuan Yew of Singapore during his ... visit was an initiative, a gesture of good faith, and we must wait for others to follow suit if and when their national interests allow."³⁶ This bilateral accord elicited some positive reactions. In February 1977, a similar agreement for a 10% tariff reduction was reached between Thailand and Singapore.³⁷

Although a free trade area failed to materialize, ASEAN nevertheless took a small step towards consolidating economic cooperation. The ASEAN agreement on Preferential Trading Arrangements was signed by the foreign ministers at a special meeting in Manila on 24 February 1977 after the draft was approved earlier in January by the third Economic Minister Meeting. The agreement stipulated, among other things, the extension of tariff preference, but the actual level of lifting tariff barriers would be subject to further discussions. Malaysian Foreign Minister Rithauddeen stressed that the agreement was indeed a significant achievement considering it had come only a year after the Bali Summit.³⁸ Similarly, Singapore Foreign Minister Rajaratnam expressed a modest appreciation when he stated: "In practical terms it may not appear to be very much but these are principles in which, for the first time, intense nationalist policies are being modified For ASEAN, this is an advance."³⁹ Details for products under preferential trading arrangements had been worked out and the Agreement had been ratified by all member countries shortly before the Kuala Lumpur Summit.

Covered by the Agreement were 71 commodities, including engineering products, paraffin wax, garments, cement, sugar, fish, meat, and tobacco. A condition of this preferential trade was that there must be at least 50% of local content in the products

traded. The margin of preference by tariff reduction ranged from 10% to 30%. According to Singapore Finance Minister Hon Sui Sen, inter-ASEAN trade in these 71 commodities was worth about US \$115 million a year.⁴⁰ This Agreement was fully implemented in January 1978. A larger number of commodities were added to the Agreement in December 1978 when the ASEAN Economic Ministers approved the inclusion of another 500 items, bringing the total number covered to 1,326.

• *Joint Actions Vis-à-Vis World Economic Problems*

In their economic relations with the outside world, the members of ASEAN are faced with several problems. Their exports of commodities have been highly vulnerable to the world-market price fluctuations. As a result, their earnings from exports have been unstable. Furthermore, these ASEAN countries also encounter the problem of trade protectionism, particularly in their dealings with the industrially developed countries.

ASEAN as a bargaining bloc sees the need for joint measures to protect their commodities, particularly rubber and tin, from the protective schemes of developed countries. As early as 1973 ASEAN had entered into a dialogue with Japanese government to exert some pressure on its expanding synthetic rubber industry which was affecting ASEAN's natural rubber industry. As a result, the Synthetic Rubber Forum between Japan and ASEAN was established in November 1973.⁴¹ In a joint action related to the International Tin Agreement, an ASEAN mission was sent abroad in February 1977 to gain greater understanding and sympathy for a higher floor price.⁴² The mission visited the United States, West Germany, and Japan, industrialized countries among the major tin consuming nations. It also visited Bolivia, a major producer, in order to work out an understanding towards the tin problem in world markets.

The ASEAN countries are now studying the feasibility of joint approaches regarding sugar, maize, copra and coconut oil, pepper, vegetable oil, palm oil, tapioca, banana, abaca, kenaf, timber, textiles, jute and their related products. An important objective is to develop a desirable scheme for the stabilization of export earnings (Stabex). In dealing with industrialized countries and other economic blocs ASEAN often gives priority to stabilizing and increasing its export earnings from such products as tin, rubber, vegetables, and timber.

Not only does ASEAN employ joint approaches to international commodity problems, but it also attempts to establish dialogues with “outsiders.” At present it has successful cooperative dialogues with Australia, Canada, the EEC, Japan, New Zealand, the United States, and the UNDP/ESCAP. ASEAN designates to a member country the responsibility of coordinating these dialogues as follows:

Indonesia	- Japan and the EEC
Malaysia	- Australia
Philippines	- the United States and Canada
Singapore	- New Zealand
Thailand	- UNDP/ESCAP

The progress and details of each dialogue will not be presented here.⁴³ It is more useful to illustrate ASEAN’s joint actions towards the “outsiders” on a specific issue. Individual dialogues are usually convened annually, while ASEAN’s joint actions are taken when necessary. However, reference to these dialogues will be presented in order to understand more fully ASEAN’s positions vis-à-vis “outsiders.”

One of the most significant economic problems confronting ASEAN members is the protectionist trade policy of the developed countries. Lack of access to external markets

constitutes a major problem. What ASEAN leaders want from developed countries is an arrangement similar to the one now in operation between the EEC and 45 African, Caribbean, and Pacific developing countries. This agreement, generally known as the Lomé Convention, was signed in February 1975. This arrangement permits member countries to get favored access to the developed countries' markets and, in turn, the latter will have secure supplies of essential raw minerals plus markets for their heavy industrial products.

It was reported that during the fourth Economic Ministerial Meeting in Singapore in July 1977 there were discussions as to what ASEAN should do to counter growing trade protectionism among the developed nations. In his opening address, Premier Lee Kuan Yew of Singapore delivered a speech urging the ASEAN members to "coordinate our import policies to collectively close our consolidated markets to those who unreasonably and unilaterally shut off our exports."⁴⁴ However, after the three-day meeting, no agreement on coordinated action had been reached. The ministers generally agreed to exchange information concerning measures taken by any one member. Although most of the discussion did not mention any particular country by name, it was reported that some ministers had singled out Australia's trading policies for attack.⁴⁵

This is understandable because the ASEAN bloc, with the exception of Singapore, had large trade deficits with Australia during the last few years. Australia had several years ago imposed strict textile quotas on imports from Asian countries and in February 1976 it introduced a new system of global tariff quotas. Several retaliatory measures against Australia's tariff policies had been taken on a unilateral basis by the ASEAN members, particularly the Philippines and Malaysia.

In order to improve the situation, the ASEAN members took joint action in dealing with Australia. During mid-1976,

ASEAN delivered a confidential memorandum to Australia which pointed out the problems of growing ASEAN-Australian trade imbalance and suggested liberalization of Australia's tariffs, licensing, quota restrictions, and other non-tariff barriers. At the third Meeting of the ASEAN-Australian Forum in May 1977, this memorandum was extensively discussed.⁴⁶ As a result, the Forum agreed to set up a special working group to examine the technical problems raised. One such arrangement had already been established. At the ASEAN Summit in Kuala Lumpur in August 1977, Australian Prime Minister Malcolm Fraser agreed that there should be joint consultations between ASEAN and Australia before the implementation of new Australian tariff barriers.

Similar joint approaches have also been taken against the protectionist policies of other major trade partners of ASEAN, notably Japan, the United States, and the EEC. In these dialogues, ASEAN wants the other countries to guarantee political discussions before imposing new restrictions on ASEAN's products. ASEAN also requests that these developed countries improve their Generalized System of Preferences (GSP) which would improve ASEAN's prospects of exporting manufactured goods. So far, ASEAN's success in this area has been minimal.

• *Other Areas of Joint Economic Actions*

At the present time. Other major ASEAN joint economic efforts are in the areas of shipping, banking and finance. In shipping, many workshops, expert groups, committees and subcommittees held meetings which produced a great number of reports and project proposals. These meetings included a workshop on containerization (Singapore, December 1975), a meeting concerning a code of conduct for Liner Conferences by the Permanent Committee on Shipping (Indonesia, September

1973), and the expert group meeting on marine pollution (Philippines, February 1974).⁴⁷ In 1976, the eighth meeting of the ASEAN Permanent Committee indicated “a firmer determination to establish an ASEAN shipping conference, build up a regional containerization system, develop effective anti-pollution strategies, and enlist outside assistance for projects.”⁴⁸ However, the ASEAN solidarity in shipping still needs more substantial efforts for the strengthening of ASEAN’s position.

In regard to banking and finance, faster progress has been made. In 1976, Singapore made an important gesture by abolishing all foreign-exchange controls governing transfers with its ASEAN members. This measure enabled Singaporeans to invest freely in ASEAN countries.

Significant progress in this area was also shown in the ASEAN Swap Arrangement, accepted by the ASEAN Banks and Monetary Authorities Meeting in Kuala Lumpur on January 15, 1977. This swap arrangement is to “provide short-term credit facilities for emergency foreign exchange financing which can immediately be made available to ASEAN countries with temporary liquidity problems.”⁴⁹ Under this agreement, which was entered into force on August 5, 1977, a total of US \$100 million can be made available, with US \$20 million from each country.

Although the sum of US \$100 million is relatively small in relation to the overall support operations of the central bank, it is a step towards ASEAN’s banking cooperation. As one senior official pointed out, the importance of this issue was that “once the mechanism has been set up and is seen to operate smoothly, the sum can be enlarged.”⁵⁰ Such an enlargement is likely to be made in the near future.

THE ROLE OF THE PRIVATE SECTOR IN ECONOMIC ACTIVITIES

Attempts towards economic regionalism have been active at the governmental and private sector levels in ASEAN. In a “market economy” system like the ASEAN states, it is the private sector which carries out most of the nation’s economic activities. As early as 1971, the member governments saw the importance of mobilizing more active participation of the private sector in ASEAN activities,⁵¹ and had begun to encourage cooperative efforts. The belief in the importance of private sector participation is expressed by Thai Foreign Minister Upadit Pachariyankun. In his welcome speech at the Sixth Council Meeting of the ASEAN Chamber of Commerce and Industry (ASEAN-CCI), he stressed that:

Although it is the ASEAN Governments which set the pace of regional cooperation, these efforts must be matched by positive responses and initiatives from the private sector. If ASEAN’s economic goals are to be achieved, it is essential that the business community fully utilizes the opportunities created within the framework of regional cooperation as well as renders the ASEAN Governments full and active support.⁵²

• *ASEAN Chamber of Commerce and Industry*

The private sector has been led by the ASEAN-CCI which is responsible directly to the national Chamber of Commerce in each of the ASEAN countries. Established in 1971, it views its role as complementary to that of the ASEAN governments in promoting regional economic cooperation. In order to work smoothly with the governmental sector, the Chamber

creates several organs for dealing with their counterparts in the ASEAN governmental framework.⁵³ The ASEAN-CCI Council Meeting is equivalent to the ASEAN Ministerial Meeting, and the numerous ASEAN-CCI working groups to the various ASEAN committees.

The Chamber's contribution to the ASEAN economic framework, particularly in the areas of preferential trading and industrial complementation, has been substantial. It has proposed a number of joint measures that should hasten the process of ASEAN's cooperation. The ASEAN-CCI Working Group on Industrial Complementation had developed and presented new guidelines on that topic at the meeting of ASEAN Economic Ministers held in Manila on January 18-20, 1977. At the meeting of the Standing Committee of the Working Group on Preferential Trading Arrangement (WGPTA) of the ASEAN-CCI in January 1978, several measures were adopted, including a guideline for the establishment of the Commodity and Product Club which will serve as the vehicle for identifying products which need preferential treatment. Furthermore, the WGPTA can now "promote the organization of ASEAN businessmen handling the same kind of products or classification of products which would therefore accelerate the monitoring of their problems in ASEAN trade."⁵⁴

• *ASEAN's Industry Clubs*

Similarity to the ASEAN-CCI, the various industry clubs can be very useful in accelerating the pace of ASEAN economic progress particularly in trade and industry. There are many regional clubs and the number is increasing. They cover a wide range of industrial sectors, including steel, chemicals, cement, rubber, pulp and paper, sheet glass, automobiles, consumer durables, agricultural machinery, and food processing.⁵⁵ Through these clubs, business leaders draw up plans and

exchange data about production and sales for regional cooperation. One example is the Federation of ASEAN Automotive Associations which has prepared a detailed study and survey of the automotive industry in ASEAN countries.

These clubs can be an important mechanism for accelerating industrial complementation. In addition to gathering and analyzing data, they can provide the basic machinery for marketing, standardizing the quality and grades of products, and adopting floor prices for commodities to avoid ruinous price competition. Furthermore, they can act as purchasing clubs for coordinating and undertaking joint purchases of raw materials and equipment. By doing this, they secure their volume orders as leverage for greater discounts in better terms, and also secure assurances of such supply at fair prices.

• *Other ASEAN Non-governmental Organizations*

Other ASEAN private organizations are active in shipping and banking. The ASEAN private sector has formed two shipping federations. The Federation of ASEAN Shippers' Council (FASC) was established in 1974, followed in 1975 by the Federation of ASEAN Shipowners' Association (FASA). Since its inception, the FASC has been very active in freight negotiations with the Far Eastern Freight Conference (FEFC). Its efforts have been successful. The FEFC was unprecedentedly compelled to reduce the freight increase rate from 26% to 18% effective January 1975. With mounting pressure from the FASC, the FEFC also agreed to: (a) defer the implementation of the 1976 general freight increase from 1 January to 15 March, (b) reduce the quantum of increase from 14% to 13.5%, and (c) defer the introduction of terminal handling charges for sawn timber, plywood, and palm oil.⁵⁶ At its Manila Meeting in August 1976, the FASC also called for expansion and modernization

of ASEAN member's national fleets, pooling of ASEAN cargo, and the eventual establishment of an "ASEAN-based, controlled and orientated shipping conference."⁵⁷

The FASA held its inaugural meeting in Jakarta in November 1975. Its principal objective is to promote, develop, and support the common interests of ASEAN's shipowners in matters relating to the development of national shipping lines for the efficient carriage of both passengers and commodities.

In banking there are meetings of members representing the Bankers' Association of ASEAN nations. The first conference was held in Singapore on August 22-25, 1976. This conference culminated in the formation of the ASEAN Bankers' Council, whose objective is "to formulate policy for coordination and cooperation among ASEAN bankers for the development of the ASEAN region."⁵⁸ The second conference, hosted by Thailand in January 1978, was attended by more than 200 top bankers from ASEAN nations as well as from the United States, Canada, and several European countries.⁵⁹ The theme of this conference was "ASEAN Cooperation in Investment: Trade and Finance."

Cooperative actions on the part of the ASEAN Bankers' Council are important to development because members of the Council have assets exceeding US \$30,000 million. With this large sum of capital, the bankers are in a position to carry out the financial aspects of ASEAN investment projects, trade expansion, and agriculturally based industries.

GENERAL PROBLEMS OF ASEAN'S ECONOMIC INTEGRATION ATTEMPTS⁶⁰

Compared to the economic integration attempts of other regional organizations, ASEAN progress appears to be disappointing and painfully slow. The EEC succeeded in abolishing all economic barriers among its members within a period of

twelve years, and the European Free Trade Association (EFTA) within seven years. While it is true that members of these two organizations are more advanced and developed than ASEAN members, and therefore in a better position to achieve economic integration, it is true also that ASEAN's efforts suffer in comparison to those of developing countries. In only about a decade of existence, the CACM freed almost all of its members' trade. The LAFTA's success is less impressive. Although a system of across-the-board automatic tariff reductions had been agreed upon in the first eight years, LAFTA's further progress was slow because of serious differences among its members. After a decade of its existence ASEAN's members are still striving to reach the lowest level of economic integration – granting preferential tariffs to one another.

The absence of any specific deadlines in ASEAN's objectives is an important factor in the organization's slow progress. Although there may be reasons which make deadlines impractical, one source points out that "... it would not be wrong to say that their absence has robbed the integration attempt of a good deal of urgency. And as any good manager knows, without a deadline a program is made at least partially aimless. There is no commitment timewise to get a project done."⁶¹ An attempt had been made by Singapore and the Philippines for greater economic progress when they proposed the idea of an ASEAN free trade zone with a target date, however, they failed to get the idea approved. Such joint economic measures as the establishment of preferential trading agreements and industrial complementation are still "long-term" objectives.

Related closely to the lack of deadlines is the lack of political will among ASEAN's members to accommodate each other's objectives and to sacrifice some national gains in order to attain regional integration. Economic nationalism still prevails over regionalism. During the Fukuda visit in 1977, ASEAN

leaders seemed to be more enthusiastic in seeking bilateral aid than in asserting ASEAN's collective interests. Their requests for aid conflicted in many instances with those of other ASEAN leaders. The Thais, Indonesians, and Filipinos all expressed hope that Japan would build oil storage and trans-shipment stations on their soil.⁶²

Economic nationalism and the lack of political will can be blamed for the delays in many of the ASEAN projects. These delays have made the private sector reluctant to launch ASEAN ventures which could have generated favorable investments. This is confirmed by ASEAN leaders. As Foreign Minister Carlos Romulo of the Philippines told a Malaysian audience, "We have not been having [sic] enough political will to implement decisions that we would like to see enforced for the common good of the region. This political will is essentially [sic] for ASEAN to succeed."⁶³ Indeed, it is a prerequisite for ASEAN to have the political will of the leaders which will inspire ASEAN's civil servants, industrialists, bankers, and businessmen to think and act in terms of regionalism.

Many difficulties in ASEAN itself deterred investments in the agreed projects and have slowed down the pace of economic progress. Excepting Singapore, the members have these difficulties: the government's policies towards foreign investment, frequent changing of regulations, red tape and procedural difficulties, and corruption in the bureaucracies.⁶⁴ Together with the question of regional stability, these factors cause investors to hesitate to do business in ASEAN. Also related to this, disagreements among ASEAN members on some fundamental issues deprive ASEAN of the opportunity to get attention from the industrialized countries. For example, the creation of an ASEAN Promotion Center in Europe has been delayed because the ASEAN countries cannot agree "on what it is the center should promote."⁶⁵ This is in spite of the

fact that they have already been offered funds and space for the center by the Dutch and Belgium governments.

Finally, the economies of ASEAN members are competitive in nature. One of the major effects of this is reflected in the low level of intra-regional trade. The future of ASEAN economic complementarity and the low level of trade among members suggests a rather disappointing conclusion. That is: concerted economic policies in the form of preferential trading arrangements and a free trade area is unlikely to increase intra-regional trade dramatically.

SUMMARY

From the above study, it is quite clear that ASEAN's performances in the economic field during the first decade of its existence are far from impressive. Progress in the area of intra-regional trade has been minimal with no promising prospect of it being improved dramatically in the near future. ASEAN's economic interdependence at present is at low level. Despite this fact, a brighter outlook can be achieved from joint approaches and actions taken at both of the governmental and non-governmental levels. Their economic activities cover a wide range of important subjects including basic commodities, industrial complementation and harmonization, trade liberalization, common actions to the world economic problem, shipping, and banking. Although there are major obstacles and problems that can slow down or even break up ASEAN, a positive trend is beginning to emerge. Never before in the history of Southeast Asia has there been a widespread upsurge of activity involving both the governments and the private sectors. Political leaders, industrialists, bankers, businessmen, and governmental officials in ASEAN are beginning to think more and more in regional terms. This is an essential sign that one may expect ASEAN to

become a viable economic organization with a fair prospect of achieving economic integration in the future.

CHAPTER

- 4 -

THE SOCIAL SECTOR: INTERDEPENDENCE AND JOINT EFFORTS

There is still a great deal of controversy over different approaches used to study social progress and interdependence, although theorists generally agree that an analysis of transactions can provide useful indicators of the level of social interdependence. Joseph Nye, for example, suggests that transactions with important interpersonal communications connotations (i.e. trade, mail, telegram, etc.) could be used as indicators.¹ As the flow of transactions becomes more free of national impediments, a regional organization can achieve higher levels of transnational society.

In this chapter such transactions data as trade, mail, telegram, visitors, and students educated in the region are used as indicators of the level of "ASEAN society" among mass and elite. These indicators are supplemented and placed in context by a study of social and cultural activities. Like the previous chapter, this one will describe the factual aspects of ASEAN's progress; the analysis of processes and potentials is presented later.

PROGRESS AND INTERDEPENDENCE AMONG ASEAN'S MASS

Transactions data concerning trade, mail flows, and telegraphic communications will be used here to indicate the level of mass social interdependence among ASEAN's members. Unfortunately, mail and telegram information are not available for all ASEAN members. Thus, Thailand's data must be used to represent the whole region. This limitation is not completely restrictive, however; Thailand is a "middle" ASEAN country in size, population, and level of development, and hence its data are likely to be fairly representative.

Intra-regional trade did not significantly increase during 1967-1974 (see TABLE V and VI in Chapter III). Overall, it accounts only for about 15-16% of ASEAN's total world trade, most of which (over 60%) is conducted with industrialized countries. In other words, ASEAN citizens consume more products from outside the region than from within it; they are therefore less familiar with products of ASEAN neighbors than with products of Japan or the United States.

Exchanges of postal parcels show even more unbalanced relationships. In terms of weight, the percentage of Thai-ASEAN postal parcels accounts for only 8.6-8.8% of all foreign parcels of Thailand (see TABLE VII). Although the absolute weight of ASEAN parcels increases from 49,995 kgs. in 1974 to 57,309 kgs. in 1977, their relative importance changed only slightly, from 8.62% in 1974 to 8.85% in 1975, to 8.62% in 1976, to 8.67% in 1977. In terms of items, however, the pattern shows a slow but steady increase. The number of Thailand's ASEAN parcels rises from about 2.65 million items in 1974 to 2.9 million items in 1977 (see TABLE VIII), and these numbers constitute a percentage increase as well (from 7.7% → 8.0% → 8.6% → 8.8% of Thailand's total foreign parcels).

The number of telegrams can also be used as an indicator of social interdependence. During the period 1974-1977, the number of Thailand-ASEAN averaged roughly 22% of all Thailand's foreign telegrams. Except for Singapore, the number of telegrams between Thailand and other ASEAN countries is decreasing (see TABLE IX). Nevertheless, of the existing telegraphic exchanges, the ASEAN component has grown; the percentage of Thai-ASEAN telegrams compared with the total number increases from 20.01% → 21.00% → 21.04% → 26.76%. It would be best, of course, to interpret these numbers in the light of telephone communications; unfortunately, data on Thailand's overseas calls are not available.

INTERDEPENDENCE AMONG ASEAN'S ELITE

The number of students from ASEAN countries educated in universities in the region compared to outside the region will be employed here as an indicator of social interdependence among ASEAN's elite. Data employed here is derived from a statistical study of students abroad published by UNESCO in 1976.² This study covers the number of students enrolled at institutions of higher education in foreign countries from 1969 to 1973.

A careful look at TABLE X would reveal to us that many of the statistics are either unavailable or incomplete. Without more complete data, the number of students cannot be calculated in terms of percentages. In addition, numbers of ASEAN students in the United States, Germany, the United Kingdom, Japan, and Australia are also included in this table. Considering these limitations, I will attempt to make meaningful comparisons regarding the number of ASEAN students enrolled in the region and outside of it.

TABLE VII
 ASEAN postal parcels to and from Thailand
 1974 – 1977
 (weight in kilograms)

	1974		1975		1976		1977	
	In	Out	In	Out	In	Out	In	Out
Indonesia	3,000.1	3,251.3	3,139.8	3,572.5	3,190.3	3,966.7	3,316.3	3,944.8
Malaysia	5,430.9	6,537.0	5,000.3	7,311.2	4,717.3	7,297.1	4,618.9	7,213.2
Philippines	5,159.4	5,252.1	4,691.9	5,812.4	5,173.7	6,202.6	5,461.7	7,632.7
Singapore	9,632.4	11,742.4	10,586.7	11,589.5	11,091.8	12,467.7	12,511.7	12,610.4
ASEAN	23,222.8	26,772.8	23,418.7	28,285.6	24,173.1	29,934.1	25,908.6	31,401.1
Total	49,995.6		51,704.3		54,107.2		57,309.7	
ASEAN %	8.62%		8.85%		8.62%		8.67%	
Others	529,735.8		532,509.9		573,578.0		603,453.0	
TOTAL	579,731.4		584,214.2		627,685.2		660,762.7	

Source: The Division of Postal Service and Telecommunications, Bangkok, Thailand.

TABLE VIII
ASEAN portal parcels to and from Thailand
1974 – 1977
(number in 1,000 items)

	1974		1975		1976		1977	
	In	Out	In	Out	In	Out	In	Out
Indonesia	121.2	138.8	120.7	158.4	122.2	165.8	121.8	167.7
Malaysia	341.9	298.4	292.0	302.8	264.5	299.4	293.1	307.3
Philippines	265.0	226.6	252.8	246.2	283.9	257.4	288.7	277.2
Singapore	720.3	544.0	782.4	548.2	804.4	589.1	863.2	583.7
ASEAN Total	1,448.4	1,207.8	1,447.9	1,255.6	1,475.0	1,311.7	1,566.8	1,335.9
	2,656.2		2,703.5		2,786.7		2,902.7	
ASEAN %	7.7%		8.0%		8.6%		8.8%	
Others	31,759.6		31,105.3		29,544.1		30,241.2	
TOTAL	34,415.8		33,808.8		32,330.8		33,143.9	

Source: The Division of Postal Service and Telecommunications, Bangkok, Thailand.

TABLE IX

ASEAN telegrams to and from Thailand

1974 – 1977

(number in 1,000 telegrams)

	1974		1975		1976		1977	
	In	Out	In	Out	In	Out	In	Out
Indonesia	9.2	9.5	8.1	9.7	8.1	7.9	6.7	6.6
Malaysia	32.2	30.9	31.3	30.9	27.2	26.8	26.2	23.5
Philippines	15.3	16.0	14.6	14.3	14.1	14.1	13.8	13.5
Singapore	61.4	59.1	58.6	52.6	56.4	50.8	76.6	73.7
ASEAN	118.1	115.5	112.6	107.5	105.8	99.6	123.3	117.3
Total	233.6		220.1		205.4		240.6	
ASEAN %	20.01%		21.00%		21.04%		26.76%	
Others	933.6		827.7		770.7		658.3	
TOTAL	1,167.2		1,047.8		976.1		898.9	

Source: The Division of Postal Service and Telecommunications, Bangkok, Thailand.

TABLE X

Number of ASEAN students enrolled abroad, 1969-1973

A. Indonesia's Figure

	1969	1970	1971	1972	1973
Malaysia	1	-	-	2	-
Philippines	15	26	n.a.	n.a.	n.a.
Singapore	33	38	82	91	123
Thailand	6	8	2	n.a.	n.a.
ASEAN Total	55	72	n.c.	n.c.	n.c.
United States	683	662	634	695	768
Germany	1,028	1,201	1,524	n.a.	n.a.
United Kingdom	35	62	86	120	n.a.
Japan	162	140	174	121	137
Australia	286	303	281	336	303

B. Malaysia's Figure

	1969	1970	1971	1972	1973
Indonesia	-	-	-	-	-
Philippines	17	23	n.a.	n.a.	n.a.
Singapore	1,393	1,850	2,590	3,159	3,335
Thailand	13	5	15	n.a.	n.a.
ASEAN Total	1,423	1,878	n.c.	n.c.	n.c.
United States	663	836	838	950	1,086
Germany	25	32	19	n.a.	n.a.
United Kingdom	1,116	1,376	1,552	1,938	n.a.
Japan	170	186	202	194	161
Australia	2,814	3,049	3,457	3,595	3,364

TABLE X (continued)
C. Philippines's Figure

	1969	1970	1971	1972	1973
Indonesia	-	-	-	-	-
Malaysia	-	-	-	-	-
Singapore	-	-	-	-	1
Thailand	24	29	24	n.a.	n.a.
ASEAN Total	24	29	24	n.c.	n.c.
United States	2,782	2,759	2,715	2,586	2,489
Germany	19	19	23	n.a.	n.a.
United Kingdom	45	46	30	36	n.a.
Japan	47	55	57	55	72
Australia	28	26	40	40	32

D. Singapore's Figure

	1969	1970	1971	1972	1973
Indonesia	-	-	-	-	-
Malaysia	40	28	20	35	n.a.
Philippines	8	19	n.a.	n.a.	n.a.
Thailand	1	3	4	n.a.	n.a.
ASEAN Total	49	41	n.c.	n.c.	n.c.
United States	343	380	353	347	312
Germany	16	14	10	n.a.	n.a.
United Kingdom	373	402	390	436	n.a.
Japan	63	52	54	51	51
Australia	663	668	630	537	529

TABLE X (continued)
E. Thailand's Figure

	1969	1970	1971	1972	1973
Indonesia	-	-	-	-	-
Malaysia	-	-	-	-	-
Philippines	761	869	n.a.	n.a.	n.a.
Singapore	5	3	3	6	6
ASEAN Total	766	872	n.c.	n.c.	n.c.
United States	4,372	5,627	5,555	5,759	5,786
Germany	236	264	233	n.a.	n.a.
United Kingdom	167	207	198	213	n.a.
Japan	212	195	189	189	215
Australia	215	230	251	276	307

Notes: n.a. = not available
n.c. = not complete

Source: UNESCO, *Statistics of Students Abroad, 1969-1973*, Study No. 21 (Paris: UNESCO Workshops, 1976).

TABLE X shows that not many students from any one ASEAN country enrolled in universities or equivalent institutions in other ASEAN countries. For example, from 1969 to 1973, Indonesia had no student from any ASEAN country studying in its colleges. Also in this period, no student from the Philippines or Thailand enrolled in Malaysian colleges. The overall number of students from ASEAN members in other ASEAN countries is very small when compared with the number in such countries as Australia and the United States. However, Malaysia is an exception. Due to a similar academic system and other reasons, such as low expenses, thousands of Malaysian students studied in Singapore during this period.

The explanation for these low numbers of ASEAN students in the region is that most ASEAN countries are less developed and cannot provide the knowledge and technology for national development which are needed by students and which can be obtained in developed countries' universities and colleges. Like students from other developing nations, most of ASEAN students abroad pursue their education in universities of developed countries such as the United States and the United Kingdom. But because of different emphases, ties, and other reasons, students from different ASEAN countries tend to study in different developed nations. For example, most Indonesian students went to Germany for their education (TABLE X: A). Most Thai and Philippine students enrolled in the United States (TABLE X: C and E), while the majority of Malaysian and Singapore students chose to study in Australia, the United Kingdom, and the United States (TABLE X: B and D).

Along with the number of students, the number of visitors can also be an indicator of social interdependence. Some may argue that it is an indicator of mass rather than elite groups. However, in ASEAN where the average income of the population is low, travel abroad is still considered a luxury.

Generally speaking, only members of wealthy or elite groups can afford to travel in foreign countries. Thus, the number of visitors from the region compared with visitors from outside the region can serve as an indicator of ASEAN elite's social interdependence.

TABLE XI shows the number of visitors to Thailand from 1971 to the first half of 1977. The number of all visitors from ASEAN countries steadily rose during the period of 1971 to 1975. In 1976, with the uncertainty of situation in Indonesia and Thailand's political unrest, the number of visitors dropped from 1.18 million to only 1.09 million. The figure rose again in the first six months of 1977.

In terms of percentage, visitors from ASEAN countries constitute about 21% to 26% of Thailand's total visitors. This figure is significant because it suggests that the Thais have relatively extensive contacts with other ASEAN citizens compared with other foreigners. At the same time, a large number of members of elite groups in other ASEAN countries have some experience in Thailand. However, this conclusion must be used with caution. Among visitors from ASEAN countries, the Malaysians and Singaporeans constitute a majority, while only a small number of Filipinos and Indonesians travel to Thailand. Therefore, it would be accurate to state that on the average the Thais are more familiar with the Malaysians and Singaporeans than with the Indonesians and Filipinos. Furthermore, the number of visitors from the region seems to change in proportion to their proximity to Thailand. As can be seen from TABLE XI, the largest group of visitors comes from the closest neighbor, Malaysia, the next largest from Singapore, Indonesia, and the Philippines, respectively. This appears to confirm a general belief that the closer the countries, the more contacts and ties they have with one another.

TABLE XI
ASEAN Visitors to Thailand
1971 – 1977
 (number in 1,000 visitors)

	1971	1972	1973	1974	1975	1976	1977
							Jan.-June
Indonesia	9.8	11.0	13.2	16.5	18.6	20.6	8.9
Malaysia	129.0	162.6	190.8	197.5	227.8	161.2	88.1
Philippines	10.5	10.3	9.0	10.1	11.1	10.7	5.5
Singapore	13.2	22.3	31.8	39.6	46.5	41.8	21.5
ASEAN Total	162.5	206.2	244.8	263.7	304.0	234.3	124.0
ASEAN %	25.4%	25.1%	23.5%	23.8%	25.7%	21.3%	22.0%
Others	476.3	614.6	792.9	843.7	876.1	664.1	437.2
TOTAL	638.8	820.8	1,037.7	1,107.4	1,180.1	1,098.4	561.2

Source: Tourist Organization of Thailand, *Statistical Report of Visitors to Thailand* (Bangkok: Tourist Organization of Thailand), various issues.

SOME THOUGHTS ON ASEAN'S SOCIAL INTERDEPENDENCE AND ITS INDICATORS

Analysis of the above study of the level of interdependence in ASEAN's social sector is hampered by at least a couple problems. With the exception of trade, data and statistics on ASEAN's transactions are difficult to obtain. The unavailability of data may be a common problem of developing countries where the habit of collecting such information has just been introduced. Furthermore, the existing data and figures are often scattered, thereby using up unnecessary time and money obtaining them. Consultations with national institutes of statistics in ASEAN countries do not always help solve the problem.

Even when data and statistics are available, their standards and accuracy are questionable. For example, data from the UNESCO's study concerning numbers of students must be used with caution. As the study indicated,³ some of the numbers covered only students in a limited number of institutions of higher education, while others covered all students in all universities and equivalent institutions. This, of course, can produce a misleading interpretation.

Despite these problems, it is hoped that the data and statistics used can provide us with adequate indicators for the study of ASEAN's social interdependence. Data on trade, parcels, and telegrams suggests a relatively low level of social interaction among the population of ASEAN. Compared with the communications ASEAN has with countries outside the region, inter-ASEAN communications and contacts in general do not constitute a high percentage. Social interdependence among the ASEAN mass and elite is also unimpressive as demonstrated by the data on students pursuing their higher education in other ASEAN countries. In comparison, a large number of ASEAN citizens travel in the region and are thus exposed to the different political, economic, and socio-cultural systems.

ASEAN'S ACTIVITIES AND PROGRAMS IN THE SOCIAL FIELD

Since the establishment of ASEAN, members have been increasingly aware of the importance of the social sector and several have promoted actions and programs in the social and cultural fields. Discussions of these help us understand another important aspect of ASEAN's social output.

Major activities and programs undertaken by the five ASEAN members and aimed at promoting social activities may be identified and clarified as follows:

• *Socio-Cultural Activities and Programs*

The socio-cultural activities have largely been the responsibility of the Permanent Committee on Social and Cultural Activities. The overall objective of this committee is to integrate ASEAN's socio-cultural policies in order to achieve social development.⁴ One of the activities in this area is the effort to cope with the increasing threat of drug abuse and trafficking in the ASEAN region. At the Ninth Foreign Ministerial Meeting in 1976, the ASEAN Declaration of Principles to Combat the Abuse of Narcotic Drugs was proclaimed, provide a broad framework for combating drug abuse. Several ASEAN drug expert meetings have been convened to explore areas of cooperation and to recommend such approaches as law enforcement, preventive education, and treatment and rehabilitation.⁵

Natural disasters are another area in which ASEAN has tried to form integrated policies. The ASEAN Declaration for Mutual Assistance on Natural Disasters was signed by member governments in 1976. ASEAN experts are now trying to coordinate policies dealing with natural disasters and their consequences on economic and social development.

Other activities include environmental problems, community development, women and youth employment, etc. ASEAN has sponsored various seminars, workshops, and meetings of experts in these areas.

Perhaps more important are the activities and programs concerning labor, social welfare, and education, which involve high level officials. The ASEAN ministers responsible for these fields have met with their counterparts and exchanged views on common issues and discussed measures for solving their problems. In labor movement successful measures have been taken. For instance, in 1976, about 55,000 Malaysian youths worked in Singapore.⁶ The movement of labor in ASEAN is expected to increase when Thailand announces its preparation to allow skilled Thai laborers to work in other ASEAN countries.⁷ As for social welfare, the ASEAN Ministers responsible have been interested in related issues such as mass poverty, rapid population growth, the integration of women and youngsters into development, the protection and development of children, and resettlement of displaced groups and refugees.⁸ The ASEAN Network of Development Education Centers has been established in order to carry out several educational projects. The problem of higher education has been discussed by leaders, and may lead to the creation of an ASEAN University.

• *Mass Media and Communications*

Several activities and projects in the fields of mass media and communications have already been launched by ASEAN through its Committee on Mass Media. The overall objective of these programs is to enhance and promote greater awareness of the concept of ASEAN among the regional people. Some of the on-going activities are: radio exchange program (1971), annual ASEAN film festival (1971), television exchange program (1973), and exchange of ASEAN radio/television

artists (1975). Several seminars on mass media have been held to expose to personnel the knowledge needed for the improvement of programs and activities in this field. There is also an on-going project involving an exchange of mass media representatives (begun in 1973) to observe and report on media operations in member countries. In addition, a conference of the ASEAN Public Relations Congress was held in March 1978 in order to upgrade the standard of the profession and improve the ASEAN image among the ASEAN mass. One of the topics discussed at this congress was a viewpoint from Mrs. Imelda Marcos, First Lady of the Philippines, who pointed out that one of the most urgent tasks of ASEAN public relations officials is to win public acceptance of ASEAN.⁹

ASEAN has also attempted to set up a fund for cultural activities in its countries.¹⁰ Financial support for this fund is expected to come from Japan. If established, it will be a realization of the Japanese Premier Fukuda's pledge in his meeting with ASEAN leaders in 1977.

Three official information publications, *ASEAN Digest*, *ASEAN Journal*, and *ASEAN News Bulletin* have been published. Although the last one ceased its publication in the middle of 1977, the first two periodicals have been coming out regularly.

Closely related to the issue of mass media and communications is the ASEAN press. In the past, particularly before the Bali Summit in 1976, ASEAN news received poor coverage in newspapers of ASEAN countries. As one source pointed out, Malaysian-Singapore newspapers carried more British than ASEAN news, just as the Philippine papers detailed more United States items. Only Indonesian and Thai papers (particularly English-language dailies) provided a better ratio between regional and Western news.¹¹ In recent years, however, the situation is significantly improved. This is an important sign, for better coverage of ASEAN news in the members' presses

could enhance the image of ASEAN and contribute to an increased awareness of the concept and role of ASEAN among the people of the member countries.

In light of the recent agreements among members in the area of communications, it is hoped that closer contacts among the ASEAN mass will increase in the future. Reportedly ASEAN had reached an agreement which would allow direct telephone dialing within the region.¹² ASEAN members also agreed to establish a submarine communications link. This submarine cable project is under construction.¹³ When complete, it will enhance intra-ASEAN communications and increase the prospects of ASEAN integration.

• *Tourism*

Tourism is another example of ASEAN's cooperative effort in the social sector. There have been several projects to promote tourism in the ASEAN countries. Some are designed to minimize travel and frontier formalities to stimulate ASEAN and international tourists. For regional tourists ASEAN has adopted such projects as a seven-day visa free facility and collective travel documents for ASEAN nationals.¹⁴ This reduces the restrictions on ASEAN nationals travelling to other ASEAN countries. They also agreed to implement the project of ASEAN "circle trip fare." In this project, national airlines of the five members will give their passengers a 32% to 35% discount off the fare of selected routes in the ASEAN region. When the First ASEAN Trade Fair was planned to be held in Manila from May 7 to May 21, 1978, the five ASEAN based airline companies agreed to grant a 35% fare discount to all participants and visitors to this trade fare.¹⁵

Although the above discussion of ASEAN's activities and programs provides us with a wider view of the social interaction in ASEAN, the study would not be complete without looking

at the formation of interest groups in the social field. It is hoped that the study of these interest groups will help us understand the formation of the ASEAN social community.

SOCIAL INTEREST GROUPS IN ASEAN

Like various ASEAN economic and industrial groups, social non-governmental groups have been formed with the objective of advancing their common interests in conjunction with socio-cultural activities and policies. Stated in late 1974, the ASEAN Motion Picture Producer's Association was formed by movie producers of the five countries. Its principal aim was to elevate the artistic standards of motion pictures, thereby contributing to the development of ASEAN spirit and culture. Some of the Association's plans are to produce multilingual films involving movie stars from all ASEAN countries, and to hold a series of "film weeks" as a means of exploring the commercial acceptability of a member country's film in other ASEAN countries.¹⁶

With regard to the ASEAN press, in 1975 the Confederation of ASEAN Journalists was formed. Similarly, in 1976, there was an establishment of the Federation of ASEAN Newspaper Publishers. These two bodies expect to improve the coverage of ASEAN news and to direct ASEAN journalism towards a free and responsible press.

Women and youth in ASEAN have also become more involved in its social activities. The ASEAN Women's Circle of Jakarta was established in 1975, and was followed by the establishment of the Committee for ASEAN Youth Cooperation and the ASEAN Federation of Women's Organization in 1975 and 1976 respectively.

In addition, there are the ASEAN Port Authority Association, the Council of Museums, and the Inter-

Parliamentary Organization.

The formation of these groups and organizations is important.¹⁷ First of all, it suggests that ASEAN activities and business are increasingly affecting the way of life of ASEAN peoples, and making them aware of ASEAN regionalism. Second, the formation of these interest groups demonstrates that peoples from various social groups in ASEAN are now participating and playing more important roles in the affairs of the region. Third, with the involvement of an increasing number of social interest groups gradually focusing their activities at the regional level, the concept of ASEAN regionalism will be significantly strengthened. Finally and perhaps most importantly, ASEAN is no longer the business of governments in the five countries alone, but also the business of various and large groups of ASEAN's population. This means that ASEAN social interdependence is gaining its strength in the last few years, and that ASEAN itself is increasingly moving towards the direction of becoming a social community or a regional society.

SUMMARY

Using indicators from ASEAN transactions such as trade, mail, visitors, telegrams, and number of students to determine the level of interdependence in ASEAN's social sector, this study concludes that the present interdependence levels of both the mass and elite of ASEAN are minimal. In comparison with ASEAN's transactions with the outside world, intra-ASEAN transactions are not expected to increase significantly in the near future. However, the study also reveals some important positive developments. Since the establishment of ASEAN in 1967, both the government and the general public of the five countries have been increasingly aware of the importance of the social sector. Several activities in the area of socio-cultural programs, mass

media and communications, and tourism have been promoted by the ASEAN governments to increase social interactions in the region. Meanwhile, the general public have become more involved with ASEAN's activities, resulting in the formation of many ASEAN social interest groups. With the increase of the ASEAN public's involvement, ASEAN is now slowly but steadily transforming itself from a society of five governments into a society of ASEAN people.

CHAPTER

- 5 -

THE POLITICAL SECTOR: PROGRESS AND COMMON POLICIES

Compared with the economic and social sectors, progress in the political sector is the most difficult to study. Some problems are: ambiguity over what developments constitute progress and interdependence, questions of where supranational power, sense of community, internal disputes, and common policies fit in, and what types of indicators should be employed and how reliable are they?

In order to minimize confusion, Joseph Nye's model of the four types of political interdependence will be adopted as a guideline. Therefore, political interdependence in ASEAN will be divided into: institutional, policy interactional, attitudinal, and security community. This chapter will only present the factual aspect of ASEAN's progress and interdependence. Detailed analyses and explanations of why political output is successful or not will be presented in the following chapter.

INSTITUTIONAL PROGRESS

Historically, ASEAN's leaders have not seen the importance of having a central institution. The ASEAN Central Secretariat was established only in 1976, eight years after ASEAN's creation. Additionally, the Secretariat's role has been kept to the minimum; almost all of ASEAN's business is handled by the members' individual national secretariats. For example, "the ASEAN-Japan Forum Dialogue" and "the ASEAN-United States Dialogue," which theoretically should be coordinated by the Central Secretariat, are instead handles directly by a designated member.

The concept of institutional progress provided by some regional theorists is still unclear and imprecise. To reduce the confusion, Nye suggests that we look at the size and growth of the crucial bureaucratic resources of budget and administrative staff of the central institution in comparison with those of all member countries.¹ The higher the figure of budget and staff a central organization has, the stronger that organization is.

In case of ASEAN, the budget and staff of the Central Secretariat have always been too small to suggest any statistical significance when compared with the overall staffs and budgets of the five member countries. The ASEAN Secretariat annual budget for 1977-1978 is less than half a million US dollars (US \$428,597.05). This budget comes from each member's equal share which is US \$85,719.41.² With this small budget, it is not surprising that the Secretariat has small administrative staff of no more than ten people. The staff is comprised of one Secretary-General and his/her assistant, three bureau directors, and three other officers.

Complaints about the Secretariat's unimportant role have been numerous. In interviews, several ASEAN officers expressed their feelings that member countries never seriously

pay attention to the Secretariat. According to these officers, it is only a dream to expect the Secretariat to play an important regional role in the near future.³ Why ASEAN members created the Secretariat without giving it meaningful and important tasks to perform will be discussed in the following chapters. Let us now turn to the jurisdictional or legal aspect of ASEAN.

The Secretariat does not possess any real autonomy and has no power to make any binding decision. The member governments directly control the Central Secretariat. Even the Secretary-General can be removed from office at any time if one of the five members is no longer satisfied with his performance. Every decision of ASEAN must be made by unanimity. For instance, the first Secretary-General Hartono Dharsono from Indonesia was removed from office in early 1978 because the Indonesian government disliked his remarks against the Suharto regime.⁴ The Suharto government notified other ASEAN members of its disapproval implying that the general no longer held the unanimous approval of the five members and therefore had to be replaced.

The most powerful institution of the ASEAN apparatus is the annual foreign ministers meeting at which all important ASEAN decisions are made. This organ consists of the foreign minister from each member country. ASEAN's other institutions are also not autonomous but closely attached to the member governments. Therefore, ASEAN's institutional progress is minimal.

At this juncture, it may be useful to explore other areas of ASEAN's jurisdictional progress. To what extent is ASEAN's decision-making "supranational"? How strong are ASEAN's legal or jurisdictional powers? To measure the degree of its supranationality, we can use William Coplin's scheme which distinguishes various levels of supranationality in decision-making. The scheme, arranged from highest to lowest levels, is as follows:

- a| decisions made by administrative organs;
- b| decisions made by a section of the membership;
- c| decisions made by all government representatives, with no veto;
- d| decisions made by all government representatives with veto;
- e| decisions made by unanimity.⁵

The study of ASEAN's decision-making shows supranationality at the bottom of the scheme. Before any policy or action of ASEAN can be carried out, it must be unanimously approved. Because of its cultural background, ASEAN has adopted the "consensus formula." To avoid "losing-face" and direct confrontation on any specific issue, there is no voting procedure in ASEAN's decision-making process.⁶ Instead, there are numerous informal discussions aimed at reaching a common, acceptable stand. Any proposals that receive the members' consensus become ASEAN's decisions. Otherwise, the matters will either be dropped or the consensus building process will be tried again.

With its lack of supranationality, ASEAN's jurisdictional or legal powers are also minimal. In ASEAN, there is no mechanism to assure that already agreed upon programs and policies will be implemented or realized. Nor is there a penalty for a member who violated or neglects ASEAN's decisions. Every decision is simply a "gentlemen's agreement." Furthermore, any member may recall its decision at will. Another example of ASEAN's lack of legal powers can be seen from the agreed upon ASEAN industrial projects. As discussed in Chapter III, the five industrial projects are now faced with uncertainty because some members may no longer want to implement their designated projects.⁷ This lack of supranationality and binding jurisdictional powers shows that ASEAN has yet to achieve integration socially, economically or politically and that their

institutional progress is far from impressive. This is mainly due to the nationalism of the leaders of the member countries. They have never shared a supranational perspective on ASEAN.

In comparison with similar regional organizations, ASEAN's institutional progress is at the level of LAFTA. The decision-making power of both is concentrated in the intergovernmental bodies which act unanimously and not in community bodies. A higher level of institutional progress has been achieved in the CACM and the Andean Group. In these groups, the decision-making power is more balanced between the intergovernmental and community organs.⁸ Furthermore, there also exists limited majority rule and binding jurisdictional power.

A broader exploration of how this institutional weakness affects ASEAN's performance is presented in the next chapter.

POLICY PROGRESS

While the above discussions deal primarily with how ASEAN's decisions are made, the focus here is to study the extent to which ASEAN acts as a group in making domestic (internal) or foreign (external) policy decisions. We will first examine whether or not the various fields of common policies have increased or decreased, and how important these policies are. Then, we will look at the specific common internal and external policies of ASEAN. The study will also explore the scope and importance (salience) of ASEAN's policy decisions.

• *Areas or Fields of Policies*

Joint and coordinated policies of ASEAN involve a wide variety of fields. Of ASEAN's various committees, the following are under a cooperative scheme: food and agriculture, civil air transportation, communications, air traffic services, meteorology, shipping, commerce and industry, mass media, finance, tourism,

land transportation and communications, science and technology, socio-cultural activities, central banks and monetary authorities, and some commodities such as sugar and rubber. It is interesting to note that no political and security matters are involved at the committee level. Normally policy concerning political and security matters is secretly decided at the ministerial level or during formal and informal consultations at the head-of-government level.

During the early years of ASEAN, the only ministry involved directly in the cooperative process was the foreign ministry. The most other ministries could do was to have their representatives in the various ASEAN committees. After the Bali Summit in February 1976, however, the cooperative process was expanded to include many other important ministries. Shortly after the Summit, the ASEAN economic ministers, with their own economic committees, were created.⁹ These economic ministers covered many important ministries of the ASEAN governments, e.g. ministries of planning, trade, commerce, industry, and finance. Each member country also formed its own economic ministers in correspondence with the ASEAN economic ministers. At present, the ASEAN economic ministers are very active and have held several meetings.

Several ministries other than the foreign and economic are increasingly involved in the process of forming ASEAN policy in their respective fields. Even before the Bali Summit, labor ministers of ASEAN members had met in April 1975 in an attempt to survey the means by which they could coordinate labor policy in ASEAN. Later, similar meetings were held by the ASEAN ministers responsible for social welfare, information, and education.

The number of ministries involved has been increasing, covering more and more important policy sectors within ASEAN. Despite the expanding number of areas involved, joint

and concerted policies are still not extensive. In areas other than political matters, significant agreed upon common policies are still limited to the ASEAN industrial projects and preferential trade arrangements. Such areas as finance, labor, social welfare, and education have not yet produced any substantive common policy.

Significant common policies so far are either political or security-related in nature. It is therefore useful to look at past common “political” policies of ASEAN.¹⁰ including internal (domestic) and external (foreign) policies.

• *Common Internal Policy*

Obviously, concerted policies in the political realm of any international organization must, to some extent, deal with the issues of security and defense. In ASEAN, common policy regarding these issues has been developed on a bilateral or multilateral basis, but never in the framework of ASEAN. It is repeatedly declared by the leaders that ASEAN is not intended to be a security or defense organization aiming to form a military pact. Prime Minister Datuk Hussein Onn of Malaysia stated ASEAN’s official position on the issue in March 1976 when he stated:

ASEAN remains a non-ideological, non-military and non-antagonistic organization. Its membership is open to all states located in geographical Southeast Asia. Bilateral cooperation in the arch of security is both necessary and desirable. But this aspect of activity is to be pursued by states on an individual basis outside the purview of ASEAN.¹¹

The scope and number of such bilateral agreements among ASEAN members in steadily increasing. A well-known example is the Thai-Malaysian arrangement for patrolling and cross-border military (or police) operations against guerrillas. Joint operations along Thai-Malaysian borders were in fact begun in 1964, prior to the birth of ASEAN itself. In 1970, Thailand and Malaysia agreed to allow "hot pursuit" across the border. But because of some developments connected in part with Thailand's internal politics, there were some shifts and "ups and downs" in the joint operations. It was only after Thailand's military coup of October 1976 that Bangkok and Kuala Lumpur again established close cooperation with respect to the border insurgency. During his visit to Malaysia in November 1976, Thai Prime Minister Thanin Kraivixian agreed to "wage all-out war" and to step up joint operations against the Communists.¹² In 1977 alone, it was reported that more than 10,000 combined troops had launched a series of operations against the guerrillas in the southern part of Thailand. The new Thai Prime Minister, General Kriangsak Chomanan, also agreed with Datuk Hussein Onn to continue and intensify these joint military operations.¹³

Similar border cooperations have been arranged among other ASEAN members.¹⁴ In April 1972 Indonesia and Malaysia set up a high-level committee to carry on the struggle against insurgency in the Borneo border area. Since the signing of the Indonesian-Philippine border patrol agreement in November 1974, security cooperation between the two countries has been intensified. During 1977, there were attempts on the part of the Philippines, Malaysia, and Indonesia to form a common policy to prevent piracy, smuggling and narcotic trafficking between the three countries. If successful, they could lead to a border crossing and patrol agreement between the Philippines and Malaysia. In addition, bilateral cooperation with respect to the exchange of intelligence and views concerning the Communist insurgency

has long been conducted between Singapore and Malaysia, and Malaysia and Indonesia.

Other security cooperations, such as joint land and naval exercises, are also being conducted. Malaysia and Indonesia, Indonesia and Singapore, Indonesia and the Philippines, and Malaysia and Thailand have conducted joint exercises along their common land or sea borders. There are even suggestions about multilateral military exercises among ASEAN countries, for example, one exercise among Malaysia, Singapore, Indonesia, and Thailand and then among Malaysia, the Philippines, and Indonesia.¹⁵ However, they must be conducted outside the framework of ASEAN.

A recent important development in the security and military areas has been the move in the direction of cooperation in arms production, with the objective of standardizing the armaments of ASEAN countries. The armaments here include various kinds of light arms and even mortars, already being produced by Indonesia. In December 1976, Indonesia's Defense Minister General Maraden Panggabean made public that Indonesia and Malaysia were interested in cooperating with each other in the field of arms production.¹⁶ According to the general, standardization of armaments was desirable "to make it easy to help one another." He further stated that if armaments were all different, it would be difficult to give help should it be needed.¹⁷

Although there are security arrangements among member states, it is clear that ASEAN has absolutely no intention, at present, of forming a military pact. The leaders have several reasons for not turning ASEAN into a military grouping and have often expressed their lack of confidence in such military alliance.¹⁸ None of the ASEAN countries are regarded as military powers, and no single country can make worthwhile military contributions to the aid of their partners. Experience and history make ASEAN leaders aware of the

limited credibility of military alliances. Also, an overt military overture would surely antagonize Hanoi which is what ASEAN leaders want to avoid.¹⁹ Thus they repeatedly emphasize that the existing security arrangements are conducted outside the framework of ASEAN. Understandably, there has neither been a meeting of ASEAN defense ministers nor has there been any ASEAN committee on security and political matters. Finally, ASEAN leaders recognize that their real security threat comes mainly from internal rather than external sources. They also feel that ASEAN now has adequate bilateral arrangements to cope with their internal subversive movements.

• *Common External Policy*

When compared to domestic policies, the common framework in ASEAN's external or foreign policies is perhaps more interesting, as it covers several important issues in the region. There is no doubt in the minds of the leaders that in order to survive well in the world political arena ASEAN should act in unison with regard to any issue affecting the region.²⁰ So far, ASEAN has taken several common stands on such issues as the neutralization of Southeast Asia, relations with Communist countries, positions in international forums, as well as many others.

Upon the initiative of Malaysia, the ASEAN states signed a declaration in November 1971 advocating the neutralization of Southeast Asia, and proposing Southeast Asia to be a "Zone of Peace, Freedom, and Neutrality," free from any form or manner of interference by outside powers.²¹ This proposal is also known as the Kuala Lumpur Declaration.

To be genuinely neutral is not easy. This would mean that ASEAN members would have to abandon their security arrangements with outside powers, such as those of Malaysia and Singapore with the United Kingdom, Australia, and New

Zealand, and of Thailand and the Philippines with the United States. Also, they would need the outside powers to recognize and respect the neutral zone. Prior to mid-1978, the proposal did not gain much support from the outside powers. The Soviet Union had its own plan of sponsoring a collective organization while Vietnam openly expressed hostile reactions towards the concept. However, with the recent serious situational change in Indochina, the Soviet Union and Vietnam have begun to give the proposal favorable mention. The Vietnamese government went even further and sponsored its own proposal of a regional zone of peace.

Although ASEAN leaders have consistently expressed their satisfaction with the efforts of the member states to realize the proposal,²² such efforts are largely rhetorical rather than substantive. This may be because of the difference in strategic perceptions among some of the ASEAN members which has sometimes been serious enough to cause them to consider alternative approaches. (These perceptual differences will be explored further in Chapter VI.) In addition, leaders of ASEAN know very well that it would take a long time for neutralization to be implemented. They therefore feel no need to hurriedly push for the implementation of the concept. This feeling was expressed by an ASEAN official, who in 1972 was quoted as saying: "We are working now so that in ten years' time when the proposal is likely to come to fruition, we will understand what we all mean."²³

The neutralization proposal is important in several respects. The proposal itself came at a time when the distribution of power in the region was in flux, and the future relationships between Southeast Asian and outside powers were unclear. Even at the present time after some political and power changes in the region, some form of neutralization of Southeast Asia is still believed to be a desirable major theme for Southeast Asian

foreign policies.²⁴ Moreover, this ASEAN blueprint is the first neutralization proposal concerning all of Southeast Asia to be originated from within the region. It also demonstrates the intention of ASEAN to be truly free from outside interference, and at the same time to abstain from involvement in external conflicts.

Relations with China and the Indochinese states also constitute one of the main common concerns among ASEAN leaders. Informal political consultations on the issue of how to proceed and deal with these countries have been held since the early years of ASEAN.²⁵ Although ASEAN members retain full freedom to proceed as they please in relations with these states, ASEAN leaders always consult and inform each other before they make an important move. Furthermore, they also agree on the basic principles on which relations should be founded. They have expressed "the desire of ASEAN countries to develop peaceful and mutually beneficial relations with all countries in the region, including Kampuchea, Laos and Vietnam." Such relations should be established "on the basis of respect for sovereignty, territorial integrity and non-interference in the internal affairs for the progress, peace and stability of the region."²⁶

Only a summary of ASEAN-China and ASEAN-Indochinese relations will be presented here, as these issues are not the main concern of this paper.²⁷ As of the end of 1978, three of the five ASEAN countries had already established diplomatic relations with China. Malaysia was the first member to do so in late May 1974, during Prime Minister Tun Abdul Rasak's official visit to China at their invitation. President Marcos of the Philippines visited China in June 1975 and during his stay in that country established diplomatic relations between the two countries. A few weeks later, Thai Prime Minister Kukrit Pramoj also visited China and on 1 July 1975 he and Premier Chou En-lai agreed to establish diplomatic relations.

Another head of government of an ASEAN member, Premier Lee Kuan Yew of Singapore led a goodwill delegation to China in May 1976. Although he and Premier Hua Kuo-feng did not establish diplomatic relations between the two countries,²⁸ their friendly relations were significantly enhanced.

With regard to Indonesian-Chinese relations, little improvement has been achieved. According to Indonesian leaders, Peking has not shown "goodwill" towards the Suharto government and has not given up the desire to interfere in Indonesia's internal affairs.²⁹ Peking remains critical of Jakarta. For example, it sharply criticized Jakarta's involvement in East Timor and openly expressed its support of the East Timorese people.

Generally speaking, ASEAN-Chinese relations have improved tremendously, especially since 1974. The Chinese are now speaking of ASEAN cooperation in laudatory terms while at the same time refraining from reviving accusations that ASEAN is an anti-Communist alliance. The Chinese leaders have also returned official visits to the ASEAN countries. In November 1978, Vice Premier Teng Hsiao Ping led a "goodwill" delegation to Thailand, Malaysia, and Singapore.

Also, ASEAN's relations with Indochinese states have improved significantly. Governments of both groups have made efforts to step up the pace to normalize relations between the two groups. Goodwill tours have been conducted by both sides. Malaysian Foreign Minister Ritauddeen, apparently acting as a special emissary for ASEAN, visited Laos and Vietnam in June, and Kampuchea in December 1977. The Vietnamese Foreign Minister, Nguyen Duy Trinh, made a goodwill visit to most of the ASEAN capitals in December 1977. This was followed by the visit of Vietnamese Premier Pham Van Dong during September 1978 which resulted in more understanding and generally friendlier relations between ASEAN and the

Indochinese states.

ASEAN also demonstrates a common stand on many other issues. Before and during each regional and international forum, ASEAN representatives have political consultations among themselves to take a joint approach with regard to any common problems. It becomes more and more evident to observers at the United Nations and similar forums that ASEAN is in fact acting as a group. Philippine Foreign Secretary Carlos Romulo describes the matter as follows:

... we are coordinating our policies. When we wanted to recognize Bangladesh, we consulted our fellow members and thus all ASEAN members were able to extend recognition simultaneously. We also consult before voting in the United Nations. ... On economic matters, when Japan's synthetic rubber industry started undercutting ASEAN rubber products, we were able to make a more effective unanimous protest....³⁰

Perhaps more important is an ASEAN common stand on crucial international policy questions such as the ASEAN Declaration on the Arab-Israeli Conflict. On November 26, 1973, acting on behalf of the ASEAN member countries, Indonesian Foreign Minister Adam Malik issued a mildly anti-Israeli statement demanding "the lawful rights of the Palestine people be fully respected and restored," and urging solution "in conformity with the United Nations Charter and Security Council Resolution 242 (1967) and other related United Nations Resolutions."³¹

ATTITUDINAL PROGRESS

In the study of political integration, theorists generally accept that a thorough study of integration cannot possibly avoid the question of attitude. Their main concern is to study the extent to which an individual or a group of people develop a sense of common identity and mutual obligation. Normally, the strength and direction of this sense of identity and obligation can be determined by the degree of the individual's or the group's willingness to participate in regional affairs.

However, reliable data for attitude analysis is sometimes very difficult to obtain, as in the case of ASEAN. As in other less developed areas, opinion polls with regard to ASEAN are extremely rare. Up to the end of 1978, general public opinion polls on the question of ASEAN identity did not exist. The situation is better with regard to elite attitude. A few studies have already been made to test the attitudes of the ASEAN elite; yet the latest data gathering and sampling was conducted in 1970-1971, and is already eight years old.³² Our study of attitude is therefore seriously hampered by the lack of current and accurate data. Under these conditions we must take whatever data types are available to determine mass and elite attitudes towards ASEAN's joint regional efforts.

• *Mass Attitude*

Generally speaking, attitudes towards international or regional affairs are based on information and experiences received from the society. In this connection, it is suggested that the mass' international attitudes can be formed and changed by the following factors: contact with foreigners, personal experiences, impact of events, education and persuasion, and government programs.³³ In the case of ASEAN, it is quite safe to state that at the present time these factors do not generate much

influence in forming common attitudes among the ASEAN general public. Contact and personal experiences with other ASEAN countries and their citizens are limited. Only the Singaporeans and Malaysians can be said to have had extensive communications, prior to their separation. Events in ASEAN so far are not spectacular enough to have any effect on the formation or change in related public attitudes. In addition, the educational systems and government programs of ASEAN countries in the past never aimed at persuading the public to be interested in ASEAN. Only recently have the governments started to educate and inform the public about ASEAN affairs.³⁴ All these factors suggest that there is a lack of public information and that the ASEAN general public are ignorant of ASEAN affairs.

The implications of this ignorance and lack of information are clear. The ASEAN mass knows little about ASEAN and therefore has the so-called “non-attitudes,” based on a lack of information, understanding, and contact.

• *Elite Attitude*

Expressions of common attitudes towards ASEAN regionalism among the elite are far more visible than among the mass. A quick look at speeches, statements, and opinions of the ASEAN elite in the press and mass media provides us a general feeling that their attitudes are generally supportive of regionalism. This type of attitude is expressed by politicians, businessmen, academicians, government officers, and high-ranking military officers.

Academic studies of the elite attitudes also produce similar conclusions. A pioneering study of ASEAN elite attitudes was conducted in the early 1970s. Using data from communications, speeches, interviews, and statements given by the political elite in ASEAN countries from 1959 to 1969, Estrella Solidum confirmed the growing supportive attitudes

related to ASEAN cooperative endeavors. Solidum also suggested that these common attitudes were created by the elite's perceptions in these areas: external and internal threats, the importance of economic development, desired strategies for change, and present and previous integrative experience of their partners.³⁵ The author's own findings, from interviews with ASEAN officials conducted in Southeast Asia during January and February 1978, also confirm that they strongly favor ASEAN regionalism. The reason they gave to the author were similar to Solidum's findings.

Among the ASEAN elite, perhaps the most important attitudes are those of the group's top echelon or of the ASEAN top leaders. The top leaders' views are very significant and necessary as they are the decision-makers who actually formulate and finalize any of ASEAN's common policies. As Philippine Foreign Secretary Romulo suggested, the ASEAN "heads of states are the architects of policy, [Foreign Ministers of Secretaries] are carpenters, building to the specifications of the architects."³⁶

So far, all ASEAN leaders have consistently expressed agreement on the necessity of regional cooperation, and even change in governments in individual member states have not altered this consensus. For instance, successive Thai governments have accorded top priority to ASEAN in their foreign policies. Barring drastic changes on the order of a Communist take-over, ASEAN's leaders will likely continue to express strong commitment to it for many more years. They have met frequently, particularly in recent years; since 1976, there have been two summit meetings and numerous official and unofficial visits. These meetings have produced many important multilateral agreements, including the ASEAN Concord (1976), the Treaty of Amity and Cooperation (1976), the Agreement on ASEAN Preferential Trading Arrangements (1977), and numerous

bilateral agreements as well.

The above discussions of ASEAN's institutional, policy, and attitudinal progress are all important, but the study would not be complete without examining the condition of the security community or of the reliable expectation of nonviolent relations in ASEAN. This is necessary as any hostile incident between member states would to some extent impair ASEAN's unity and integration.

ASEAN AND THE CONCEPT OF SECURITY COMMUNITY

The concept of security community was first developed by Karl W. Deutsch and others in *Political Community and the North Atlantic Area*. They described the concept as "the attainment, within a territory, of a *sense of community* and of institutions and practices strong enough and widespread enough to assure, for a *long time*, dependable expectations of *peaceful change* among its population."³⁷ This would mean that war is no longer acceptable as a means for solving conflict within the community.

Although the concept has some validity, there are several problems in applying it to ASEAN's political sector. As stated previously, the ASEAN population as a whole are ignorant about the foreign affairs of their country and therefore have no attitudes or expectations concerning relations between the ASEAN countries. However, they are also very nationalistic and can be easily mobilized against any foreign country. The concept is very difficult to make operational. For example, under what specific criteria can ASEAN be described as a security community? How widespread and how strong must nonviolent solutions be practiced to be counted as "enough"? The concept does not provide solutions to these problems. Nonetheless, it has some suggestive value; and the study of inter-ASEAN hostilities and the way ASEAN countries solve their disputes

can help us understand another aspect of ASEAN's attempts to achieve integration.

Within the ASEAN region, many inter-ASEAN tensions and hostilities have arisen from such issues as territorial claims on one another, ambitious nationalism, smuggling, and dissident ethnic and religious minorities. Among these crucial problems are the dispute over Sabah between Malaysia and the Philippines, the border problems between Indonesia and Malaysia that formerly led to Indonesia's confrontation policy, the border and ethnic problems between Malaysia and Thailand, problems concerning Indonesia's archipelago concept, the problems of contraband trade between Singapore and Indonesia, and distrusts between Singapore and Malaysia arising out of the creation of the Malaysian Federation and Singapore's separation from it. Some of the problems have erupted into violent armed conflicts among the five ASEAN states.

• The Sabah Claim and Ethnic Dissidents in the Southern Philippines

One of the most well-known conflicts is the Philippines' territorial claim of the east Malaysian state of Sabah (also known as North Borneo). The claim was officially made by the Philippine government in 1962, causing the deterioration of relations between the two states.³⁸ This led to the severing of diplomatic relations in 1964. Although diplomatic ties were reestablished after Ferdinand Marcos became President of the Philippines in 1966, the Sabah claim was still an irritant in Philippine-Malaysian relations for many more years. Even after the creation of ASEAN, incidents related to Sabah became once again a threat to the relations of these two ASEAN states. In March 1968, the "Corregidor incident" revealed the existence of a secret force of Muslims being trained by the Philippines to infiltrate Sabah. The situation worsened when the Philippine Congress

passed a bill which would put Sabah under the Philippines' sovereignty by the process of redefining Philippine boundaries.³⁹ This time, active diplomatic relations between the two countries were suspended. It was only in December 1969 that normal relations resumed. This resumption made possible the development of ASEAN into a vigorous regional organization characterized by increasing cooperation among ASEAN members.

Meanwhile, another development produced some effects on the Philippine-Malaysian relations. The situation in the southern Philippines was worsened by the increasing fighting between the Christians and the Muslim dissidents, believed to have some connections with Sabah. Tun Mustapha, Chief Minister of Sabah, had allegedly encouraged the Muslim dissidents and provided them with some assistance such as training. It was doubtful whether Tun Mustapha's ventures received approval from Kuala Lumpur as a retaliation to the Philippines' claim to Sabah. However, the issue became more complicated as the fighting spread and more countries were involved. Libya, for example, had condemned the Philippine government and explicitly offered arms and money to Philippine Muslims. The best way for such assistance to reach the Muslims was through Sabah. This expansion of the Muslim insurgency later constituted a major concern to Manila.

It appears that the developments mentioned above have improved Malaysian-Philippine relations. One source argues that these two developments are related in such a way as to reflect a bargain, implicit or explicit, between Manila and Kuala Lumpur.⁴⁰ The leaders in the two capitals appear to have agreed on the following terms. The Philippines will refrain from pressing its claim to Sabah but will continue to attack the Muslim dissidents in its southern island. Meanwhile, Malaysia will not give support to the Philippine Muslims but will not stop Tun Mustapha's assistance to them.⁴¹ Malaysia will also try to keep

the issue of Philippine Muslims from developing into a major international Islamic issue.

The bargaining game became clearer in mid-1977 at the second ASEAN Summit when President Marcos declared that his government was taking “definite steps” to eliminate its claim to the east Malaysian state of Sabah.⁴² However, at a press conference, he also stated that a quick renunciation of his country’s claim was not possible because there still were legal, political, and psychological obstacles, especially opposition from some of the “old society” politicians.⁴³ Although Marcos said that his gesture wanted no *quid pro quo*, he and the leaders of Malaysia and Indonesia also announced that they were taking steps to secure their three countries’ borders from piracy, smuggling, and drug-trafficking. The three leaders pointed out that this could lead to a border agreement between the Philippines and Malaysia. As one source suggested, if such a joint border patrol arrangement is made, it will benefit the Philippines by limiting Sabah from being used as a staging area for arms and a training ground for the Philippines Muslim rebels. Manila has requested such a joint border patrol several times but have been turned down by Kuala Lumpur because of the Sabah issue.⁴⁴ It remains to be seen whether Manila will actually drop the claim and, if so, what will be the consequences of this act.

• *The Formation of Malaysia and the “Confrontation”*

On September 16, 1963, the British colonies of Singapore, Sarawak, and Sabah joined the Federation of Malaya to form Malaysia. Indonesia and the Philippines objected to the formation of Malaysia. But it was mainly Indonesia under President Sukarno that conducted a program of “confrontation” against Malaysia. This “confrontation” continued through the separation of Singapore from Malaysia.

Indonesia’s Program of “confrontation” against the new

state of Malaysia included political/diplomatic, economic, and military offensives. After the announcement of the formation of Malaysia, Indonesia declared it could not recognize the new government. Strong reactions followed: demonstrations were set and the embassies of the two sides were attacked in Jakarta and in Kuala Lumpur. Indonesian leaders repeatedly proclaimed the official slogan of "Crush Malaysia!"⁴⁵ Indonesia also severed economic ties with Malaysia. This severance was an effort to end Indonesia's dependence on the entrepôt facilities of Singapore. The most important act was the infiltration of Malaysia by Indonesian armed "volunteers." In the beginning, these "volunteers" landed primarily in Sarawak and Sabah, but later they also infiltrated the Malayan mainland and Singapore as well. This infiltration prompted Malaysia to present the matter to the United Nations Security Council, and culminated with Indonesia's dramatic decision to withdraw from the United Nations.

The fall of the Sukarno regime in 1966 led to the end of the "confrontation" policy. Diplomatic relations between Indonesia and Malaysia, and Indonesia and Singapore (Singapore became independent in 1965) were established and cooperation among these states resumed.

It may be interesting to add here an incident related to the Crush Malaysia campaign which affected Indonesian-Singapore relations. Suspicion and distrust between the two countries were at an all-time high in November 1968 when Singapore's government hanged two Indonesian marines convicted for anti-Singapore activities during the "confrontation" days. This was done despite a personal clemency plea by Indonesian President Suharto. As one source described the episode, the Indonesians were incensed by the way in which the Singapore government acted, feeling that there should be some sort of executive clemency, given the efforts of the new

Indonesian government to end “confrontation” and rebuild its relations with its neighbors.⁴⁶ In Indonesia, the two convicted marines were seen as national heroes and their deaths sparked a wave of anti-Chinese violence. Almost five years later, in August 1973, Singapore Premier Lee Kuan Yew himself went to the Kalibata cemetery near Jakarta and laid flowers on the graves of these two marines.⁴⁷ This gesture helped end most of the ill-feeling generated by the incident.

• *Problems between Malaysia and Singapore*

Generally speaking, Singapore-Malaysian relations are tenser than relations between any other ASEAN countries. Two major factors are responsible: the physical proximity of the two countries, which face each other across a short causeway; and their common experience under British rule. People of both countries travel across the mile-long causeway to do business and visit relatives on the other side. This close relationship of the two countries dates back centuries. Many people say that Singapore and Malaysia are like Siamese twins, separated at maturity. The relationship was first severed in 1957 by the British who gave Malaya independence, then bonded back in 1963 with the formation of Malaysia, and finally severed again in 1965 for political and economic reasons.

Although their relations are very close, some mutual distrust also exists. Racial differences have always constituted one of the mutual suspicions. Because of the “Chineseness” of Singaporeans, Sarawak and Sabah were brought into the Federation of Malaysia in 1963 to create a “racial” balance. This political factor was also mainly responsible for the separation of Singapore from the Federation in 1965. The break-up itself produced bitter memories, particularly among Singapore’s leaders, who considered that Singapore was not separated from Malaysia but was in fact “kicked-out.”

After the separation of 1965, Singapore attempted to reduce its dependence on Malaysia to the greatest possible extent. This meant that Singapore wanted also to become self-reliant in defense. In building up its defense forces, Singapore used Israeli advisors, and this caused some offense in Kuala Lumpur's political quarters.⁴⁸ In other areas, divergent national interests of the two countries have caused their once joint instruments and enterprises to separate. The common currency was finally separated and the interchangeability of the Singapore dollar and Malaysian dollar came to an end in 1973. Earlier, the successful Malaysian-Singapore Airlines joint venture was split into separate national airlines. Even the *Straits Times*, a long-time newspaper, was separated into the *Straits Times* of Singapore and the *New Straits Times* of Malaysia.

• *Trade Problems between Singapore and Indonesia*

In the past, contraband trade and smuggling created a great deal of irritation in the relations between Singapore and Indonesia. For many years, President Suharto's attempts to curtail smuggling were hampered by Singapore's refusal to accede to longstanding Indonesian requests for bilateral trade statistics. The Singapore government maintained that as a free port Singapore allowed all merchandisers to arrive or leave so long as they did not contravene Singapore's domestic customs laws. The disagreement between the two countries was greatly dispelled during the past few years when Singapore changed its mind and handed over official figures on Indonesian-Singapore trade. Despite this, it is believed that Jakarta is still unhappy because it considers Singapore's bilateral trade statistics to be incomplete and misleading.

• *Disagreements over the Water Passageways*

Since most of ASEAN's members are maritime nations,

conflicts over waterways constitute major concern. For instance, at the Law of the Sea Conference in New York in 1976, Indonesia had actively promoted the archipelago concept which would grant states sovereignty over all waters surrounding their islands.⁴⁹ Although Malaysia has agreed to support the proposal of this concept, it had some reservations. Malaysia's major concern was the Indonesian claim to sovereignty over all waters as far north as the Natuna Islands, a claim which would drive a wedge between East and West Malaysia.⁵⁰ However, the Malaysian felt reasonably comfortable with the pledge from the Indonesians to respect Malaysia's traditional transit rights through the Indonesian waters separating Malaysia's two wings. Like Malaysia, the island states of Singapore also worried about its waterways and closely followed the development of this archipelago concept.

Along with the above problems, there is no ASEAN consensus on the issue of the Malacca Straits. Malaysia, Indonesia, and Singapore are countries that have both convergent and conflicting interests in the issue. In 1972, Malaysia and Indonesia extended their territorial waters to 12 miles and claimed that the narrow Straits of Malacca were no longer international waters. These two nations, together with Singapore, are members of a tripartite Straits of Malacca commission which aims at controlling the traffic through this waterway. But conflicting interests among these concerned states create differences of opinion and conflicts over the question of how to control the Straits.

Jakarta and Kuala Lumpur want to limit the use of the Straits to the "innocent passage" of other nations' ships of small and medium sizes. Governments in the two capitals would prefer to see bigger tankers taking another route. It is suggested that Indonesia's strong motivation for this move is to exercise some restraint on the Soviet naval presence in the region, while Malaysia's major concern is to safeguard against

environmental pollutants such as oil spills from big tankers on their way to Japan. Singapore, however, is hardly enthusiastic about the limitations in the Straits and would prefer to see this waterway remain an international passageway. Because of its port facilities and dry docks, Singapore does not want its revenue to be reduced because smaller number of ships come to use its services.

• *Border and Ethnic Problems between Malaysia and Thailand*

Although Thailand and Malaysia have been among the best of neighbors in ASEAN countries, characterized by their 15 years of border cooperation against the insurgency, their cordial relations are sometimes interrupted by tensions generated from incidents in the border area. In this region there are substantial activities of the Malaysian Communist insurgencies and increasing disturbances created by the Thai Muslim separatists. During May and June 1976, tension broke the normally cordial courses of Thai-Malaysian relations. Earlier, Malaysian forces conducted several operations within Thai territory against the Communists, including “hot pursuit” missions into Thai villages in the border area, interrogations of several Thai citizens, and aerial bombing in at least one area.⁵¹ These actions were promptly protested by the Thai government. The situation deteriorated when 10,000 Thai demonstrators in Betong district demanded the withdrawal of Malaysian counterinsurgency forces stationed in that border town for over a decade.⁵² Because of the strength of the Betong protests, together with the concern over the general public’s eventual reaction to the continued presence of foreign troops on Thai soil, the elected Government in Bangkok asked the Malaysian forces to leave and terminated the right of “hot pursuit.” The Thais also asked that the border treaty between the two countries be reviewed.

In an attempt to solve the problem, Thai Premier Seni Pramroj visited Penang, Malaysia, in July 1976 to discuss the border problem with Malaysian Premier Datuk Hussein Onn. Although the meeting was conducted amidst a friendly atmosphere, the two sides could not agree on many important issues. The Malaysians reportedly pressed for the continuation of the right of “hot pursuit,” while the Thais apparently asked for a *quid pro quo*. The Thais argued that their security forces should also be given the right to pursue Thai Muslim separatists who sought sanctuary in the Malaysian northern state of Kelantan. The Malaysians apparently resisted these anti-Islamic clauses.

The roots of this disagreement must be traced back to different perceptions of the national interests of the two countries over their common border problems. As some sources suggest,⁵³ the Malaysians are fundamentally preoccupied with suppressing Communists and think that the Thais should regard these insurgents in their border area as a common enemy, even though the Communists’ activities are mostly directed against Kuala Lumpur rather than Bangkok. Some Malaysians believe that the Thais consider their southern border as Malaysia’s problem. The Thais, on the other hand, are more worried about Muslim separatism among the four southern provinces with predominant Muslim population, and also feel uneasy with regard to the potential of Malay irredentism. They also suspect that Thai Muslim separatists may receive support and sympathy from the Kelantan state and Kuala Lumpur.

After the ousting of the democratic government in Bangkok in October 1976, border cooperation between the two countries against the Communists resumed and perhaps intensified. As mentioned earlier, joint operations involving more than 10,000 combined troops were launched against the insurgents in 1977. At present, and perhaps only temporarily, Thai-Malaysian border problems have been solved.

TOWARDS AN ASEAN SECURITY COMMUNITY?

Even though disputes and hostilities among the members certainly generate disruptive effects on inter-ASEAN relations, their positive effects should not be overlooked. For example, one result of Indonesia's "confrontation" policy against Malaysia (1963-1966) was the unprecedented pattern of intense communications developed by Indonesia, Malaysia, and the Philippines in this period. For ASEAN to become a community of security and understanding, it needs extensive communication among its members. Such communication is necessary so that mutual trust and understanding can develop and conflicts can be resolved amicably.⁵⁴ ASEAN has provided its members with a channel of communications, which should mutually help decrease expectations of conflicts and increase responsiveness within ASEAN.

Although disputes among ASEAN member warrant discussion they should not be exaggerated or allowed to overshadow the many daily cooperative actions. Ties among ASEAN members at the present time are very extensive and growing at a fast pace. It would once have been impossible to imagine that Indonesian and Malaysian naval and air force units, which were fighting each other a decade ago, would today hold regular joint exercises where they used to fight each other. Moreover, the border problem between Malaysia and Indonesia, which formerly led to Indonesia's "confrontation" policy, has now been solved to such an extent that their border cooperation today can serve as a model of ASEAN cooperation.⁵⁵

Among these inter-ASEAN disputes, the only remaining major political irritant is the Philippine territorial claim to Sabah. Nonetheless, this problem has already been partially solved with President Marcos' announcement that for the sake of ASEAN unity, the Philippine government is taking steps

to drop its claim to Sabah.

Perhaps the most important aspect of ASEAN's internal disputes is the way in which they are solved. Methods to be used have now been written into the Treaty of Amity and Cooperation agreed to and signed by ASEAN's top leaders at the Bali Summit in 1976. The treaty contains procedures both for preventing and resolving disputes.⁵⁶ The procedure involve the appointment of a Ministerial High Council which must be agreed to by all parties to the dispute. The High Council will have the ability to recommend measures to settle the dispute and to prevent it from deteriorating.

Along with the absence of violent dispute and the expectation of peaceful settlement when one does arise, ASEAN's regional affairs in its first decade are also characterized by increasing mutual responsiveness among its members. ASEAN members no longer make decisions solely in their own national interests, but take into consideration the interests of their partners. Indeed, mutual responsiveness has been demonstrated on many occasions. For example, when Singapore, and to a lesser extent the Philippines, saw that their idea of free trade area would cause Indonesia a good deal of discomfort, they chose to drop the idea rather than push it forward and risk a confrontation which would threaten ASEAN solidarity.

So far, this solidarity has remained strong, as was evidenced in 1976 during the United Nations debate on Timor.⁵⁷ Some observers feared that Jakarta's decision to annex Timor would revive painful memories of "confrontation" and cause concern in Kuala Lumpur about its territories. In fact, Malaysia seemed unconcerned and joined Thailand and the Philippines in voting against a resolution calling for the withdrawal of Indonesian troops from Timor. Singapore broke ASEAN ranks by abstaining; but although Indonesian leaders were irritated, they seemed to understand Singapore's decision. As an island

even smaller than Timor, Singapore could hardly have publicly approved Indonesian actions and still maintain its credibility in the world community. It is important to note that Singapore's abstention did not affect ASEAN unity; relations between Indonesia and Singapore remained as extensive and cooperative as before.

In summary, ASEAN is clearly becoming a security community. Mutual responsiveness is growing while violent mutual conflicts can be expected to decrease. Unless there is unforeseeable drastic internal change, such as the emergence of an adventurous leader, ASEAN will become a community in which members talk seriously about their common problems, agree on their mutual interests, and settle their differences by peaceful methods.

SIGNIFICANT TREND OF ASEAN'S POLITICAL OUTPUT

Because of widespread illiteracy, strong nationalistic sentiments, and significant differences in history, culture, and the socio-economic systems of its members, it would be unrealistic to expect ASEAN's members to achieve a high level of political integration during the first ten years of the organization's existence. Nevertheless, the preceding description reveals an emerging positive trend. ASEAN acts politically with a high level of solidarity, characterized by frequent consultations. These opportunities to communicate have fostered the growth of "an ASEAN spirit of frankness and tolerance,"⁵⁸ which has enabled members to agree on a number of problems.

The existence of this spirit contrasts sharply with earlier years, when the five countries had little communication with and knowledge about their neighbors. Thus, the creation of the organization itself was seen by an ASEAN leader, Indonesian Foreign Minister Adam Malik, as "a serious attempt at

neighborliness.”⁵⁹ Since then, the members have learned a great deal about one another’s legal, political, and socio-economic systems. Through ASEAN, these states have become more and more accustomed to working together with a high degree of self-restraint. Earlier differences of opinion do not generate new serious tensions; on the contrary, these differences can now be settled in an atmosphere of goodwill and mutual understanding.

Coupled with this community spirit is a growing awareness among ASEAN leaders of the necessity and urgency of ASEAN. Cooperation is now increasing on both internal and external policies. The pace is still very slow; ASEAN’s coherence so far has been demonstrated only in its dealings with external powers, particularly Japan, Australia, and New Zealand. The leaders of ASEAN must have felt that there had been sufficient internal consolidation when they invited the leaders of these developed countries for post-Summit talks with them in 1977. This external coherence alone is not enough, however, because in the long run it depends on the effectiveness of internal cooperation; and at present nationalism still prevails over regionalism. As Singapore Foreign Minister Rajaratnam admits, “we [ASEAN] have yet a long way to go before we can harmonize nationalism with regionalism.”⁶⁰ Therefore, it remains to be seen whether this growing awareness of ASEAN urgency and necessity will develop into a political will strong enough to transcend nationalism, which so far is the major obstacle to integration.

SUMMARY

Political cooperation in ASEAN has been assessed by examining the organization’s institutions and policies, its leaders’ attitudes, and the degree to which a security community has developed. The institutions are still very weak; the Central

Secretariat has little power, and all decisions are made by unanimity, which implies a lack of supranationality. Members have made substantial progress, however, in shaping their policies cooperatively; the scope, extent, and importance of ASEAN's policy decisions are expanded and still growing. Cooperation on internal policy matters, such as border and security arrangements, has become common. In its external relations, ASEAN is increasingly acting as a cohesive group; its solidarity is demonstrated in its members' dealings with China, the Indo-chinese states, the industrialized countries, and the international forums such as the United Nations. Attitudinal development is mixed; the public is ignorant about ASEAN activities, but the elite are generally supporting regional cooperation efforts. Finally, ASEAN is now progressing towards a security community; its members are more responsive to one another, and mutual disputes are expected to be solved by peaceful means. Perhaps most important, an ASEAN spirit of frankness and tolerance has been developed. It is hoped that, with this spirit, ASEAN's members will overcome their vast differences in national interests and secure lasting regionalism.

PART

II

ANALYSIS AND
EXPLANATION OF
ASEAN'S PROBLEMS
AND PROGRESS:
INTRA-REGIONAL AND
EXTRA-REGIONAL ELEMENTS

CHAPTER

- 6 -

ASEAN
AND ITS INTRA-REGIONAL
ELEMENTS

In previous chapters, we have analyzed the dependent variable of ASEAN's progress in terms of economic, social, and political cooperation. The immediate task is to explain why the cooperation process in ASEAN is advancing at such a slow pace. Several independent variables will be employed here to determine their impacts and implications on ASEAN's regional efforts. As mentioned earlier, these variables are both intra-regional (inside ASEAN) and extra-regional (outside ASEAN) in nature. This chapter will analyze the intra-regional variables, leaving extra-regional elements for the analytical task of the next chapter.

Starting with an analysis of the economic size and equality of ASEAN members, this chapter will then turn to the member states' internal pluralism and politics, as well as regional pluralism. Several other important independent variables will also be investigated in this chapter in order to determine their effects on ASEAN. Among them will be the study of ASEAN's

elite socialization, followed by analyses of the strategies and perceptual conditions of ASEAN members in regard to separate economic, social, and political cooperative actions. Then, the last two important variables will be analyzed: ASEAN's institutional structure and the method or style of negotiations. The conclusion will be a presentation of significant findings related to ASEAN's intra-regional elements. It is to be hoped that these findings will provide us with a better understanding of ASEAN's progress and problems as well as suggest meaningful results from which valid generalizations can be made.

SIZE OR ECONOMIC EQUALITY OF ASEAN MEMBERS

These factors are believed by many theorists to be both an important background condition to and a process condition of integration. Problems of unequal size have been known to slow down progress in LAFTA. The argument is that economic integration cannot be successful between partners with different levels of economic development. Because industry has a tendency to "cluster to take advantage of the external economies available from the presence of other industries in more developed parts of a region," it is very likely that "the 'spread' effects of increased economic activity will be less important to the poorer areas than the 'backwash' effect of the attraction of resources from the poorer to the richer areas."¹ When this hypothesis is implied to ASEAN, it means that economic integration will be very difficult to achieve as such activity will concentrate in Singapore (the most developed area of ASEAN) and other countries' resources will increasingly be attracted to Singapore.

Before determining whether or not the size or economic equality/inequality of ASEAN members is responsible for the slow cooperative progress, it is appropriate to analyze here the actual size and level of economic development of the members.

As the study of ASEAN economies in Chapter III suggests, there are wide disparities in the stages of economic development among ASEAN members. In 1974, the most developed member (Singapore) had GNP per capita of US \$2,465 while the least developed member (Indonesia) had US \$184. In terms of ratio, the difference in per capita incomes of the two countries is more than 13 : 1. GNP per capita incomes of the other three members are: US \$723 for Malaysia, US \$338 for the Philippines, and US \$292 for Thailand. According to GNP per capita, the member countries should be ranked from highest to lowest as: Singapore → Malaysia → the Philippines → Thailand → Indonesia.

Other data, such as numbers of passenger cars, telephone, and televisions also suggest similar degrees of differences in the stages of economic development among the five members.² In 1976, Singapore had 62.3 passenger cars per 1,000 inhabitants whereas Malaysia had 42.5, the Philippines 8.8, Thailand 6.9, and Indonesia 3.1.

With regard to telephones and televisions, in 1976, Singapore had 144 telephones for every 1,000 persons, in contrast to Malaysia with 27, the Philippines with 12, Thailand with 8, and Indonesia with only 2. Comparatively, in 1974, there were 120 television sets per 1,000 inhabitants in Singapore, 33 in Malaysia, 17 in the Philippines and Thailand, and only 2 in Indonesia.

Although these figures clearly point out tremendous inequality in the level of economic development within ASEAN, this unequal development should not be overemphasized as the important factor responsible for the slowness of ASEAN's cooperative process. An argument is that this inequality can be adequately compensated by such elements as size, population, and natural resources. In ASEAN, the richest and most developed member is also the smallest in terms of size, population, and natural resources. Singapore, the most developed member, has

only a small land area of 587.6 square kilometers, whereas the Philippines have 300,440, Malaysia 329,750, Thailand 514,000, and Indonesia 1,904,569. Population figures for 1976 show that Singapore had a population of 2.28 million, as compared to 12.30 for Malaysia, 42.96 for Thailand, 43.75 for the Philippines, and 139.62 for Indonesia. This population figure indicates that in terms of labor it would be impossible for Singapore to have industries clustered on its small island. Furthermore, Singapore has virtually no significant natural resources while the other four members produce large amount of hardwood products, rubber, tin, copper, oil, and various minerals necessary for light and heavy industries.

When taking these elements into consideration, they should compensate for the inequality in levels of development within the five countries. Consequently, this inequality should not pose any danger of the 'backwash' effect that may delay the process of economic cooperation in ASEAN. Nor should these unequal stages of economic development paralyze the process of specialization in production among the five members. In fact, as mentioned earlier, ASEAN governments have already set up several specialized projects, such as the five industrial ones. It can be expected that these projects will equally benefit all members of the group.

If inequality is interpreted in terms of the total size of economy measured in GNP, Indonesia leads the group. In 1974, Indonesia's GNP was US \$23,552 billion, whereas the Philippines' was 14,013, Thailand's 11,979, Malaysia's 8,423, and Singapore's 5,470.³ Ratios from largest to smallest GNP were: 4.3 : 2.6 : 2.1 : 1.5 : 1. These figures support the argument that the inequality of ASEAN's level of development should be adequately compensated by the different sizes of members' economies. Hence, size and economic inequality of ASEAN members should neither be a major obstacle to economic

cooperation nor limit the prospect of integration.

It is worth noting here that there is a theoretical dispute over the roles of size and economic equality in integration theory. Refusing the proposition that economic integration cannot be successful between unequal partners, Bruce M. Russett argues that there is no convincing evidence to support this proposition. Citing Karl W. Deutsch and Amitai Etzioni, he proposes that unequal size and core areas of the region's economy may be helpful conditions for integration, because a powerful core area can provide centripetal force for the acceleration of the regional integration process.⁴ In the case of ASEAN, the above study suggests at least two core areas – Indonesia (in terms of size) and Singapore (in terms of its level of development). However, the ASEAN case at the present time cannot provide a test to these two contradictory theoretical propositions. The organization is still in its early stage and its members just recently started taking serious steps towards economic regionalism. It would take five to ten more years for its projects to be fully implemented. Then we will be able to measure effectively the results and progress of ASEAN's joint economic efforts and the roles played by size and level of economic development.

At present, a principal determinant of ASEAN's tardy progress in economic cooperation is the *nature* of the economies. With particular regard to progress in intra-regional trade, the nature of ASEAN economies creates a major impediment to any increase. As the previous study of ASEAN products points out, the economies of members are mainly competitive rather than complementary. ASEAN members produce similar agricultural products with the exception of Singapore who has no significant agricultural production. The lack of complementary also applies to the industrial sector. With the exception of Singapore, the manufacturing and industrial sector is producing simple consumer goods and food processing products. Among

ASEAN countries, only Singapore's industries are producing more sophisticated industrial products. This competition has resulted in the lack of increase in regional trade. However, with important measures taken by the five countries in the areas of preferential trading arrangements and joint industrial projects, it can be expected that the degree of complementarity in ASEAN economies will increase in the near future. Of course, this would help accelerate ASEAN's intra-regional trade as well as enhance the chances of ASEAN attaining integration.

Perhaps a more important reason for the slow economic progress is the members' perceptions of the ASEAN economies, and not the economies of ASEAN *per se*. Problems of perception have plagued ASEAN and delayed drastic measures necessary for economic integration. These problems will be analyzed later in this chapter when we turn to the perceptual conditions of ASEAN. As for the immediate concern, we will analyze another independent variable of ASEAN, namely the nature of pluralism and internal politics of ASEAN members.

INTERNAL PLURALISM AND POLITICS OF ASEAN MEMBERS

To avoid semantic problems, internal pluralism here refers to the existence of functionally specific, universalistic, and achievement-oriented groups in all ASEAN member states. The concern here is to study the extent to which these modern associational groups within member states are organized and capable of articulating demands and influencing policy outcomes independent of control by governments of ASEAN members.

Theorists of regional integration generally agree that pluralism is important. Their hypothesis is that the greater the increase of pluralism within and across member states, the better the conditions for integration in general.⁵ However, a high degree

of pluralism has normally existed in industrialized and developed countries.⁶ Less developed or developing countries such as members of the LAFTA, CACM, EACM, and ASEAN have been known to have relatively low levels of pluralism. Therefore, it is interesting to determine whether or not the absence or the small number of such modern associational groups constitutes any obstacle to the progress and integration prospect of ASEAN.

• *Pluralism at the National Level*

Like most less developed countries, ASEAN member states have societies characterized by a lack of functionally differentiated and formally organized groups such as strong trade and labor unions. The numbers of these groups within member states are few and they are too weak to be effective in articulating their demands in order to influence governmental policies.

Several important factors are responsible for the absence of pluralism in ASEAN. One involves the nature of the five ASEAN members' societies. With the exception of Singapore, the other four countries are predominantly agricultural societies in which the peasantry is ignorant, illiterate, and uninterested in national politics. Workers and industrial laborers are also weak which helps to explain why farmers and workers are unable to organize themselves into a viable political force. For example, labor movements in Thailand were not organized by the workers themselves, but rather "by others on the outside" who seek to use the movements for their own political purposes.⁷ Also, because of their weakness, the movements failed to organize themselves properly internally and were unable to articulate their demands effectively. In addition, power struggles within farmer and labor unions as well as the lack of cooperation of leaders between unions also weakened the bargaining power of these groups. Similar situations exist in other ASEAN countries.

Another major factor responsible for the absence of strong associational groups in ASEAN largely results from the governments' repressive policies. As is the case of many developing countries, freedom of expression or association is generally limited and considered by the government as dangerous to national security and development. Most of the present ASEAN governments do not tolerate institutionalized oppositions, criticism, or organized unions. Rather than viewing criticism as a positive step towards improvement, most ASEAN governments become defensive and tend to see critics as subversive. Stern measures are commonly taken by these governments against these elements.⁸ The need for economic development sometimes forces ASEAN governments to outlaw strikes in order to attract investments. Although these repressive policies can be justified by economic and political stability, they are certainly not conducive to the development of ASEAN pluralism.

Finally, perhaps the most important factor is the role of bureaucracies and bureaucrats in ASEAN political systems. Like other developing countries, ASEAN societies are facing bureaucratic dominance. Joseph LaPalombara, for example, sees the emergence of overpowering bureaucracies as a threat to both the creation of independent political institutions and the expansion of the economy.⁹ The argument here is that where bureaucracies are cohesive and coherent, other important elements such as interest groups and even political parties tend to be ineffective and become passive instruments of the bureaucracies.

With the dominance of bureaucrats and military officers in the politics of most ASEAN members, we can therefore describe ASEAN members as bureaucratic polities. No matter what form of governments they have (parliamentary democracy as in the cases of Singapore and Malaysia, or governments by martial law as in the cases of Indonesia, the Philippines, and

Thailand), the national decision-making process in ASEAN member states does not change fundamentally. Power and participation in national decisions are still limited almost entirely to employees of the state, particularly the highest levels of military and bureaucrats in the capital city.¹⁰ Study cases of Indonesia and Thailand suggest that the military and the bureaucracy are not accountable to other political forces such as political parties, interest groups, or other organized communal interests.¹¹ Policies and power in these states does not result from the articulation of interests from the society, but rather from initiatives within the elite group itself without any need for mass participation or mobilization. Whenever mass mobilization has occurred, the initiative has usually come from the top echelons of the society.

How do these factors responsible for the absence of ASEAN pluralism affect the progress of ASEAN in general? Although the absence of pluralism and effective associational groups does not make cooperation and integration impossible, it certainly changes the nature of the process and makes it much more difficult. Instead of demands for more integrative policies coming from these groups, as seen in the integration path of Europe, demands in ASEAN are originated from the governments of member states themselves. A similar situation exists in all other regional organizations of developing countries (such as the LAFTA, CACM, the Andean Group, and EACM). The absence or weakness of modern groups also deprives member governments of channels of information or a feedback link that can contribute to realistic and progressive regional policies.

Closely related to the problems of feedback and cooperative response are those of freedom of expression and association. As mentioned earlier, most ASEAN governments employ repressive policies and tolerate no criticism. By and large, these policies create a dilemma for ASEAN regionalism. Though they limit the divisive elements and issues that could destroy

ASEAN's regional harmony, they also deter those groups which might speak out for different effective measures conducive to faster regional cooperation.

With the ASEAN public too often uninformed about regional affairs and the modern associational groups too weak to influence the governments, ASEAN business therefore depends almost entirely upon the bureaucrats of the five countries and has inevitably bogged down. The "red tape" and "slow but steady" style of the ASEAN bureaucrats has been criticized as a major cause of the slow progress of regionalism. One source describes the process as follows:

The civil servants attend most of the unending stream of intra-ASEAN meetings with their low rate of specific achievement. It almost seems the stream of meetings is kept flowing so that everyone gets a chance of a trip. The bureaucrats can claim that they are neither pushed from above nor from below and that the stream serves to enhance the "getting-to-know-you" process.¹²

Consequently, each common ASEAN scheme requires long periods of time to be formed, agreed upon, and implemented. For instance, it took over two years to complete the details of the ASEAN Central Secretariat in Jakarta. In 1976, the Bali Summit agreed to reorganize ASEAN mechanisms in order to be more effective. However, it has already taken two years to work out the reorganization plan and the project is still not complete.

• *Pluralism at the Regional Level*

A glance at the development of ASEAN non-governmental organizations seems to suggest the emergence of pluralism at the regional level. As the brief study of ASEAN

industry clubs and interest groups in the previous chapters indicates, the number of such modern associational groups has been increasing. Started in March 1971, the ASEAN Tours and Travel Association was established in Jakarta and became the first regional associational group of ASEANs. This was followed by similar formations of many other groups such as journalists, jurists, bankers, accountants, shipowners, and parliamentary members. Up to the end of 1977, 27 such associations had been established (see TABLE XII).

Despite the impressively high number of regional groups, a careful study of their roles in the ASEAN cooperative process does not indicate any significant results. At the present time, these groups are weak and have no power to influence the policy

TABLE XII.

List of ASEAN non-governmental/private organizations

1. ASEAN Tours and Travel Association (ASEANTTA)
2. ASEAN Motion Picture Producers' Association (AMPPA)
3. ASEAN Inter-Parliamentary Organization (AIO)
4. ASEAN Council of Museum (ASEANCOM)
5. ASEAN Women Circle of Jakarta
6. ASEAN Port Authorities Association (APAA)
7. ASEAN Council of Petroleum Cooperation (ASCOPE)
8. ASEAN College of Surgeons
9. ASEAN Cardiologists Federation
10. ASEAN Consumers Protection Agency
11. ASEAN Steel Community (Club)
12. ASEAN Federation of Jurists
13. ASEAN Banker's Association
14. ASEAN Trade Union Council (ATUC)
15. ASEAN Federation of Women (AFWO)
16. ASEAN Automotive Federation (AAF)

17. ASEAN Pediatric Federation
18. ASEAN Federation of Accountants (AFA)
19. ASEAN Council of Japan Alumni (ASCOJAAL)
20. Confederation of ASEAN Chambers of Commerce and Industry (ASEAN-CCI):
 - Working Group on Industrial Complementation (Industry Club):
 - a) Automotive Industry Club
 - b) ASEAN Electrical and Electronic Industries Federation (AEEIF)
 - c) Food processing Industries Club
 - d) Agricultural Machinery Industry Club
 - e) Ceramics Club
 - f) Iron and Steel Club
 - g) Rubber-Based Industry Club
 - h) ASEAN Sheet Glass, Glass Containers and Soda Ash Industry Clubs
 - i) ASEAN Pulp and Paper Industry Club
 - j) ASEAN Federation of Cement Manufacturers (AFCM)
 - k) ASEAN Chemical Industries Club (ASEAN-CIC)
21. Confederation of ASEAN Journalists
22. Committee for ASEAN Youth Cooperation (CAYC)
23. Federation of ASEAN Shippers' Council (FASC)
24. Federation of ASEAN Shipowners' Association (FASA)
25. Federation of ASEAN Newspaper Publishers
26. Federation of ASEAN Economics Associations
27. Federation of the ASEAN Public Information Organization (FAPIO)

Source: ASEAN, *10 Years ASEAN* (Jakarta): ASEAN Central Secretariat, 1978), p. 239.

directions of the ASEAN governments. Their activities and roles are passive, limited mostly to participation in ASEAN programs. Most of the initiatives come from ASEAN institutions, especially the various committees. For example, while the Confederation of ASEAN Journalists is cooperating closely with the ASEAN Committee on Mass Media, the ASEAN Motion Picture Producers' Association works closely with the ASEAN Committee on Socio-Cultural Affairs, and the Federation of ASEAN Shippers' Council with the ASEAN Committee on Shipping.

In the future, active participation of these associational groups in policy decisions will probably increase. ASEAN is now beginning the stage of implementing its important economic policies such as the industrial projects and preferential trade arrangements. It can be expected that these policies will generate some direct and indirect impact upon regional groups' interests and will therefore stimulate the groups to assert their pressure and influence on the ASEAN governments.

While such regional groups and associations are still weak and not capable of articulating demands and influencing policies, they nevertheless help the ASEAN cooperative process in general. The emergence of transnational groups suggests growing concern among ASEAN's private circles. Their activities also make people aware of ASEAN affairs. With more awareness among the ASEAN peoples, it will be easier for regional identities to be developed. This, in turn, would reinforce ASEAN solidarity and unity which are essential elements for successful regional integration.

• *Internal Politics and ASEAN Cooperation*

The internal politics of members have been known to create significant impacts upon the efforts of various regional organizations. The late French President Charles de Gaulle's

opposition to supranational European integration during his last several years in power had delayed the integration process of the EEC.¹³ The emergence of President Idi Amin of Uganda had wrecked regionalism in the EACM. Similarly, the slow progress of such regional movements as the CACM, LAFTA, and the Andean pact was also partly due to changes in member internal politics. As one source pointed out, the end of democratic governments in various Latin American countries also ended their consensus on regional development strategy.¹⁴ One main result was that Latin American governments became reluctant to cooperate with regimes with divergent ideological and political orientations.

The main concern is to analyze the ways in which ASEAN members' internal politics affect the cooperative process in the region. What are the implications of internal politics for ASEAN? These will be examined in terms of domestic issues of members and also in terms of regional issue that plague ASEAN.

During ASEAN's relatively brief existence, events related to internal politics in individual ASEAN countries have created neither significant negative nor positive impacts. Although some changes in members' internal politics may disrupt or benefit ASEAN, the overall performance has not been fundamentally affected. Explanations for the neutral effect of internal politics lie in several elements. Since its establishment there have been only a few changes in the top leadership of ASEAN members. Indonesia, the Philippines, and Singapore still remain under the leadership of President Suharto, President Marcos, and Prime Minister Lee Kuan Yew, respectively. Only Malaysia and Thailand are now under different leaders. Following the resignation of Tunku Abdul Rahman and the death of Tun Abdul Rasak, the Malaysian government is now headed by Prime Minister Datuk Hussein Onn. The Malaysian case involves only changes in the top leadership of the government and not the

change of government itself. Thailand's case is more interesting and more complicated. In the time span of the last ten years, Thailand has been under the tenure of four civilian and two military regimes and under the leadership of five different prime ministers. However, the Thai case is exceptional.

Regionalism has always been a cornerstone of the foreign policy of ASEAN countries. Even in Thailand, where the governments rise and fall rapidly, ASEAN is always given a top priority in foreign policy by the new regime. This emphasis on regionalism, when added to the continuity of ASEAN's top leadership, helps to explain why internal politics of the members have little significant impact on the output and performance of ASEAN.

Of course, there are several minor implications of members' internal politics for ASEAN. As one Singapore senior official pointed out in an interview, changes in ASEAN members' internal politics may slow down the pace and momentum of ASEAN but do not alter the general direction of ASEAN itself.¹⁵ This is the problem of time lag; it takes time for a new prime minister or foreign minister to get accustomed to ASEAN and its operation. Similarly, internal problems and politics may very well keep ASEAN members preoccupied and deprive ASEAN of new initiatives. As one source suggested in 1975:

In the past, the two initiative-producing countries ... have been Thailand and Indonesia. With Thanat Khoman now only an adviser to the Thai Foreign Ministry, with Thailand involved in restoring democracy and being governed by an interim ministry, initiatives in Thai domestic, let alone regional, policy have been absent. With Indonesia involved throughout

1974 in the aftermath of the January 15 affair – as the anti-Tanaka riots were portentously called – and with the faction fighting which was both its cause and effect, there was a lack of internal dynamism and certainly no regional enthusiasm from Jakarta.¹⁶

Perhaps more interesting is the argument concerning the forms of ASEAN governments with respect to cooperation. One Philippine senior official expressed his belief that the establishment of martial government in Manila helped accelerate the progress of ASEAN. Citing the case of industrial complementation in which the Philippines get the fertilizer project, he points out that the matter would not have been decided easily if it had been before martial law because the project would have faced debates and obstructions from the Congress.¹⁷ Without democratic procedures, decisions concerning ASEAN can now be made faster. In a similar fashion, democracy in Thailand is often seen by other ASEAN capitals as a threat to the stability and security of Thailand and ASEAN. For example, during May and June 1976, the Malaysian government was clearly unhappy over the decision of Thailand's democratic government to limit Malaysian operations against the Communists in the Thai-Malaysian border area. Because of its concern over the public opinion against the presence of Malaysian forces on Thai soil, Bangkok had to ask Malaysian troops to leave and terminated Malaysia's right of hot pursuit. Kuala Lumpur regarded this decision as damaging its national security interests. For the Malaysian authorities, Thai democracy always poses a danger to security and border cooperations between the two ASEAN neighbors.¹⁸

The two examples cited above seem to confirm a general belief that mutual agreements on regional cooperation

and other matters are easier to obtain among authoritarian governments. Within authoritarian regimes, leaders have absolute decision-making power, without having to go through extensive bargaining processes with special interest groups. Consequently, mutual responsiveness among these governments is not very difficult to achieve. As Ernst Haas once observed, “government negotiators and high civil servants working in isolation from political pressures and democratic accountability achieve mutual responsiveness more readily than groups resting on mass support.”¹⁹ If this is true, ASEAN has at least one more favorable element for regionalism.

At the regional level, however, there still are several important issues and disputes that need to be solved permanently before we can really be optimistic about the fate of ASEAN. Most of ASEAN’s internal conflicts and disputes have already been discussed earlier. At the present juncture, it may be useful to reemphasize that those problems are still much alive. No one can know with certainty what the implications will be in the event that the Philippines and Thailand once again return to democracy. Politicians in both countries might stir up their country’s border disputes with Malaysia for their own political purposes. Of course, this would not work in favor of ASEAN and might damage the prospects of regional integration.

ELITE SOCIALIZATION AND ITS IMPACT ON ASEAN

A regional organization with a cooperative scheme creates opportunities both for political decision-makers and bureaucrats attending regional business meetings to develop personal ties and feelings of collective identity. This is very important in ASEAN as to some extent the countries are still in the process of making friends with each other. As Malaysian officials point out, “before the creation of ASEAN, we [ASEAN states] were very

far while in fact we were so close.”²⁰ Direct contacts between the five countries were very limited. After the creation of ASEAN, the elite of the five countries have had increased opportunities to meet each other, resulting in more rapport, personal contacts, and mutual understanding.²¹

In ASEAN, most important business and responsibilities have been carried out by foreign ministers of the members. During the early years, personal ties among these leaders were very cordial. The high degree of friendly relationships can be seen from the recollections of former Thai Foreign Minister Thanat Khoman. Referring to his personal ties with other ASEAN leaders, Thanat expressed in an interview that:

I think we worked together like very close friends. Perhaps even beyond that, especially in my relations with Malaysia. Tunku Abdul Rahman was like a brother. And of course, some of the others, the people from the Philippines ... and Adam Malik. We not only worked closely, we played together, we drank together, we ate together. And when we had problems, then we sat down and opened our hearts. Our cards were on the table. This is the way we proceeded.²²

It can be expected that at the present time personal ties among ASEAN leaders still remain close, even though many of the so-called “first generation” leaders have been replaced by newcomers. Some ASEAN foreign ministers have changed in the last ten years. In Thailand, for example, the Foreign Ministry has been headed by four different ministers since the removal of Thanat Khoman in 1971. The present foreign minister, Upadit Pachariyankun, was a veteran diplomat and had been involved with ASEAN for many years before his appointment to the

post in 1976. Thus, he can be considered to be an “old face” in the ASEAN arena. The same thing can be applied to Tengku Ahmad Rithauddeen, the present Malaysian Foreign Minister. The only newcomer who is actually “new” at the foreign ministerial level is Foreign Minister Mochtar Kusumaatmadja of Indonesia. Minister Mochtar assumed his office in 1978 after Foreign Minister Adam Malik was elected Vice-President of Indonesia.²³ The remaining “first generation” ASEAN leaders are Singapore Foreign Minister S. Rajaratnam, and to a lesser extent, Foreign Secretary Carlos P. Romulo of the Philippines. Because Adam Malik is now in a new position, Rajaratnam becomes the only remaining signer of the 1967 ASEAN Declaration who still is foreign minister. In the case of Secretary Romulo, though he is not one of the signers of the 1967 Declaration, his long tenure in the foreign ministry makes him one of ASEAN’s “first generation” personnel. Considering the events mentioned above, personal ties at high levels of ASEAN are still relatively close.

Elite socialization and personal ties have not only been achieved among leaders of ASEAN, but also by the national bureaucrats. From interviews conducted by the author in Southeast Asia during February and March 1978, those involved in the regional process generally express their belief that their socialization with other ASEAN national bureaucrats helps create personal ties and corporate feelings. This feeling is particularly strong among officials in ASEAN national foreign ministries. Additionally, they express that personal ties are perhaps one of the most important and effective instruments so far for ASEAN. Whenever they have problems, they can use the telephone and directly call their “friends” in other ASEAN capitals, many differences have been solved by this method.²⁴

Joseph Nye points out that an important reason for elite socialization as a potential process mechanism in integration is that it touches an important group “that is often most resistant

to loss of national control.”²⁵ This group are the bureaucrats who immediately feel the loss of power as tasks are shifted to the regional center. This problem does not exist in ASEAN at the present time. The regional center of ASEAN in Jakarta is still weak with no major task to perform. However, even when more important tasks are transferred to the Central Secretariat in Jakarta, the feeling of power loss among national bureaucrats should not be great. As it has been usually done in ASEAN, the national government always designates its national bureaucrats to work at the Central Secretariat. If this process is continued, it will help decrease the distinction and “ill feeling” between regional and national bureaucrats when ASEAN in the future decide to take progressive integration measures.

Though one may find out that in some cases increased personal contacts enhance personality clashes and acrimony,²⁶ this problem does not often occur in ASEAN. On the contrary, elite socialization so far has been very beneficial to ASEAN. But its importance should not be overemphasized. There are many other elements that can be favorable or unfavorable to the general cooperative process of ASEAN. We will now turn to other variables – strategies and perceptual conditions of ASEAN members – in order to analyze their nature and their implications for ASEAN regionalism.

ASEAN MEMBERS’ STRATEGIES AND PERCEPTUAL CONDITIONS

Strategies and perceptual conditions of ASEAN leaders and their governments definitely constitute important elements responsible for the pace of ASEAN cooperation. In this part, the main objective will be to analyze these two related elements to determine their roles and implications for the cooperation process of ASEAN. Starting with the roles of national interest

and national supremacy, it will then analyze the actual strategies and perceptions of ASEAN members with regard to cooperation in the economic, social, and political fields. As for strategies, this study will concentrate on the different issues that member governments decide to have deliberated at the regional level. Likewise, the study of perceptual conditions will focus on the members' perceptions of the costs and benefits they expect to attain from ASEAN's joint regional schemes.

• ***The Role of National Interest and National Supremacy***

Before we enter into the analysis of ASEAN members' strategies with regard to their economic, social, and political/ security cooperation schemes, it is necessary to point out the role of national interest in members' strategic calculations. As already stated at the outset of this research, regionalism has been adopted by the five members for strictly practical reasons – as a means for advancing the national interests of its members. In ASEAN where the pursuance of national development constitutes the highest priority of the society, regionalism is perceived as the most effective way to create a tranquil atmosphere conducive to national development. ASEAN writings on regional foreign policy are replete with the theme that regionalism is necessary in order for the five members to achieve their national goals. For instance, General Ali Moertopo of Indonesia has suggested that regional diplomacy in ASEAN “is a diplomacy based on national interest, based fully on the condition and objective demands of the country concerned.”²⁷ A clearer reference to the important role of national interests is made by Singapore Foreign Minister Rajaratnam. In one of his speeches, he points out that:

A careful study of the activities of ASEAN since its inception shows that ASEAN has been used by member nations as a device for promoting

national rather than regional interests. This is understandable. National interests exist. We can define them and recognize them. Regional interests, on the other hand, are abstract concepts which ASEAN members cannot as yet clearer define or reach agreement on.

I see nothing wrong if, at this juncture of ASEAN's evolution, it is used as an instrument to assist national consolidation and the transformation of ASEAN states into thriving and vigorous entities. On the contrary such an approach will ensure support and permanency to ASEAN because member states will not turn their backs on an organization which they find useful in the task of national reconstruction.²⁸

The developments mentioned above clearly demonstrate that the member states of ASEAN adhere to the principle of national supremacy. According to one source, ASEAN has therefore become "a transitory tool of diplomatic convenience"²⁹ for the pursuance of national objectives. The following discussion of ASEAN members' strategies will provide us with an idea as to what kind of machinery the states intend to have.

The study of ASEAN's strategies and perceptions cannot avoid an important problem; precise governmental directions of member states defining their country's approach to ASEAN are absent. ASEAN members have never expressed clearly their national strategies concerning the organization.³⁰ Nevertheless, one thing is implicitly clear. With the emphasis on the principle of national supremacy, there is little likelihood that the five members intend to provide the organization itself with decisional autonomy or supranational power. Direct national

control is the principal method under which ASEAN must be operated. This explains why ASEAN was in operation for eight years without a central institution. Moreover, when the Central Secretariat was finally established in 1976, no decision-making power was attached to this new institution. Important decisions have been made exclusively by the annual ASEAN foreign minister meetings which are directly controlled by national governments.

How does this strategy of keeping ASEAN's central institution powerless affect ASEAN cooperation? The implications of this strategy are both negative and positive. The weak central organization indicates slow progress in ASEAN's institutional development; all significant policy decisions are still under ASEAN governments' direct control. What are the effects of this institutional weakness? Before answering this question, let us find out what theorists of regional integration believe to be the main of institutional strength or weakness.

Theorists themselves still disagree on the importance of a strong central organization and its causal effects on integration.³¹ Some theorists believe that a fairly strong central institution is necessary for a high degree of other types of integration as drastic integrative measures can be taken in other areas. More importantly, regional interests will be given a priority over divergent national interests of individual members. By emphasizing regional interests, the organization is in a better position to achieve a higher degree of economic, social, and political/security integration. Meanwhile, another group of theorists have downgraded the role of the strong central institution, although they accept that institutional integration is an important aspect of political integration in general. This group believes that integration in other areas can be achieved with an intermediate or even low level of institutional integration. Furthermore, institutional strength might be increased with the help of

integration in other areas such as mass and elite attitudes and the expansion of common policies in economic, social, and political fields.

When applying these theoretical arguments to ASEAN, it is difficult to determine the impact of institutional weakness upon performance. Both theories concerning the role of a strong central institution seem to be valid to some extent. There is no doubt that a strong central institution would be beneficial for ASEAN in general. However, there is no strong evidence to support the argument that the slow progress of ASEAN has been primarily caused by the weakness of the ASEAN Central Secretariat, although institutional weakness is *one* of the factors responsible. Likewise, ASEAN member states' strategy of objecting to a strong central institution has deprived ASEAN of an element that may be necessary for achieving substantive levels of economic, social, and political progress.

The positive impact of this strategy is shown by the following perspective. From one point of view the strategy of having a weak central institution is a mere reflection of member states' deep perceptions concerning regionalism. In ASEAN where most of the members have only recently achieved independence, any development that can weaken national sovereignty is unlikely to be promoted. Therefore, this strategy reflects a desire to ensure that the central institution does not develop what could appear to be its own regional outlook contrary to the members' national outlook. By this measure, member states can be certain that they will be able to maintain general control over the development of ASEAN and that it will not represent a danger to their national sovereignty. As long as ASEAN serves to enhance members' national interests without posing any threat to national sovereignty, it is very likely that they will continue to support it. This has helped keep ASEAN alive for more than ten years.

• *Economic Strategies and Member States' Perceptions*

The Declaration of ASEAN Concord (1976) stipulated several programs of action as a framework for increasing economic cooperation among member states and promoting political, social, cultural, and economic harmony within the group. In the economic realm, the five members generally agreed that they should increase their cooperation with each other in such areas as basic commodities, industry, trade, and joint approaches to world economic problems.

Though ASEAN member states apparently have a consensus on mutual economic goals, there are some crucial differences in their strategies, particularly on the pace and methods of increasing trade cooperation. Some of the problems concerning their trade have already been analyzed in previous parts of this research (see Chapter III, especially pages 54-57, and 64-68). To avoid repetition, this part will primarily focus on (a) member states' strategies, (b) the divergent perceptions of member states, and (c) the implications of these strategies and conceptual differences.

The problems of ASEAN trade strategies can be best understood by studying Singapore's and Indonesia's positions. Singapore's strategy for trade liberalization is to set up an ASEAN free trade zone involving tariff reductions and overall lowering of non-tariff barriers. This free trade zone proposal, if adopted, would be achieved within the period of 15 to 20 years. For Singapore, a free trade area is necessary for ASEAN to achieve a meaningful economic community. As Singapore Foreign Minister Rajaratnam explains his country's position, "we regard the basic foundation of any genuine regional community to be the setting up of a free trade area. Singapore is quite prepared to go all the way"³² At the Meeting of Foreign Ministers in February 1976, Rajaratnam argued that a free trade zone would bring ASEAN several advantages.

It would stimulate regional trade and would attract investment by industrialized countries. Additionally, the united Indochinese states would pose economic competition to a weak ASEAN. ASEAN therefore would need a big step forward and that would be the creation of a free trade zone.

The Indonesian position on this proposal is that a free trade zone idea is premature for ASEAN. Jakarta argues that countries forming a free trade zone or a common market must be at a similar level of development before they can begin to integrate. ASEAN members still have a wide disparity in their levels of economic development; Indonesia's level is the lowest one. The creation of a free trade area at this time could have a negative impact on Indonesian economic development.

Positions of the other three members on this issue fall in between. The Philippines' and Thailand's position can be identified as leaning towards the strategy of Singapore, while Malaysia's is undecided.

Differences in the free trade zone strategy among ASEAN members are understandable. Naturally, before member states accept any strategy of trade liberalization, its negative impacts must be weighed against the perceived gains from cooperative measures. It is not surprising to see that Singapore exhibits the greatest interest in trade liberalization as it has the most efficient and industrialized economy. Moreover, compared with export products from other ASEAN countries, Singapore's types of exports are the most complementary in ASEAN markets. Therefore, Singapore has the least need for protectionist policies because it has nothing to lose in trade liberalization. As for other members, the temptation to move towards the protection of their infant industries is strong. Being less developed in industrial terms, the others are less enthusiastic about hurriedly creating an ASEAN free trade zone which may bring disadvantages to their industries.

The concern over the costs generated by a free trade zone is explicitly stressed by Indonesian leaders. As cited earlier, President Suharto warns ASEAN economic planning ministers of the danger a free trade zone can pose to the economic interest of member states. Indonesian technocrats are highly apprehensive over their country's inefficiency in industrial production which would have to face stiffer competition with the more efficient industries of other ASEAN partners (particularly Singapore). It is reported that some Indonesian officials frankly point out that the inefficiency of Indonesia is the main reason for their opposition to the drastic tariff reductions and an ASEAN free trade zone. According to one official, it would be suicidal for Indonesia to open its doors too quickly for industrial products from other ASEAN members.³³

Reluctance of most ASEAN leaders to use such a drastic approach as that suggested by Singapore also stems from their concern over the role of multinational corporations. With the exception of Singapore's leaders, most fear that a free trade zone may provide a backdoor for multinational penetration.³⁴ Multinational corporations do not seem to create any negative concerns for Singapore. On the contrary, Singapore's leaders even express their appreciation of the advantages that they receive from associating with the multinational corporations.

[In] Singapore we have encouraged and welcomed foreign investments and in particular multinational corporations. By plugging in to multinational corporations, a developing country not only ensures accelerated development, but also avails itself of high technology and skills which, on its own, it can never acquire within the foreseeable future.

It is by plugging into multinationals that Singapore has overcome the handicaps of size, a small population and lack of natural resources. Through these giant corporations, Singapore is automatically drawn into the international network of trade and commerce. The smallness of Singapore's domestic market is no great handicap because these corporations have established global markets. They have, moreover, within a few short years introduced Singaporeans to high technology and complex managerial and marketing skills which would have taken us decades to acquire, if at all.³⁵

He also points out that there are risks involved in opening doors to the multinational corporation. However, the alternative is the more certain risk of political and economic collapse.

Another Singapore leader has suggested that national enterprises in ASEAN members should pool their resources together and form ASEAN multinationals. At the inaugural meeting of the ASEAN Confederation of Employers held in Singapore in November 1978, Singapore Senior Minister of State for Foreign Affairs Lee Khoon Choy pointed out that ASEAN multinationals could contribute significantly to national as well as regional economic and agricultural development.³⁶

Singapore's "open door" strategy to multinationals is quite understandable. With its small physical size, small population, and lack of natural resources, Singapore has no "important stake" to be taken away by these huge corporations. Foreign Minister Rajaratnam explains the cost of this strategy as follows: "The price we pay, of course, is huge profits for the corporations. But then it is profits from enterprises which Singapore on its own could neither have established nor operated for any length of

time.”³⁷ This statement is unquestionably true. However, the price Singapore has to pay can be afforded easily since it does not cause any harm such as the drainage of natural resources. In inviting multinational corporations to operate in Singapore, this smallest member of ASEAN always has a certain chance for gain; the only problem is whether it will be a big gain or a small one.

As for other ASEAN member states, it can hardly be expected that they will follow Singapore's path to national development in the near future as they have much greater stakes than does Singapore. These stakes include rich natural resources, abundant labor and land, and vast markets; all these elements can be easily exploited by the multinationals. This helps to explain why these ASEAN countries often view the multinationals with suspicion and hesitate to form close associations with them. Additionally, these members still maintain strong confidence that on their own they can achieve national development without to share most of their stake with the multinational corporations.

Because of divergencies in member states' perceptions as to the high costs of trade liberalization and the exploitative role of multinational corporations, ASEAN has to opt for the possible rather than the desirable. Economic corporative schemes far less ambitious than the creation of a free trade area have finally been adopted. Included are preferential trading arrangements and the industrial complementation and harmonization framework. Through preferential trading arrangements, rice and crude oil have been agreed upon as the first two commodities for which ASEAN members will accord priority of supply. Member states later reached an agreement for a mutual 10% to 30% tariff reduction for 71 agreed commodities. In the industrial sector, five projects have been adopted. These will not only help the member countries develop their own industry, but will also provide opportunities for the expansion and diversification

of trade and industrial developments throughout ASEAN. Furthermore, ASEAN members also have taken several measures to strengthen their joint approach vis-à-vis world economic problems.

However, some members are still dissatisfied with these moderate cooperative schemes and look for other substantial alternatives through bilateral means. Thus, Singapore and the Philippines decided to have a 10% across-the-board cut on all of their bilateral trade. Singapore and Thailand entered into a similar agreement, hoping that it would accelerate ASEAN regional trade and the economic cooperative process.

• *Social Strategies and Perceptions*

Unlike the economic field, there are no significant differences in the member states' strategies and perceptions of ASEAN social cooperation. This may be due to the fact that the subject matter neither involves nor constitutes the issue of significant national interests of the five members. Without conflicts of interest, agreeable strategies can be generally accepted by member states without reservations.

When ASEAN member states pursue national development as their foremost priority, it is not surprising that the social strategies of ASEAN are mostly concerned with the promotion of development rather than interaction.³⁸ Thus, most of ASEAN social programs are directed towards population and rural development, women and youth, population control, and narcotic/drug prevention and eradication. In the cultural and mass media, ASEAN governments have adopted strategies aimed at increasing a sense of regional identity by establishing the radio/television program exchange, film festival, exchange of mass media representatives, and publication of ASEAN news and information.

As mentioned earlier, because the stake involved in

ASEAN social cooperative schemes is not important to the members' national interests, the "cost and benefit" aspect of these social programs does not constitute a major concern for the five members. Unlike economic strategies, social strategies do not receive much attention from ASEAN leaders. Debates over social cooperative schemes are extremely rare. This may suggest that ASEAN member states are quite satisfied with the present programs which primarily aim at social development of ASEAN.

The lack of attention on the part of ASEAN members to the promotion of social cooperation is a main reason for ASEAN's slow progress in this area. Although members have become increasingly aware of the importance of social cooperation, it is unlikely that they will adopt in the near future such drastic measures as the free flow of labor and population within ASEAN. Not only are such drastic measures unnecessary for ASEAN at present, but they are likely to create unpleasant situations and conflicts of interest.

• *Political Strategies and Member State Perceptions*

The dominant motivation for ASEAN members' political and security cooperative schemes is clearly to establish a national/regional environment conducive to prosperity and development. In order to achieve this goal, several common strategies have been agreed upon by the member states. At the Bali Summit of 1976, ASEAN leaders laid down several political programs of action³⁹ which included summit meetings when necessary, signing of the Treaty of Amity and Cooperation, settlement of intra-regional dispute by peaceful means, taking steps towards the realization of the "Zone of Peace, Freedom, and Neutrality" idea, improvement of ASEAN machinery and judicial cooperation, and strengthening of political solidarity among ASEAN members.

The doctrinal basis for the process of political/security cooperation in ASEAN is characterized by the concept of *ketahanan nasional* or national resilience. Initiated by Indonesia, the concept has become an important “ideological” underpinning of ASEAN cooperation.⁴⁰ It can be defined as follows:

National resilience is the dynamic condition of a nation, including tenacity and sturdiness, which enable it to develop national strength to cope with all challenges, threats, obstructions and disturbances coming from outside – as well as from within the country – directly endangering the national existence and the struggle for national goals.⁴¹

If each member country develops its own national resilience, gradually a regional resilience may emerge, i.e. the ability of member countries to settle jointly their common problems and look after their future and well-being together.⁴²

Another definition has been given by Malaysian Minister of Home Affairs Tan Sri Muhammad Ghazali bin Shafie. According to Minister Ghazali:

[A] nation may be said to be resilient when its socio-political system is nationally accepted and has the inherent ability to meet the heightened expectations for greater prosperity and social justice for its population. It is the capacity to mobilize the population for national development. Similarly, ... regional resilience is the ability of each state – individually – to be fully

committed to the organized interrelatedness and interdependence as a first principle of foreign policy. ... ASEAN is the first step in this direction.⁴³

From these definitions, it is clear that ASEAN member states emphasize the “self-reliance” aspect of their socio-political system with its capability to cope with internal and external disturbances. Their real national security lies not in military alliances but, more significantly, in such elements as domestic economic and political strength and stability, infused by a high national morale. This national resilience, together with intensified cooperative efforts among ASEAN members, should contribute towards a development of regional resilience. In addition, ASEAN members also believe that efforts towards the development of national and regional resilience are working as reinforcement to each other. Thus, this will help accelerate the economic development and political viability of the individual member countries, as well as that of the region as a whole.

Why do ASEAN member states adopt this doctrine of national/regional resilience as the main theme of their political cooperation? The explanation of this adoption must lie in at least two related perceptions of ASEAN members. These two commonly agreed upon perceptions are (a) the real threat to national security of member states is primarily internal in nature, and (b) regionalism, in terms of military alliances, will not be constructive to national/regional stability and prosperity. Since this chapter only deals with ASEAN's internal variables, the discussion here will focus primarily on these elements of ASEAN, i.e. perceptions of the nature of *internal* threat, leaving external elements to be analyzed in the next chapter.

Although a consensus on the nature of external threat to the region is still absent, there is an apparent agreement

among ASEAN members on the question of internal threat to their security. In this connection, problems of Communist insurgency and terrorist movements are seen as the most important disturbances to ASEAN internal security. Such leaders as Foreign Minister Adam Malik of Indonesia, for example, points out that he perceives "insurgency rather than aggression as a potential threat to [ASEAN] region."⁴⁴ ASEAN leaders also believe that this threat usually results from poor social conditions and economic poverty. Thus Singapore Foreign Minister Rajaratnam states that "security and integrity of the countries of Southeast Asia are ... likely to be jeopardized through economic stagnation and collapse within the region."⁴⁵ The best way to fight indigenous Communists in ASEAN countries, Rajaratnam suggests, "is through appropriate economic, political and social policies within our own countries."⁴⁶ With social and economic developments, insurgency and subversion are likely to decrease; at the same time, security and stability will be effectively enhanced.

Because of this perception, the leaders regard regionalism in the form of ASEAN as a very effective way to maintain national and regional stability. Prime Minister Lee Kuan Yew of Singapore, for example, emphasizes that ASEAN economic cooperation is the most effective means to check the spread of Communism in member countries.⁴⁷ Regionalism will provide ASEAN members with an important instrument for achieving a high level of social and economic development. This prosperity will make it difficult for dissident groups, such as the Communist insurgency, to gain popular support and be able to pose any serious threat to the national and regional stability.

Closely related to this perception of internal threat is the question of military cooperation or alliances. Since ASEAN leaders perceive the main threat to their national stability as internal in origin, they do not see that political/security cooperation

in the form of military alliances will provide solutions for national/regional security. As already mentioned, experience and history make ASEAN's leaders aware of the limited credibility of military alliances. According to the leaders of ASEAN, a military pact or a foreign military presence or both are proven to be outdated and ineffective in dealing with Communist insurgency – the main threat to stability. “It is already a well-established fact,” suggests Adam Malik, “that military alliances or foreign military presence add little, if anything, to a nation's capability to cope with the problems of insurgency.” He further points out that:

On the contrary, ... the presence of external military power runs the risk of becoming a factor of instability. It may even give the leaders an illusory sense of security, thus causing negligence towards their own efforts for social and political reforms and often enough alienating the ruling elite from the masses.⁴⁸

This perception, when added to the previous one, helps explain why ASEAN leaders always emphasize the non-military character of ASEAN while at the same time urging the attainment of a strong national and regional resilience.

How does this concept of national and regional resilience or self-reliance affect ASEAN's progress in the political sector? The concept contributes very little as most of the emphasis is on the efforts of the individual states towards stability and security. This emphasis is understandable. In an organization like ASEAN in which the sense of sovereignty and the difference of interests strongly exist among the member states, the concept of self-reliance may be the highest possible common denominator for regional political partnership at the present time. It is

therefore ASEAN's task to raise such a common denominator to yet a higher point in the future.

Although this concept produces trivial contributions to ASEAN political progress, it does reaffirm ASEAN leaders of the importance of economic and social developments. This may stimulate the members of ASEAN to commit themselves to more substantive actions aimed at the improvement of their countries' economic and social conditions, and thus contribute to the process of such cooperation.

ASEAN STRUCTURE AND THE METHOD OF NEGOTIATION

Like other independent variables already studied above, ASEAN structure and the style or method of negotiation have also been important variables which have contributed to the progress of regionalism. Our major concerns here is to analyze ASEAN's institutional structure and the style of negotiation with the emphasis on their impact and implications on ASEAN cooperation; some of the factual aspect of these two elements have already been presented in the previous chapters.⁴⁹

• *Institutional Structure and Its Implications*

ASEAN is not a supranational institution, as characterized by its extremely decentralized form. It covers a large group of bodies with different functional responsibilities. The ASEAN structure is now undergoing reorganization. Before the reorganization task began in 1976, ASEAN's highest decision-making body was the Foreign Ministerial Meeting which took place once a year and rotated among the member states. Another important body was the Standing Committee which carried out ASEAN activities in between Ministerial

Meetings. Without a Central Secretariat, each of the five members had its own National Secretariat which operated mainly as a coordinating body for its country. This Secretariat was headed by a Secretary-General who occasionally met his counterparts in the other countries. There were also several ad-hoc and permanent committees dealing with the practical work of ASEAN.

From 1976 up to the present time (early 1979), several alterations and additions to the institutional structure of ASEAN have been agreed upon by member states (see FIGURE I, p. 42). The Summit Meeting was added to ASEAN's machinery and became the highest decision-making body, although the Foreign Ministerial Meeting still maintains most of its decision-making power. Because ASEAN's business has now expanded to include several other ministers, two more ministerial meetings have been added. One is the Meeting of Economic Ministers which is responsible for economic development and matters such as planning, finance, industry, and trade. Another body added to this level is the Ministerial Meeting of other ASEAN ministers whose responsibilities are outside the fields of foreign affairs and economics. At the next level, the ASEAN Central Secretariat is created, while the Standing Committee remains as important as before. To avoid confusion between the Central and National Secretariat, the name of National Secretariat has been changed to the Office of Director-General. There also were some reorganizations at the level of ASEAN's ad-hoc and permanent committees. Several Permanent Committees are regrouped into new Committees, and five of these have now become the working bodies for ASEAN economic ministers.

The significance of ASEAN's institutional structure lies in the following related elements which have contributed to the slow progress in ASEAN regionalism. The first involves a profusion of organizational arrangements that confuses even

the foreign service and ASEAN experts themselves. In an interview, for example, a bureau director of the ASEAN Central Secretariat in Jakarta admits that he is confused and even humorously offers a reward to anyone who can draw up a chart of ASEAN structure. According to this official, the organizational profusion of ASEAN imposes an important problem for communication within ASEAN, e.g., to which body should a report or recommendation from the Central Secretariat be sent.⁵⁰ This problem still exists despite the recent reorganization of ASEAN machinery. There are a great deal of overlapping activities carried out by the Central Secretariat and the individual Offices of Director-General (formerly the National Secretariat). Likewise, overlapping and confusions constitute a major problem in the work of ASEAN's various committees. The economic ministers are operated mostly by the following five "economic" committees: (a) Trade and Tourism, (b) Industry, Energy and Minerals, (c) Food, Agriculture and Forestry, (d) Transportation and Communication, and (e) Finance and Banking. However, these five committees cannot present their cases directly to the economic ministers. Instead, they still have to go through the Standing Committee of the foreign ministers which will relay the matters to economic ministers. This kind of overlapped responsibility and unnecessary inconvenience has undoubtedly become a major factor responsible for the slowness of ASEAN.

The second element is that ASEAN machinery is created in favor of national rather than regional establishments. Thus, functional committees are assigned to member states for three years, during which time the host country provides the chairman, while the Standing Committee remains for only one year in a given country and then rotates annually among the five members. Although this rotation system guarantees equal opportunities for all members, it impairs ASEAN administrative continuity.

The third relevant element is closely related to the above problem and involves the turnover rate of personnel in ASEAN's various institutions.⁵¹ For example, in the case of the Standing Committee which rotates annually, its chairman is the foreign minister of the host country and its members are ambassadors of ASEAN members currently posted at the host country's capital. This means that every year the Committee has a different group of individuals as members. A similar situation also prevails in regard to the staffing of various functional committees, though perhaps to a lesser degree. The members of these committees come from officials of various ministers in member states, depending on the nature of a particular committee. For instance, members of the Food, Agriculture and Forestry are usually representatives from the ministry of agriculture of ASEAN members. One source describes the way in which these committee members function as follows: "They brought [to the meeting] their national baggage with them, presented and supplemented it, and then returned to a national environment where regional compromises had to be argued anew but without the possibly moderating influence of an international cast."⁵² Obviously, all of this hampers the development of a regional, as opposed national, outlook on the part of the relevant bureaucrats and technocrats. It is indeed very difficult to find "ASEANocrats," there are perhaps only a few at the Central Secretariat.

Finally, the fourth element concerns the whole ASEAN structural evolution which has been primarily relying upon the national secretariats in the foreign ministries of ASEAN members.⁵³ This was particularly true during the first eight years. ASEAN activities were then strictly limited to within the environment of the foreign offices, resulting in a lack of awareness among the peoples of ASEAN. However, this situation has improved tremendously since the Bali Summit in 1976. The base of ASEAN regionalism has now expanded to cover a wide range

of activities in both the public and private sectors, including the involvement of various regional non-governmental associations and participation by the people themselves.

• *ASEAN Style of Negotiation*

In ASEAN, *musyawarah* diplomacy or style of negotiation has been adopted as a central and distinctive element in the relations of ASEAN states. Introduced into Southeast Asian diplomacy in the early 1960s by President Sukarno of Indonesia, it was accepted by Southeast Asian leaders as an instrument of regional diplomacy.

Musyawarah has its roots in traditional village society in the Malay world – Indonesia, Malaysia, and the Philippines – as well as in Thailand. At the village level, it means “that a leader should not act arbitrarily or impose his will, but rather make gentle suggestions of the path a community should follow, being careful always to consult all other participants fully and to take their views and feelings into consideration before delivering his syntheses-conclusion.”⁵⁴ At the international level, however, it can mean diplomacy or negotiations “conducted on the basis of accommodation in order to save face and to honor the value of kinship ties between nations and diplomatic participants.”⁵⁵ Without any voting procedure, it avoids any concept of opposition and seeks a result by consensus. One source suggested that former Thai Foreign Minister Thanat Khoman, in an interview in early 1969, was honoring the *musyawarah* principle when he said: “We shall have to keep talking and consulting with our friends and colleagues ... we hope that a consensus will emerge, a consensus based on practicality, discarding all the formalities.”⁵⁶ It seems that all ASEAN governments accept this principle as a tool in their relations with ASEAN partners.

Adoption of the *musyawarah* principle by ASEAN members raises some doubts concerning its suitability and

implications to intra-regional relations. The first point of relevance concerns the fact that negotiations at the international level are naturally facing much more intricate problems and conflicting interests than those at the village level. Therefore, even if negotiators are psychologically disposed to give due regard to the views and interests of their counterparts, such considerations will inevitably be tempered by the magnitude and intricacy of the interests and problems involved.⁵⁷ Consensus at the international level is much more difficult to achieve. A psychological disposition favorable to consensus building simply cannot substitute for overlapping and conflicting interests.

The second concern is that when this principle is adopted for negotiations in the international setting, it loses the element of authority usually invested in a village leader at that level.⁵⁸ The authority and prestige of this leader will undoubtedly play a major role in the consensus building process. This kind of authority and prestige does not exist at the international level where no one participant can legitimately claim leadership. It is an internationally recognized principle that all nations are equal and participants of all peaceful international negotiations must be treated equally.

The final point is that the principle of consensus or unanimity means each member state maintains its veto power over all decisions of ASEAN. However, this can be considered an unnecessary device since ASEAN regards implementation of policies with less than multilateral participation as an acceptable approach. As can be seen in the case of preferential trading arrangements, when *musyawarah* diplomacy cannot produce any unanimous policy, some members turn to other methods such as bilateral arrangements.

Take together the three points made in regard to ASEAN's style of negotiations mean that it will be very difficult for ASEAN to produce any dramatic common decisions and

projects. When a particular policy or project is not acceptable to a member, no decision is made and the matter will be postponed to the future meeting. Postponement of decisions from year to year is quite a common practice in ASEAN. Not only does this practice give the impression of inertia, but it also delays the cooperative process of ASEAN.

However, from another point of view it can be argued that the mode or style of negotiation is just a reflection of the existing level of community among the member states. By adopting *musyawarah* as its style of negotiation, ASEAN has allowed differing national interests to find their own common ground over time. In fact, the acceptance of this practice may be one of the main reasons ensuring the continued existence of ASEAN and keeping members together throughout the difficult years.

ASEAN INTRA-REGIONAL ELEMENTS: SIGNIFICANT FINDINGS

The above analyses of ASEAN's internal independent variables reveal to us that the economic, social, and political progress and output of ASEAN are influenced and determined by various elements. Most of the variables analyzed above indicate that they are mainly responsible for the slow progress of ASEAN. However, none of these variables generates a negative influence strong enough to "spill-back" or retract the process of cooperation. Significant findings from the study of ASEAN's intra-regional elements are as follows:

1. (a) Different economic size or economic inequality of members does not constitute a major problem for the progress of ASEAN cooperation. In ASEAN, this inequality can be adequately compensated for by other elements such as physical size, population, and natural resources.

(b) The lack of complementarity in both ASEAN's agricultural and industrial sectors is a major impediment to economic cooperation, particularly in trade.

2. Internal pluralism and internal politics affect ASEAN in these areas:

(a) The relatively low level of pluralism or the lack of strong modern associational groups in member states, together with the governments' repressive policies in regard to the freedom of expression, deprive ASEAN of important channels of information: no demands and no feedback from the population.

(b) Because of the above elements, most of ASEAN's activities have been handled by bureaucrats whose "red tape" style constitutes a major factor responsible for the slow progress of ASEAN.

(c) Stimulated by ASEAN governments, associational groups at the regional level began to emerge. However, these ASEAN associational groups are still too weak to direct the course of regionalism.

(d) Internal politics so far do not pose a major impact on the process of ASEAN cooperation.

3. Elite socialization, particularly at the high levels, has proven to be one of the few elements that really works in favor of ASEAN regionalism. It is unfortunate that this element alone cannot overcome the inertia caused by the others.

4. ASEAN member's perceptual conditions and strategies, perhaps the most important variables, provide a variety of impacts on ASEAN's regional efforts as follows:

(a) Because all members regard ASEAN as only a useful instrument of their national development effort and intend to keep it that way, ASEAN only has a slim chance to become highly integrated in all of the economic, social, and political fields.

(b) In another perspective, as long as the member states

still regard ASEAN as useful to their national objective, they will gladly keep the organization alive. This explains why ASEAN has survived for more than ten years.

(c) Negative perceptions resulting from expecting unequal benefits from economic cooperative schemes have prevented ASEAN from taking on progressive measures such as a free trade area. Instead, ASEAN has had to settle on more moderate schemes such as preferential trading arrangements and industrial harmonization.

(d) The fear of a strong central institution, when added to the belief in national supremacy, has deprived ASEAN of a strong Central Secretariat and posed a major obstacle to ASEAN institutional development.

(e) Preoccupied with the problem of development, ASEAN's members have had their social strategies directed towards the promotion of social development rather than social integration. This negligence has damaged the chances of ASEAN being socially integrated.

(f) The belief of members in the "self-reliant" aspect of their nation and the region (or national/regional resilience in ASEAN's vocabulary) has led the member states to emphasize national rather than regional efforts. The emphasis on such a national basis can hardly lead to a high level of regional interdependence; and it does not create a conducive atmosphere for successful regional integration.

5.(a) The profusion of ASEAN institutional arrangements creates overlapped responsibilities and inconvenience in the operation of ASEAN, resulting in delays of the cooperative process.

(b) The rotation system adopted by ASEAN institutions hinders the continuity which is necessary for a high level of achievement.

(c) The high turnover rate of ASEAN personnel obstructs

the development of “ASEANocrats” with regional rather than national orientations.

(d) Style of negotiations adopted by ASEAN members denies the majority rule principle and emphasizes the principle of consensus or unanimity. It prevents ASEAN members from making fast decisions and from adopting progressive measures necessary for high levels of performance.

The above analyses and findings of ASEAN’s internal independent variables suggest that the cooperative process of ASEAN is significantly dependent upon the problem of whether or not these elements are conducive or instrumental for the process to succeed. But intra-regional elements are not the only determinants that must be taken into consideration since ASEAN’s regional efforts also deal with variable and related elements originating from outside of the region. In order to have a comprehensive study of ASEAN, we must also analyze its extra-regional elements, the subject of the next chapter.

SUMMARY

Concentrating on the internal determinants of ASEAN’s cooperative progress, this chapter analyzed several independent variables which included size or economic equality of ASEAN members, internal pluralism and politics, elite socialization, strategies and perceptual conditions, and institutional structure and style of negotiations. Most of these variables have contributed to the slow progress of ASEAN, only elite socialization has demonstrated its positive effects upon ASEAN cooperation. As for other variables, even though their negative influences are not forceful enough to retract or damage the process of ASEAN regionalism, they undoubtedly prevent ASEAN from taking progressive economic, social, and political measures which are much needed for substantial and meaningful achievements.

CHAPTER

- 7 -

ASEAN AND
THE OUTSIDE WORLD

This chapter will explain another aspect of ASEAN's joint regional efforts by analyzing extra-regional independent variable. For practical analytical purposes, these elements will be divided into economic and security issues in order to determine their impact upon ASEAN in the following perspectives: (a) ASEAN's economic and security dependence upon extra-regional powers; (b) the involvement of the outside world; and (c) ASEAN's perceptions of these extra-regional economic and security issues. This analysis will begin with a detailed study of ASEAN's economic relations with industrialized countries. Then, it will turn to other world economic problems, as well as the perceptual conditions and their impact upon ASEAN's cooperation. Following the economic issues will be a discussion of ASEAN's extra-regional security and political elements. In this part, external security arrangement of ASEAN members and the declining role of the Western powers will be investigated in order to determine whether they create negative or positive

effects. This will be followed by the study of other elements such as the Sino-Soviet rivalry in Southeast Asia, Indochinese developments, and ASEAN members' perceptions of extra-regional elements. Finally, this chapter will conclude with the presentation of its findings, hoping that these findings will shed more light on our particular study of ASEAN's regionalism and the prospects of integration.

INTERNATIONAL ECONOMIC ISSUES AND ASEAN

• *Problems in Economic Relations with Industrialized Countries*

The issue of trade protectionism among developed countries and ASEAN's dependence on the markets of these countries clearly has a major impact on the cooperative process of ASEAN. Some of these problems have been briefly discussed in Chapter III. Here, important international economic issues will be examined in detail in order to find out their patterns and their effects on ASEAN.

Like most developing countries, ASEAN members have to encounter two related economic problems. First, they are faced with the industrially developed countries which impose highly restrictive import measures on the few manufactured products they export. The second problem concerns their exports of agricultural and primary products. With the exception of Singapore, the ASEAN countries depend on the exportation of a narrow range of agricultural and mineral products for their foreign exchange earnings. This dependence creates several difficulties. The economies of these ASEAN members have been highly vulnerable to changes in world market prices as well as to variations in their crop yields due to the weather and other natural elements.

In an effort to improve the protective policies of the developed countries and the price fluctuations of their exports, ASEAN countries have adopted common strategies for their dealings with industrialized countries and other economic blocs. The general objectives of these joint efforts can be categorized as: (a) to stabilize ASEAN's commodity prices and export earnings; (b) to improve access to the developed countries' markets for ASEAN products through the liberalization of tariff and non-tariff barriers; and (c) to increase investment and assistance from developed countries. Up to now, the major efforts have been directed towards Japan, Australia, the United States, and the EEC; all of whom have significant economic relations with ASEAN.

ASEAN-Japan:

It is not surprising to see that Japan has always been the major target for ASEAN's concerted policies. In terms of trade, Japan's economic role in ASEAN is crucial. More than 25% of ASEAN's total annual trade is conducted with Japan. This figure of 25% is far higher than ASEAN's trade with any other single country or bloc of countries, including the United States and the EEC.¹ ASEAN has also become increasingly important to Japan. For instance, the 1976 figure suggested that 9.5% of Japan's total exports went to ASEAN countries and 12.6% of Japan's total imports came from ASEAN.² The balance of this trade was in Japan's favor until 1972. With the price increases for oil and other ASEAN natural resource products, this balance had been partially changed. Among the five ASEAN members, only Thailand and Singapore presently maintain trade deficits with Japan.

In addition to the fact that ASEAN is an important market for Japanese goods, the region also supplies Japan with essential raw materials as well as controlling the sea route of

the Japanese economic lifeline. During the period from 1970 to 1973, 15.1% of Japan's petroleum was supplied by Indonesia, while 25.7% of its copper came from the Philippines and about 40% of its bauxite was imported from Malaysia and Indonesia.³ A similarly high percentage of Japan's other commodities such as tin, natural rubber, and timber were from the ASEAN region. Moreover, ASEAN is also strategically important for the economic sea route of Japan. Not only does most of Japan's petroleum from the Middle East come via the Malacca or Lombok Straits which are controlled by ASEAN members, but a great deal of Japanese exports also proceeds along the same route.

Despite these important economic links with ASEAN, Japan has adopted protectionist and other policies which generate negative impact upon ASEAN economies. One policy of the early 1970s, for instance, aimed at reducing Japan's dependence on ASEAN natural rubber by expanding the Japanese synthetic rubber industry. This caused major concern among ASEAN members because the synthetic rubber industry of Japan was damaging their natural rubber industry. To solve the problem, ASEAN members as early as 1973 decided to take joint actions to protect their rubber industry by entering into negotiations with Japan. The Synthetic Rubber Forum was established in November 1973 as a result of representations made by ASEAN to Japan in view of the rubber problems. Although the negotiations did not produce any tangible results, the ASEAN members considered the establishment of the Synthetic Rubber Forum to be a success. Through this forum, ASEAN members continued to exert concerted pressure on Japanese production of synthetic rubber and also to secure Japanese technical and economic assistance on ASEAN rubber development. In March and April 1977, Japan agreed to establish the ASEAN Tire Development and Tire Testing Laboratories in Malaysia and to provide assistance to Thailand's Rubber Research Center.⁴

On other economic issues, ASEAN and Japan agreed to establish the ASEAN-Japan Forum in March 1977. ASEAN members selected Indonesia to be the coordinator of this dialogue. This selection had been made to bring the role of Indonesian oil into the bargaining considerations. As President Marcos of the Philippines explained, “Indonesian oil is still needed by Japan – which is why we want Indonesia to ‘front’ for us.”⁵

Before and immediately after the establishment of the Forum between the two economic partners, however, Japan did not respond well to the ASEAN members’ request for the improvement of Japan’s protective policies. The November 1976 ASEAN request proposing the reduction of Japan’s high tariff levied on the import of canned pineapples was turned down. Citing domestic problems, Tokyo explained that it was unable to lower the tariff level. Industrial goods from ASEAN were also subjected to Japan’s strict protective policies. Singapore in particular had been frustrated in its attempts to penetrate the Japanese markets with its manufactured products.

It was not until the second half of 1977 that Japan began or at least appeared to be willing to improve its economic relations with ASEAN. It can be said that the August 1977 meeting between Japanese Premier Takeo Fukuda and the ASEAN heads of governments after the second Summit in Kuala Lumpur was a turning point in ASEAN-Japan relations. At this meeting, although the Japanese premier did not promise much in the way of opening up the Japanese market to imports from ASEAN, he did pledge US \$1,000 million as a loan package for ASEAN industrial projects and also assured ASEAN that Japan would increase its aid and assistance.

Several factors are responsible for this change of Japanese policies and attitudes towards the ASEAN economic bloc. First, the oil shock has caused Japanese leaders to appreciate

the importance of peace and stability in ASEAN – the region which not only supplies essential raw material and imports Japanese manufactured goods, but also controls sea route that are Japan's lifeline. Second, the massive boycotts of Japanese goods in ASEAN and the massive anti-Japanese demonstrations during the visit of former Japanese Prime Minister Kakuei Tanaka in early 1974 made Tokyo realize that it must adjust and improve its relations with ASEAN.⁶ One reason for these demonstrations stemmed from the frustrated feeling among the ASEAN population that Japanese corporations entered their country just to make profits, with no intention of paying respect to the social culture of the host country or transferring technical know-how to local people.⁷ The third factor involves the fall of the Indochina states into the Communist camp. For geopolitical as well as economic reasons, Japanese leaders began to see that they had a very crucial stake in ASEAN's survival as a non-Communist entity. In this connection, Singapore Foreign Minister Rajaratnam attempted to suggest to the Japanese leaders that they needed close relations with ASEAN. He explained that if ASEAN succumbed to Communism, Japan would be completely cut off from the non-Communist world, apart from access to the Pacific. The Japanese must therefore help ASEAN to remain non-Communist.⁸ Finally, during the meeting between Japanese Premier Fukuda and United States President Jimmy Carter in Washington, D.C. in early 1977, the United States pressed Japan to play an active role in ensuring stability in the Southeast Asian region.⁹ This pressure, when added to other factors, persuaded Tokyo to change its position towards ASEAN.

Because Japanese Premier Fukuda's visit marks the beginning of a new era in Japanese-ASEAN relations, it is worth discussing it in more detail.¹⁰ Japanese leaders began to express publicly in early 1976 that Japanese needed to intensify its relations with ASEAN. Speaking to the Japanese Diet in January

1976, former Premier Takeo Miki stressed his belief as follows:

I consider that the intensification of Japan's relations with the ASEAN member countries is what history now demands of us in the cause of stability and prosperity of the Asia-Pacific region. We hereby pledge to step up our efforts to further strengthen the bonds of mutual understanding and friendship with these countries.¹¹

However, these good intentions on the part of former Premier Miki and other influential Japanese leaders were not followed up by actual policy. It was at the Kuala Lumpur meeting in August 1977, where the prime ministers of Japan, Australia, and New Zealand met with ASEAN leaders, that Japan's intentions began to transform into some substantive actions.

The five member countries knew well that the Japanese were keen to have an expanded dialogue with ASEAN, so they agreed to invite Premier Fukuda to the meeting. To the Japanese, this invitation appeared to be a carefully calculated one; to get concrete involvement from Japan. As one Japanese businessman in Indonesia explained: "We [the Japanese] have passed the point of no return. We have to expand the dialogue with ASEAN if we are to remain on good terms with Southeast Asia and so they know they have us over a barrel."¹²

About two weeks prior to the Kuala Lumpur Summit, a delegation from ASEAN visited Tokyo to present their "friendly requests" to the Japanese government. In essence, what ASEAN wanted from Japan can be categorized as follows: (a) financial assistance of about US \$1,000 million for the five ASEAN industrial projects, (b) establishment of a fund for the stabilization of export earnings (known as "Stabex"), (c) increased preferential treatment of ASEAN exports to Japan, and (d) reduction of

non-tariff barriers to ASEAN exports.

The request for a "Stabex" fund can be further explained here. ASEAN members wanted to have a Lomé Convention-type arrangement with the Japanese. Under the Lomé Convention between the EEC and 45 developing countries, when a developing member's earnings from its primary product exports fall by more than 7.5% from the average earnings during the previous four years, the lost amount will be compensated for by an interest-free loan from the EEC. This loan will be repaid by that country when its exports recover. In the case of ASEAN's request, ASEAN had asked for a similar arrangement with a Japanese fund of US \$400 million covering 10 to 15 types of minerals and agricultural products.

At the Kuala Lumpur meeting, the Japanese Premier seemed to offer as much as he could. With Japan's several parliamentary and bureaucratic processes, he could not make any immediate commitments. Indeed, several "expression of intent" had been made by Prime Minister Fukuda.¹³ On the problem of Japanese assistance to the five ASEAN industrial projects, he agreed to extend financial assistance in various forms, provided that the feasibility of each project was confirmed. The Japanese leader said he would "consider favorably" the request for the total amount of US \$1,000 million in extending such assistance. The Japanese government was also prepared to consider giving various forms of technical assistance which might become necessary in the process of completing the projects.

As for the "Stabex" scheme, Japan was not ready to commit itself any more than to conduct a joint examination on the various problems in connection with the stabilization of ASEAN's earnings from exports of primary commodities. On ASEAN's request for the improvement of access to Japan's markets for manufactured, semi-manufactured, and primary product exports, Premier Fukuda expressed Japan's readiness to

facilitate ASEAN's efforts to increase exports to Japan through various measures. These would include the improvement of Japan's generalized scheme of preference and the introduction of ASEAN's cumulative rules of origin. With regard to the request for the removal and/or relaxation of Japan's tariff and non-tariff barriers, Japan merely affirmed that it would further examine the issue.

After the Kuala Lumpur meeting, Premier Fukuda visited the other four capitals of ASEAN members and Rangoon, Burma. During this follow-up trip, he added about US \$400-500 million in bilateral aid to ASEAN members. In addition, at the last stop of his journey in Manila, Premier Fukuda delivered a speech which was later called by the press the "Fukuda doctrine," outlining Japan's roles and responsibilities in Southeast Asia.¹⁴

All in all, Prime Minister Fukuda's trip to ASEAN did not produce significant immediate results, but it did express Japan's sincere intention to increase its involvements and responsibilities in the development of ASEAN and Southeast Asia. It is now the time for Japan to prove its sincerity towards economic development of ASEAN. With the industrial projects of Indonesia and Malaysia moving into the implementation stage, the two countries can now approach Japan for financial assistance to complete them. It will be interesting to see the responses from Japan in connection with its assured US \$1,000 million financial help for the five projects.

ASEAN-Australia:

Compared with Japan's, Australia's economic relations with ASEAN in terms of total trade volume are less impressive. Australian trade constitutes less than 3% of ASEAN's total. The 1977-1978 figure of this trade was US \$1,410 million, with an imbalance of about US \$300 million in Australia's favor. Australia sold products worth US \$853.1 million to ASEAN

while bought ASEAN goods at the value of US \$556.9 million.¹⁵

With the exception of Singapore, ASEAN's trade deficit with Australia was substantial. For example, the 1975 balance of trade between the Philippines and Australia was overwhelmingly in favor of Australia – US \$126 million as credit for Australia and only 32 million as credit for the Philippines. Also in 1975, Australian trade with Thailand had a total figure of US \$80.7 million. In this trade, Australia only imported US \$19.7 million worth of goods from Thailand.

In attempting to correct this trade imbalance and other economic problems, the five ASEAN members have acted together as a bargaining bloc vis-à-vis Australia. There are several Australian trade policies and measures which the ASEAN bloc considers to be protectionist or unfair and desires to have them modified or changed. One important measure is the strict textile quotas on imports from Asian countries. Australia's tariff policies have also caused major concerns among ASEAN members. The Philippine government sees the textile quotas as a serious threat to the development of its textile industry at the time when the trading balance is overwhelming in Australia's favor. Late in 1975, the Philippines started its retaliation against Australia by having the Central Bank of the Philippines make it difficult for Australian exporters to convert their payments. This measure acted as an indirect embargo on Australian goods, causing Australian industrialists to ask their government to ease the textile quotas.¹⁶ Malaysia's textile industry was also affected by Australia's strict quotas and therefore they employed their own reprisals. However, these retaliations have so far been taken on a unilateral basis; no particular joint reaction against Australia has been initiated by ASEAN as a group.

ASEAN also has taken joint actions vis-à-vis Australia by asking the latter to import more ASEAN products in order to offset what it calls a serious and persistent imbalance. At a

meeting of officials from both sides in a dialogue known as the ASEAN-Australian Forum, ASEAN handed a memorandum to Canberra in 1976 to point out the imbalance problem and to suggest measures for correcting the situation. A supplement to the 1976 memorandum had been presented to Australian officials during the fourth meeting of the ASEAN-Australian Forum, held in Canberra on October 30-31, 1978. Strong criticism of Australia's trade policy was included in this supplement. For instance, it said:

[Australia] seems to regard developing countries only as a source of supply of certain basic raw materials for her industrial inputs. Processed and manufactured products are often classified as threats to her high cost industries.... This is clearly reflected in her tariffs, which are so structured [as to] discriminate against processed and manufactured products.¹⁷

One of its suggestions was that the Australian government should liberalize the Australian system of tariff preferences (ASTP) for developing countries by widening the product coverage to include items of export interest to ASEAN which were not under the scheme. It also proposed the removal of import quotas imposed on goods under the ASTP as well as the reduction of tariffs for ASTP products. Australian response to these suggestions so far has been negative.

Besides the trade problem, another economic issue has recently emerged in the relations between Australia and ASEAN. Australia has introduced civil aviation low fares on a restricted basis on the "kangaroo route" between Australia and London. The low fare scheme is to be limited only to Australia's *Qantas* and England's *British Airways*. In addition, passengers who

want stop-over services must pay additional surcharges. The other part of the plan includes bilateral negotiations with individual countries' airlines to lower fares all-around and thereby benefit all airlines flying to Australia. Though this plan seems to be justified, the restriction to the airlines of Australia and England plus the issue of surcharges make ASEAN members see the scheme as an Australian protectionist measure. It can be expected that these low fares will create a direct impact on ASEAN members' airlines, particularly *Singapore Airlines* which carries a large number of Australia-London passengers.

Though Singapore has a major stake in maintaining the status quo because of its large fleet, it has persuaded ASEAN to confront Australia as a unit. At the December 1978 meeting of ASEAN economic ministers in Kuala Lumpur, Singapore succeeded in making other ASEAN members conscious of the fact that stop-over surcharges would not only reduce stop overs in ASEAN countries but also adversely affect the earnings of their airlines and tourism-related industries. The ministers therefore agreed that ASEAN would prefer the status quo. More significantly, they also announced that should the scheme be implemented, ASEAN would enter into negotiations with a common stand.

Another factor responsible for the ASEAN agreement is the feeling among ASEAN nations that Australia is taking an unnecessary protectionist measure. ASEAN has already been skeptical towards what it considers to be protectionism by Australia in trade. Therefore, it sees this low-fare scheme introduced by Australia as yet another such policy which it must struggle against.

As of the end of 1978, no solution or compromise had been achieved. What ASEAN wants from Australia is that none of the ASEAN countries should be disadvantaged by any new arrangements for the introduction of cheap fares by Australia.

If the Australian government remains intransigent or ignores the ASEAN concern, it can be expected that ASEAN will take retaliatory measures against the interests of Australian airlines.

With the exclusion of the above problems in trade and civil aviation, ASEAN-Australian economic relations in other areas have been highly cooperative.¹⁸ Particularly in the area of development assistance, Australia has provided technical and financial assistance for the projects under ASEAN. Also, at the inaugural meeting of the ASEAN-Australia Forum in Canberra in April 1974, Australia made available a sum of 5 million Australian dollars (A\$) for the following projects: (a) soya bean processing techniques and protein food, (b) food handling project, (c) the establishment of a Consumer's Protection Agency, (d) cooperation in trade, and (e) research in education. During the meeting of Australian Prime Minister Fraser and the ASEAN heads of government in Kuala Lumpur on 7 August 1977, an additional sum of A\$10 million had been assured by Australia to support and enhance those existing joint development projects.

ASEAN-the United States:

Economic relations between ASEAN and the United States are significant for both parties. In terms of trade, the United States is ASEAN's second largest trading partner, accounting for about 18% of ASEAN's total world trade. ASEAN supplies about 90% of the United States imports of natural rubber, 10% of its petroleum, 14% of its sugar, 17% of its tea, and 72% of its tin. In 1977, ASEAN's total trade with the United States was US \$11 billion, second only to ASEAN-Japan trade of about US \$14 billion. A US \$2 billion was in ASEAN's favor.

The United States also has large investments in the region. In 1975, for example, the total direct United States investment was US \$5,225 million:¹⁹ US \$2,500 million in Indonesia, US \$1,042 million in Singapore, US \$733 million

in the Philippines, US \$500 million in Malaysia, and US \$450 million in Thailand.

As early as January 1975, the United States had approached ASEAN to look into the possibility of having a consultative meeting on economic matters between officials. However, it took almost two and a half years before the ASEAN-United States Dialogue was established. The first meeting was held in Manila on 8-10 September 1977.

It should be noted here that all members of ASEAN, particularly the Philippines and Singapore, have had a long experience of friendly bilateral cooperation and fruitful relations with the United States. To ASEAN members, the United States' attitudes and policies were well-known. Therefore, what ASEAN primarily wanted from the first meeting in 1977 was to know whether Washington was still committed to the region, despite the fall of Vietnam and the decision to reduce the number of United States troops in Asia.²⁰ As for economic matters, the ASEAN request was similar to those they had presented to Japan and Australia: to open the way to trade concessions from the United States; to establish a "Stabex" scheme; and to ask for assistance for the five ASEAN industrial projects.

United States Undersecretary of State for Economic Affairs Richard Cooper, head of the United States delegates, reassured ASEAN ministers at the meeting that the United States would remain engaged with the nations of Southeast Asia and with ASEAN. On the economic front, however, the United States delegates stressed at the outset of the meeting that they were not yet prepared to make firm commitment to ASEAN.

Although no trade concessions had been offered by the United States delegation, the Americans suggested ways in which ASEAN should proceed. They pointed out that the only means for gaining concessional trading was through expansion of the American generalized system of preferences (GSP).

Therefore, the American delegation suggested that ASEAN should immediately submit a list of applications and supporting data to the United States International Trade Commission, which was about to review the GSP. The United States also rejected support of "Stabex," arguing that such a scheme should be related to multinational negotiations and to the need to set up an UNCTAD-sponsored common fund. With regard to assistance for ASEAN industrial projects, the Americans explained that their government could not offer any funds because it had to comply with congressional requirements.²¹ The Americans therefore advised ASEAN to approach private capital markets and international finance institutions such as the World Bank and Asian Development Bank.

The second meeting of the ASEAN-United States Dialogue in Washington on 3-4 August 1978 also produced similar results.²² Despite the involvement of top leaders on both sides including President Carter, Vice President Walter Mondale, Secretary of State Cyrus Vance, Treasury Secretary Michael Blumenthal and others along with 14 ministers from ASEAN, the United States did not agree to provide any special trade concessions or new large-scale aid programs. They merely agreed to the following matters: (a) to send a high-level investment mission of American businessmen to ASEAN; (b) to establish a United States-ASEAN business council in conjunction with private American firms under the aegis of ASEAN and American chambers of commerce; and (c) to pursue negotiations on the UNCTAD common fund.

ASEAN-the EEC

The ASEAN-EEC relation was the first to be institutionalized with a third country. The Special Coordinating Committee of ASEAN (SCCAN) was established in 1972, followed by the subsequent establishment of the Joint Study

Group in 1975. SCCAN is concerned with concrete cooperative activities between ASEAN and the EEC covering all aspects of economic relations. The Joint Study Group examines the substance and mechanism of such cooperation.

Trade between the two blocs constitutes about 15-16% of ASEAN's total world trade. According to Philippine official figures, the 1976 figure of trade between the two blocs was US \$7.15 billion. The balance of trade was US \$253 million in favor of the EEC.²³ However, the trade figures for the first half of 1978 showed that the situation had been somewhat reversed. In this half-year period, ASEAN exported US \$2.52 billion worth of goods to the EEC, while importing US \$2.36 billion.²⁴

Every year since 1973, ASEAN has submitted to the EEC a joint memorandum on improvements of the EEC's generalized system of preference (GSP). Although some concessions have been granted to ASEAN products, they are still dissatisfied and have asked for a special relationship with the Community similar to that between the EEC and many developing countries under the Lomé Convention. So far, the EEC still limits this special relationship to some countries in Africa, the Caribbean, and the Pacific. In addition to cooperation in trade, the EEC also agreed to encourage their bankers and industrialists to increase long term investments in the ASEAN region.

In an effort to introduce ASEAN to the industrialists, both sides had already promoted two conferences on industrial cooperation. These conferences allowed private enterprise in the two regions to meet and also allowed ASEAN to directly approach EEC industrialists for more investments in the ASEAN region. The first conference resulted in a major disappointment, particularly for ASEAN. Many of the European participants were interested less in investing in ASEAN than in selling industrial hardware to ASEAN.

The second conference on industrial cooperation was held in Jakarta in February 1979. Taking part in the conference were, from the EEC, over 200 industrialists representing 175 European companies and also 100 bankers from 27 European banks. The number of ASEAN participants was more than 400.²⁵ Of course, the result of this conference in regard to investment decisions could not be expected during the conference itself. It would take at least a few years to determine whether or not additional investments had taken place as a result of the conference.

The overall ASEAN-EEC relation had been somewhat elevated in 1978 when both sides agreed that contacts between them should be on a higher level than senior officials. Therefore, in November 1978, 13 foreign ministers of ASEAN and the EEC countries met for the first time in Brussels to step up the relationship between the two blocs. Broad policy guidelines were set up at the meeting as well as formulation of a cooperative agreement between the two economic groupings. Perhaps more important to ASEAN was an agreement in the final declaration that it was important for the private sector of the EEC to invest in ASEAN industries, including those which were labor intensive and those relying on raw materials. These types of industries would raise the standard of technical know-how in ASEAN.

ASEAN-Other Developed Countries and International Organizations:

In addition to its economic relations with the above-mentioned countries and the EEC, ASEAN has also established official contacts with Canada, New Zealand, and the United Nations Development Programs (UNDP). With regard to Canada and New Zealand, ASEAN has attempted to increase its exports by asking the two countries to improve their GSPs and to liberalize some non-tariff measures for more ASEAN access to their markets. However, trade between ASEAN and these

two countries is far less significant than those of ASEAN and Japan, Australia, the United States, and the EEC. Therefore, most of ASEAN-Canada and ASEAN-New Zealand cooperative relations have been mostly in the area of development assistance for ASEAN. Canada has so far agreed to extend assistance to ASEAN in the areas of regional satellite communications, regional air transportation, and fisheries. Similarly, New Zealand has agreed to provide assistance in animal husbandry, dental health, reforestation and pine forest development, and a survey on end uses of timber. As for the ASEAN-UNDP/ESCAP Dialogue so far it has produced more than a dozen joint projects. Among them are technical support to the ASEAN Secretariat, cooperation in shipping, assistance in tourism development, and ASEAN cooperative study of the development of labor-incentive industry.

• ***Other World Economic Problems and ASEAN's Economic Relations with Non-Western and Non-Industrialized Countries***

Like other areas of the world, ASEAN has also been significantly affected by the energy price increases and related problems such as worldwide inflation and recession/depression in the economies of the industrialized world. With almost all of their petroleum being imported, the Philippines and Thailand in particular feel direct negative impacts from the price raises by the Organization of Petroleum Exporting Countries (OPEC). On the other hand, Indonesia, and to a lesser extent Malaysia, have directly benefited from OPEC's price hike. Indonesia is a member of OPEC. Malaysia is self-reliant on its production of petroleum and even produces a small surplus to be exported. Singapore is a special case. Although it does not produce any crude oil, it does have many oil refineries. This island republic imports crude oil mostly from the Middle East and exports

refined products to other Asian countries as well as to Australia. Therefore, Singapore has not suffered many difficulties as a result of the increased energy prices.

Early in 1974, after the “oil shock,” some ASEAN leaders saw the OPEC oil price hikes as a reason for greater togetherness. Premier Lee Kuan Yew of Singapore and President Marcos of the Philippines called for intra-ASEAN oil sharing. However, with no immediate help from their ASEAN partners, Manila later stopped emphasizing intra-ASEAN oil sharing and sought oil elsewhere. Madame Marcos visited China, Mexico, and the United States for what could be termed the pursuance of “oil diplomacy.” Similarly, Singapore later put more emphasis on self-reliance, after having found out that oil continued to flow into its refineries no matter what the price.²⁶

Meanwhile, Thailand also pursued its “oil diplomacy” in China, and in December 1973, Peking allowed Thailand to buy 50,000 tons of Chinese oil at “friendship price.” The Philippines also received their oil supplies from China. During the visit of Madame Marcos to Peking in September 1974, China agreed to supply the Philippines with no less than one billion barrels of crude oil at a “reasonable price.”²⁷ This amount constituted about 4.5% of the Philippines’ total crude oil imports. Thailand and the Philippines continue to buy oil from China. During Thai Prime Minister Kriangsak’s visit to Peking in April 1978, one of the main agreements he had with Chairman Hua Kuo-feng was that Thailand would receive a steady stream of the vital oil supply.²⁸ Details of the deal would be negotiated later between high-ranking officials of both sides. Finally, an agreement was reached in January 1979. In this agreement, China would sell Thailand its oil at a “friendship price” for five years. This would be about 25% of Thailand’s total crude oil imports.²⁹

ASEAN members’ trade with China is also important in area other than oil. In the early 1970s, for example, China

became one of the largest sources of the food supply for Malaysia.³⁰ Chinese trade with Singapore has also been growing steadily. For many years Indonesia did not have direct economic links with China, although it imported goods of Chinese origin from Hong Kong. According to Indonesia's news agency (Antara), these imports were increased by 47% for the first half of 1976 when compared with the corresponding period of the previous year.³¹

In addition to its economic relations with China, ASEAN also maintains economic relationships with other socialist countries, especially with the Soviet Union and the Eastern European countries. However, trade with these countries constitutes less than 3% of ASEAN's total world trade. These economic contacts have been made essentially on a bilateral basis between individual ASEAN members and the countries of the Soviet bloc. There is no official contact between ASEAN and the East European Common Market (Comecon).

Many factors can be used to explain why economic relations between ASEAN and the Comecon countries have been insignificant in comparison to those with Western industrialized countries. First, the two blocs have different orientations in their economic systems. As Singapore Prime Minister Lee explains, ASEAN is "plugged" into the capitalist economic grid,³² while the Comecon directs its economic activities mostly to its own members. Second, ASEAN members do not want to arouse the suspicions of China by having substantive involvement with the Soviet bloc and the Soviet Union in particular. Third, due to suspicion, Soviet offers in terms of technical assistance to ASEAN's development projects have been sometimes rejected for political and security reasons. For instance, Kuala Lumpur reportedly decided to back off a proposed hydroelectric power project (for which the Soviet Union offered to provide assistance) for these reasons: (a) a

large number of Soviet “technicians” would have been involved; and (b) the project was located in a sensitive area close to the Malaysian-Thai border.³³ Fourth, some ASEAN members doubt the quality of equipment from the Soviet bloc and the availability of vital spare parts in the event of a breakdown. Finally, ASEAN members usually prefer aid from sources other than the Soviet bloc countries. This is because most aid from these socialist countries is seen as laden with political overtones.

• *External Economic Elements: Perceptions and Impacts on ASEAN*

The above discussion of external economic problems suggests a difficult environment in which ASEAN leaders must take appropriate actions so that their country will be able to survive, either individually or collectively. Problems such as economic protectionism and dependence have reaffirmed ASEAN leaders of their common belief that they must exploit the advantage of acting as a group over issues that have regional implications. A cohesive regional framework is therefore perceived by these leaders as a source of strength, particularly in negotiating with major trading partners outside the region. Throughout the previous discussion in this chapter, there is no doubt that ASEAN is now employing its collective framework to secure a better deal for its common economic interests vis-à-vis the outside world. Though the five ASEAN members may still disagree with each other on their internal economic issues, such as the idea of a free trade zone, they certainly share a great deal of common ground in their relations with external economic powers.

How do the leaders of ASEAN perceive this presently “chaotic” international economic environment? What are their decisions and plans for improving ASEAN’s economy in this kind of international economic arena? How do these extra-

regional economic issues analyzed above directly or indirectly generate an impact on ASEAN? It is to be hoped that explanations and answers to these important questions can be provided in the following discussion.

Among the significant economic issues encountered by ASEAN, the problem of protectionism by industrialized and developed countries is causing a major difficulty. Most developed countries have taken strict policies against imported manufactured goods such as textiles and footwear. Most of these goods when produced in the developed countries are more expensive than the same products from developing countries. Therefore, if the developed countries allow their products to compete freely in their markets without any protective measures, it is certain that cheaper products from developing countries will take over the markets. To protect their industries, the developed countries either set up high tariffs or impose restrictive quotas on these types of manufactured products. These protectionist measures create serious problems for ASEAN countries which are in the process of attempting to achieve industrial development.

ASEAN leaders feel that it is unreasonable for wealthy and advanced industrial countries to take measures against labor-intensive goods such as shirts, garments, knitwear, socks, and shoes. These manufactured commodities are the only types that developing countries can presently produce. Developed countries should concentrate on more advanced industries, leaving labor-intensive manufacturing to developing countries and thereby giving them a chance to develop.

Critiques from members of ASEAN are particularly strong against developed countries which have large surpluses in balance of trade with ASEAN but still impose protectionist measures against imported manufactured goods. Australia, for instance, falls in this category and therefore is a main target

of ASEAN criticism. When protectionist lobbies in Australia were seeking to extend quotas for textiles and footwear, some ASEAN leaders became impatient. Referring to this particular event, Premier Lee Kuan Yew of Singapore was quoted as saying:

I do not want to say anything which will impinge on the internal politics of Australia. But in the long run, I do not see how we can live peacefully, amicably and at ease with each other when Australia is going to be a very wealthy community – with very high wages because it is a wealthy economy – making all these simple products with a very high labor content which, because of high wages, are very expensive.

To make it viable, Australia puts up very high tariff walls and quotas to keep out goods from countries which have meagre natural resources, a lot of man-power and cheap wages. It does not make sense. And if that is the way the world is going to be – if the relationship between the countries of ASEAN and Australia is the relationship between the developed and underdeveloped world – then I see strife.³⁴

Prime Minister Lee further explained that ASEAN wanted trade rather than aid from Australia. Foreign aid and assistance alone should not be used by developed countries like Australia as compensation for its protectionism. He acknowledged the fact that successive Australian governments had been conscious of the situation and had contributed “dollops of aid.” According to Premier Lee, this is “not the kind of relationship which generates mutual esteem, respect and ... continuing

interdependence which in the long term is the only sound relationship we [ASEAN and Australia] can develop.”³⁵

In an attempt to improve the situation, ASEAN members have decided to take a common stand vis-à-vis developed countries for the following purposes: (a) trade concessions from developed countries; and (b) reaching an agreement to ensure that there will be high-level political discussions before any further action is taken in developed countries against ASEAN exports. As we can see from the dialogues with such trading partners as Japan, Australia, the EEC, and the United States, ASEAN always repeatedly stresses these two objectives. However, experience has taught the leaders that while ASEAN may be considered favorably at least in the political and diplomatic areas by developed countries, it has yet to receive favor in economic matters.

This realization was recently illustrated by President Marcos of the Philippines in August 1978. As he commented just before the ASEAN delegates entered into the first ministerial-level dialogue with the Americans in Washington: “I have been disappointed so many times in all these missions, not just with the United States but with the [other] developed countries, that I dare not pin my hopes on this.”³⁶ The ASEAN-United States dialogue in fact turned out to be a disappointment for ASEAN; no trade concessions were agreed upon.

Attempts to set up a consultative body with developed countries as an advance-warning mechanism before the introduction of any new protectionist measures has also failed to materialize in most cases. So far, only Australia has agreed to such a body.

Because of these frustrating experiences in dealing with developed countries, ASEAN increasingly feels that it is constantly struggling against the so-called “developed-developing nation dichotomy.” Expressions from ASEAN

leaders with regard to developed countries in recent years have been along this line.³⁷ Therefore, when Australia proposed a new civil aviation policy which would reduce fares between Australia and London routes, ASEAN interpreted this proposed policy as the start of a new attempt by the rich countries to shun competition from poorer countries. This was one of the main reasons which made ASEAN members decide to negotiate as a group with Australia on the fare issue, even though only Singapore's national airlines would be significantly affected by this Australian policy.

Along with the problem of protectionism, economic dependence is another important issue confronting ASEAN. There are two major areas in which economic dependence causes a great deal of concern among ASEAN members. As mentioned earlier, with the exception of Singapore, foreign exchange earnings are dependent upon exports of a narrow range of mineral and agricultural products. The prices of these products in world markets are highly fluctuated, causing their foreign exchange earnings to be unstable. The regional economies in some cases have become excessively dependent on a particular country. ASEAN is significantly dependent on Japan, particularly for foreign trade and investments. This dependence is economically undesirable, as ASEAN is subjected to the monopolistic powers of a few Japanese corporations.

To reduce the problem of instability in their foreign exchange earnings ASEAN members agree that they must act in unison. For instance, when the United States released on the world market a quantity of rubber from its stockpiles, this action provoked a strong protest from the ASEAN countries. A similarly united stand was taken by ASEAN in relation to Japan's production of synthetic rubber which tended to create an adverse effect on ASEAN's products of natural rubber.³⁸ As a result of this strong protest, Japan pledged to restrict its production of synthetic rubber.

ASEAN members have also attempted to establish a scheme which will help stabilize their export earnings (Stabex scheme). In all of their negotiations with developed countries which are major buyers of ASEAN's primary products, ASEAN members are asking them to agree on the establishment of a common fund. This fund will be used to compensate for the loss of export earnings by ASEAN members. But as we already know from the discussion above, so far no developed countries have agreed to establish such a common fund.

In an attempt aimed at reducing economic dependence upon any single trading partner such as Japan, ASEAN chooses to increase its intra-regional trade as well as to diversify its economic relations with other developed countries. Measures for increasing intra-regional trade, such as industrial complementation and internal trade liberalization, have been discussed earlier. As for the policy of diversification, ASEAN has always kept its options open as it strengthens dialogues with developed countries like Australia, New Zealand, Canada, the United States and the EEC. During the past few years, ASEAN had placed high hopes on Japan for ASEAN's economic development. The situation seemed to progress well, particularly at the summit meeting between Japanese Premier Fukuda and ASEAN leaders. However, as one source pointed out, there was no follow up of significant Japanese cooperation. This fact, when added with the growing Sino-Japanese friendship,³⁹ has urged ASEAN to reorient its economic relations.

It should be added here that before the signing of the Sino-Japanese peace and friendship treaty, ASEAN leaders believed the prospects were good for getting Japan into the orbit of ASEAN economic development, since Indonesian oil and ASEAN natural resources were needed by Japan. ASEAN therefore selected Indonesia to lead its negotiations with Japan. With the Sino-Japanese treaty, ASEAN leaders are

now anticipating that this treaty may create several negative consequences for their countries. As Foreign Minister Mochtar of Indonesia believes, Japan will now be preoccupied with economic temptations offered by one billion Chinese. There is also a fear in Indonesia of a decline in its exports to Japan, as the Japanese will now buy more crude oil from China as a result of the new trade pact.⁴⁰

For these reasons, ASEAN is now attempting to attract the attention of what it terms "middle powers," or the nine countries of the EEC in particular.⁴¹ ASEAN and the EEC have already established official contacts at the ministerial level and also have sponsored several measures to promote more trade and more European investments in the ASEAN region. However, ASEAN's emphasis on the EEC may well be displaced. The main concern of the EEC in its economic relations with developing countries is not with ASEAN but with African, Pacific, and Caribbean countries.

In addition to the problems of dependence and protectionism, the energy crisis is another important factor persuading the leaders of ASEAN to increase their cooperation. The impact of this problem on ASEAN can be seen both from economic and political actions. First, with the lesson from oil shortages and price increases, ASEAN has agreed to take necessary measures to assure that they will share in times of crisis their important commodities such as oil and rice. This type of arrangement has been already established. Second, the oil crisis has forced some ASEAN members, particularly the Philippines and Thailand, to seek alternate sources of oil supply. China has become their new important source. An indirect result of this process is the improvement of ASEAN-China relations in general. Perhaps more significant is that the oil crisis has urged ASEAN to take a common stand with regard to the Middle East problem. For example, ASEAN issued a mild anti-Israeli statement in

November 1973 and May 1974, calling upon Israel to vacate the territories it gained from the 1967 Middle East war as well as urging the full respect and restoration of the Palestinian people's lawful rights.

Finally, other economic elements have also contributed to a greater measure of unity and cohesion within ASEAN. The success of other regional economic groupings such as the EEC and the effectiveness of such organizations as OPEC seem to create an example for ASEAN to follow. Furthermore, the tendency on the part of external powers such as the EEC to insist on relations with ASEAN as a bloc rather than with individual ASEAN members also encourages ASEAN to continue their common stand vis-à-vis the outside world.

In short, the overall implications of the above extra-regional economic elements can be assessed as follows. Not only have these problems served to heighten ASEAN's awareness of the value of unity for protection of common economic interests, but they also have stimulated ASEAN to take progressive measures towards economic cooperation in general. There are, however, other extra-regional elements besides economic ones that have major influence over ASEAN. Perhaps as equally significant as the economic matter are political and security elements, the subjects which will be dealt with in the following part.

ASEAN'S EXTRA-REGIONAL SECURITY AND POLITICAL ISSUES

• *Security Arrangements and the Declining Role of the West*

Among the extra-regional factors of ASEAN, there is no doubt that members' security or defense arrangements with outside powers must produce some implications upon ASEAN's

process of regionalism. This type of extra-regional dependence can act as either a restraint or a stimulus to regionalism. With the exception of Indonesia, ASEAN countries have for many years accepted the Western powers as their protectors, and also supported the Western powers' military/security role in the area. The following analysis will examine these two related developments – security arrangements and the declining role of the West – in order to determine their impact upon ASEAN.

Security arrangements between the ASEAN members (with the exception of Indonesia) and the Western powers in the past have operated through the Southeast Asian Treaty Organization (SEATO) and the Five Power Arrangements.⁴² Under SEATO, the security of Thailand and the Philippines was protected against any external Communist aggression. Malaysia and Singapore since their independence had maintained security ties with the West, at present under the framework of the Five Power Arrangements. It should be noted here that, unlike SEATO, the Five Power Arrangements are not a defense pact created by a formal multilateral treaty. In fact, the Arrangements are a loose consultative framework arising out of a communiqué issued at the end of the Five Power Ministerial Meeting on the external defense of Malaysia and Singapore held in London in April 1971. In this communiqué, the five powers – Britain, Australia, New Zealand, Malaysia, and Singapore – agreed that “in the event of any form of armed attack externally organized or supported or the threat of such attack against Malaysia or Singapore, their governments would immediately consult for the purpose of deciding what measures should be taken jointly or separately in relation to such attack or threat.”⁴³ Within this framework, they also agreed to the presence of British, Australian, and New Zealand land and naval forces in Singapore, and an Australian air contingent at Butterworth in Malaysia. As of mid-1979, there is still a New Zealand battalion in Singapore

and also 150 Australian servicemen in Malaysia and Singapore.⁴⁴

Undoubtedly, these ASEAN members for many years preferred to have the strong presence of the West (the United States in particular) as a shield against China and other Communist powers. This was also true for Indonesia after the fall of President Sukarno. By 1966, Indonesia's foreign relations had shifted from a predominantly anti-Western posture to one of a friendly and accommodating attitude towards the West. Although Indonesia never established any direct security arrangements with Western powers, it certainly felt secure with foreign anti-Communist forces in the region.

It can be argued that despite their supportive attitude towards the Western role in the area, the leaders of ASEAN did not believe that they could forever count on this anti-Communist shield. Their disbelief in the Western powers' permanent presence was reaffirmed in early 1967 when England announced its intention to withdraw from its military commitments in Asia. The five Southeast Asian countries thus agreed to keep their options open. In this context, they decided to establish ASEAN as an alternative in order to be certain that they would have a source to depend upon if the Western powers no longer maintained their commitments in the region.⁴⁵ For the same reason, ASEAN decided in 1971 to adopt the Malaysia-sponsored concept of transforming Southeast Asia into a zone of peace, freedom, and neutrality. All of these changes were made by ASEAN members in an attempt to ensure that they would have alternatives to live as non-Communist countries even when they could no longer count on the West for their protection. But it should also be noted here that ASEAN countries have not totally discounted the Western security shield. In broader strategic terms. These countries believe that the West and particularly the United States still provide the region with "the nuclear umbrella."

Why did ASEAN leaders support the Western involvements in the region especially the United States role in Vietnam? This question can be best explained by using the “time-gained” concept. In his article, Robert Shaplen cited Premier Lee of Singapore as a Southeast Asian leader who “became the prime exemplar and spokesman in Southeast Asia of the ‘time-gained’ theory – that [United States] involvement in Vietnam was giving the other nations of the region time to strengthen themselves in all ways, politically, socially and economically.”⁴⁶ This point was further explained by Frank Trager (with William Scally) that non-Indochinese Southeast Asian leaders, whether neutralist or allied with the United States directly or indirectly, did not want to see the victory of Hanoi in South Vietnam. Nor did they want the power and prestige of the Soviet Union and China to be enhanced by the success of their “Vietnamese client and proxy.” Trager also argued that every non-Indochinese Southeast Asian regime had experienced the Moscow/Peking-supported insurgency and knew “what the struggle was about and hence overtly or quietly supported United States policy in Indochina.”⁴⁷

The message former Thai Foreign Minister Thanat Khoman delivered to an American audience in November 1969 clearly reflected a deep concern on the part of Southeast Asian leaders with regard to the United States role in Southeast Asia. It should be noted here that this message was made four months after the so-called “Nixon doctrine” had been declared by President Nixon on Guam.⁴⁸ In a way, Foreign Minister Thanat’s message was a plea from an ASEAN leader to the United States, asking the United States to maintain its commitments long enough for the weak ASEAN countries to consolidate. He made it clear that if there were alternatives, ASEAN would not want to be a satellite of either China or the Soviet Union. His message was:

If you avoid a tiger [China] and come to face a crocodile [the Soviet Union], it is not much of a change.... If we do not have any other alternative, maybe we will have to live with the crocodile.... This is exactly the international pattern that may emerge if and when the United States has to yield to the pressure of completely withdrawing from this part of the world.... Because we cannot claim that our regional grouping is strong enough, ... we hope that you will be understanding and that you will discreetly support the efforts of the nations of the area who are trying to form a cohesive grouping.⁴⁹

A train of events following the "Nixon doctrine" announcement had further shaken the five ASEAN members and raised serious questions about whether the United States would honor defense commitments anywhere in Southeast Asia. These events were: the American failure to win the Vietnam war; the unexpected Nixon visit to China and the United States-China Shanghai communiqué of 1972; the disastrous Paris Vietnam agreements; the Ford Administration's apparent lack of ability to carry through on American foreign policy commitments; and the increasing power of the United States Congress in the control of American foreign policy.

This chain of events and the swift collapse of the non-Communist regimes in Indochina had forced ASEAN leaders to redirect their foreign policy towards the outside powers and also to strengthen their own unity. In their attempts to readjust policies to the new power situation in the region, ASEAN leaders had to change their position regarding the "normalization" of relations between their countries and China.

On the military side, Thailand and the Philippines called for the means to phase out the already weakened SEATO.⁵⁰ They and other SEATO members later agreed to dissolve the SEATO headquarters in Bangkok.⁵¹ Thailand announced that the United States had to withdraw its military forces, while the Philippines called for renegotiation of the military base agreements with the United States.

Several of the United States' actions during and after the fall of Indochina to the Communists directly caused further deterioration in Thai-United States relations and indirectly damaged the friendly relations between the United States and other ASEAN countries. The leaders of ASEAN were greatly irritated by the ways in which the United States handled the problem of its warplane in Thai soil and the "*Mayaguez* affair." First, the United States took out its warplanes which were flown from Vietnam to Thailand without asking or telling the Thai government. Later, when the Khmer Rouge regime of Cambodia detained the *Mayaguez* (an American commercial ship) in May 1975, the United States used Thai soil for its operations to free the ship without consulting Thailand. To ASEAN leaders, these United States actions appeared to demonstrate that the United States did not care whether or not its actions would damage ASEAN members' attempt to coexist peacefully with their militantly Indochinese neighbors.

Undoubtedly, the strongest protest against the United States came from Thailand and particularly the press. In an editorial of the *Bangkok Post*, the United States was strongly criticized as follows:

Twice within one week, the [Americans] have acted as if Thailand belonged to them, as if they had sovereignty over the bases and the people here. The first time, without request, without

permission, without orders, [they] loaded 125 warplanes which were on Thai soil and brought them back to their own country. The second time – without request, without permission, and in definite violation of the Prime Minister's order – they landed 1,000 Marines on our soil and directly involved our country in a mini-war, just at the time when we are trying to decide and re-evaluate our own future vis-à-vis Indochina
....

Americans can always retreat into their own fortress, 9,000 miles from Indochina. This is *their* right, this is *their* prerogative. But we in Thailand can hardly retreat into *our* fortress, because we live here and we must try – no matter how high the odds, no matter what the problems – to try and coexist with our neighbors.

This, though, the myopic and still megalomaniac leaders of America cannot see, despite their losses in the last month.⁵²

The “*Mayaguez* affair” had been greatly discussed by ASEAN foreign ministers during the ASEAN Ministerial Meeting on the Indochina situation held in Kuala Lumpur in May 1975. It was reported that Philippine Foreign Secretary Carlos P. Romulo was particularly concerned that the American military intervention in the affair had taken place even as the ASEAN conference was discussing ways to maintain regional peace.⁵³

ASEAN's joint protest against the United States had been made in the form of their indifference towards the United States.

The United States was not mentioned even once in the joint communiqué of the Ministerial Meeting. When the meeting had a reception session, ASEAN invited all the ambassadors stationed in Kuala Lumpur except the American ambassador to attend the reception.⁵⁴ Furthermore, ASEAN also decided not to accept the proposal for a United States-ASEAN meeting on the re-evaluation of American assistance to ASEAN members.

The most important point is that with the unreliability of the Western security commitments to the region and the declining role of the West, the ASEAN members had to adjust to these new developments. Because of these events, ASEAN leaders saw the necessity of consolidating and accelerating its economic, social, and political developments. This readjustment resulted in the general strengthening of ASEAN.

In this connection, the main argument was that the United States policy of containment and military presence had provided some ASEAN members with an “easy” option as far as their security needs were concerned, thereby abolishing the need for regionalism.⁵⁵ As long as the United States was providing security umbrellas, there was no sense of urgency for ASEAN to settle their differences and to promote their jointly integrative measures. This explains why the progress of ASEAN before 1975 was evidently slow. The American withdrawal from the area, when added with the Communist take-over of Indochina, had forced ASEAN leaders to give serious attention to regionalism and regional solutions. This point was made clear by Singapore Foreign Minister Rajaratnam in 1977 when he said:

Ten years ago, the ASEAN states expected that the end of Western presence in Southeast Asia would not take place until the eighties – probably the late eighties. There was time enough, we felt, for ASEAN consolidation. So, until two or three

years ago, the pace of ASEAN consolidation was leisurely.⁵⁶

As things turned out, the Western withdrawal happened far sooner and with unexpected speed. In retrospect, there is no doubt that this event has acted as a stimulant to the development of ASEAN cohesion and solidarity. Since 1975, ASEAN members have been moving quickly to settle their intra-regional disputes and to accelerate the cooperative process of ASEAN.

• *Sino-Soviet Rivalry in Southeast Asia*

The declining role of the Western powers in the region has been accompanied by the rapid intensification of Sino-Soviet rivalry. This rivalry between China and the Soviet Union for power and influence in the Southeast Asian region and elsewhere has been particularly direct and heated since 1969.⁵⁷ As both sides have come to see each other as the main threat to their interests, Southeast Asia has become a major arena for direct competition between them. Of course, their primary goals in the region are the containment of the other's influence and the expansion of their own. It is the major objective of this part to study the effects on ASEAN created by this competition.

One main area of Sino-Soviet rivalry concerns the question of regional security and the role of the major powers in Southeast Asia. In this connection, the Soviet Union has tried to strengthen its influence by fostering the proposed establishment of an "Asian collective security arrangement." Initiated by Leonid Brezhnev in June 1969, this proposal can be obtained from the daily newspaper of Indonesian armed forces. This daily seemed to sum up the perceptions of ASEAN leaders when it stated on October 14, 1969: "We in Indonesia believe that regional cooperation for prosperity is better than a defense system. We think that no Southeast Asian country is eager to join the

Soviet defense system. The invitation is unwelcome.”⁵⁸ Even at the present time, with the vagueness of the concept and its obvious hostility towards China, no ASEAN member so far has shown itself anxious to support this Soviet security proposal.

As for China, its major theme regarding regional security is to warn the Southeast Asian nations of the Soviet plot, aimed at bringing these countries into Moscow’s sphere of influence. For instance, one of Peking’s familiar warnings is that Southeast Asian countries must “guard against the tiger [the Soviet Union] at the backdoor,” while “repulsing the wolf [the United States] at the gate.”⁵⁹ During the visits of ASEAN leaders to Peking, the Chinese have urged these leaders to oppose any attempt by any country or group of countries to establish “hegemony” in Southeast Asia and in other parts of the world; the term “hegemony” is Peking’s reference to “Soviet social-imperialism.” Furthermore, in order to contain Soviet influence, Peking even encourages some continuing form of United States presence, and has also sought to support ASEAN efforts towards building unity in the region. For many years, Peking has referred to ASEAN in far more positive terms than Moscow and has cautiously supported the ASEAN proposal of making Southeast Asia a zone of peace, freedom, and neutrality.

Both China and the Soviet Union for many years have been trying to counter each other by establishing diplomatic, political, and economic ties with ASEAN members, but their success is limited. With the recent opening of relations with the Philippines, the Soviet Union now has formal diplomatic ties with all ASEAN members. In the economic field, Moscow attempts to strengthen its bases in the forms of trade and technical assistance. However, Soviet efforts to expand its economic ties with ASEAN countries meet with only limited success. ASEAN-Soviet economic relations are still insignificant in comparison to the economic relations ASEAN maintains with other countries.

For their part, the Chinese's effort to establish diplomatic ties with ASEAN members are less impressive. Only three ASEAN members, Malaysia, the Philippines, and Thailand, now have formal diplomatic relations with China. Singapore is maintaining only economic ties with Peking, while the Indonesians still want to have their relations with the Chinese "frozen." But China is more successful than the Soviet Union in the economic area. Trade between China and ASEAN has been increasing at a rapid rate, particularly with the increase in China's oil supply to some ASEAN countries such as Thailand and the Philippines.

That Peking's and Moscow's efforts to gain influence in the ASEAN region have not been very successful is due partly to the strategic perceptions of ASEAN nations. As one Indonesian scholar points out, the Soviet Union is regarded by ASEAN as a new big power trying to expand its influence in the region and possessing capabilities to maintain a presence in the area; whereas China is a big power which in Southeast Asia's history has always been suspected of increasing its influence in Southeast Asia.⁶⁰ The presence of more than ten million overseas Chinese in various ASEAN countries also makes these countries hesitate to establish close ties with China. They have also taken note of the Soviet and Chinese attitudes towards their governments and the Communist insurgency movements in Southeast Asia. Consequently, China has always been regarded by ASEAN with suspicion, while the Soviet Union is becoming increasingly the object of similar suspicion.

This suspicion on the part of ASEAN members has resulted in the reluctance of these governments to be influenced by the two Communist giants. Meanwhile, the leaders of ASEAN know well that they should not offend these two rivals by taking sides with one against the other. ASEAN members have therefore adopted a policy of neutrality in the Sino-Soviet

rivalry, and at the same time are moving perceptively towards a non-aligned and neutral position in their foreign policies. Apart from the adoption of a neutral policy, the governments of ASEAN countries also understand that they will not be able to counter effectively the increasing Chinese and Soviet influences if they are weak and disunited. With the declining role of the West and the intensity of Sino-Soviet competition in the region, ASEAN members have no other appropriate alternative but to strengthen themselves through cooperation.

Perhaps more significant in this context is the competition between Peking and Moscow in Indochina. It is known that the Soviet Union has provided massive aid to Vietnam and Laos in order to draw these Indochinese states closer to the Soviet Union, giving it a better position to contain the Chinese influence. Similarly, China has continued to give its support to the Pol Pot regime in Kampuchea (Cambodia) even after it was ousted by the Vietnamese army and the Vietnamese-backed Kampuchean forces in early 1979. This rivalry in Indochina has been directly or indirectly linked with several significant developments which generate important impacts on the cooperative process of ASEAN. Thus, let us now turn to the examination of these Indochinese developments.

• *Developments in Indochina*

Since early 1975, there have been several significant developments in Indochina which have created a great deal of concern in the capitals of the five ASEAN members. These developments include the Communist take-over of Indochina, the Cambodian-Vietnamese conflict, the Sino-Vietnamese conflict, and the problem related to the Indochinese refugees. To what extent do these developments affect ASEAN cooperation? The following discussion will attempt to provide explanations and answers to this important question.

The Communist Take-over in Indochina:

The victory of the Communists in South Vietnam, Laos, and Cambodia in early 1975 had presented ASEAN members with serious problems in terms of security and stability in their region. One main problem concerns the relations between the ASEAN member countries and the Indochinese states, particularly Vietnam.⁶¹ Related to the question of ASEAN-Vietnam relations are several other problems emanating from the uncertainty of Hanoi's intentions and policies towards ASEAN and Indochina.

Immediately after the fall of South Vietnam and the rest of Indochina to the Communists in 1975, it was unclear to ASEAN leaders whether a united Vietnam would exhibit peaceful intentions towards its ASEAN neighbors.⁶² With domestic problems such as the incorporation of the south and the reconstruction of its war-devastated economy, it was probable that Hanoi would give priority to development and internal unification. If this was true, Hanoi would opt for the policy of peaceful coexistence with other Southeast Asian countries. However, Vietnamese policy might also take a more adventurous direction. This view was supported by the fact that Vietnam had "long-known" regional ambitions, a well-developed sense of national discipline, a monolithic leadership and ideology, and had recently experience the "taste of victory" over the United States. Perhaps more important was that it had the military capabilities to execute its ambitious policy because it possessed the largest army and the biggest arsenal in Southeast Asia. Those who held to this view also believed that whatever might be its aspirations, Hanoi's ambitious intentions would be somewhat limited by its economic weakness which would not enable it to have such policies as major or protracted fighting with its neighbors. There was also fear among ASEAN leaders that Hanoi might step up its assistance to the Communist insurgents

in Southeast Asia, even though most insurgency movements in the area were leaning towards Peking rather than Hanoi.

ASEAN leaders also believed that Vietnam was bound to have a dominant position among the Indochinese states. The Vietnamese Communists for a long time had been interested in uniting Indochina under the control of Hanoi. But not much was known then about Vietnamese-Cambodian relations. It was possible that Cambodia would choose its own independent foreign policy, as they tended to lean towards China and had a long history of resentment against Vietnamese domination.

Undoubtedly, this important change in Indochina and the uncertainty on the part of Hanoi's intentions had become the major concerns of ASEAN in the first half of 1975. A special meeting of ASEAN foreign ministers was held in Jakarta to discuss the developments in Indochina. These developments also preoccupied the subsequent annual meeting of ASEAN foreign ministers held in Kuala Lumpur in May. A general consensus with regard to ASEAN's relations with the Indochinese states seemed to emerge from those meetings – that ASEAN should not adopt an attitude of confrontation towards the Indochinese states. On the contrary, constructive steps should be taken to promote goodwill and to erase suspicions and antagonisms so that there could be a peaceful coexistence between ASEAN countries and the Indochinese states. General frameworks could be obtained from the joint press statement of the Kuala Lumpur meeting, which read:

The [ASEAN Foreign] Ministers expressed the hope that these developments [in Indochina] would open up prospects for real peace, progress, and stability in the region of Southeast Asia. The Ministers expressed their readiness to enter into friendly and harmonious relationship with each

nation of Indochina. They also reiterated their willingness to cooperate with these countries in the common task of national development for the benefit of their respective peoples as well as for the greater good of the region on the basis of a strict adherence by all countries to the principles of peaceful-coexistence and territorial integrity, equally and justice, in the conduct of their relations with one another.⁶³

With these gestures, ASEAN leaders hoped that Vietnam as well as other Indochinese states would adopt similar attitudes and preoccupy themselves with the task of reconstruction.

To ASEAN leaders, the real anticipated danger from these Indochinese developments was not the emergence of Communist regimes in Indochina *per se*, but rather the impact that these regimes would have upon the indigenous Communists of ASEAN nations.⁶⁴ The Communist threat was therefore internal in nature. As discussed in the previous chapter, ASEAN leaders believed that appropriate economic, political, and social development policies within their own countries would be the best solutions to the problems of Communist insurgency.

It is safe to say that developments in Indochina have given the members of ASEAN an increased sense of urgency for a strong organization, both politically and economically. In the political realm, ASEAN decided to take positive steps to prevent intra-regional conflicts from arising and to settle dispute through peaceful means. The heads of ASEAN governments at the Bali Summit of 1976 had agreed on the procedure for peaceful settlement of their disputes which appeared in the Treaty of Amity and Cooperation. Since the fall of Indochina to the Communists, there has been no new major dispute between ASEAN members and most of the conflicts have already

been solved. Of course, events in Indochina have a great deal of influence on this mutual restraint of ASEAN members. With the military strength of the Indochinese states on the opposite site of one of their borders, ASEAN members understand well that they cannot afford disunity among themselves.

In the economic realm, the potential threat of Indochina also provides an important impetus to ASEAN's economic cooperation. The impact of Indochinese events can be seen from the fact that most of ASEAN's major economic initiatives are produced only after the first half of 1975. There are two major reasons for ASEAN to accelerate its economic cooperation in relation to Indochinese developments. The first concerns ASEAN members' insurgency movements, which can now be more easily assisted by the Indochinese states. As mentioned earlier, ASEAN leaders believe that economic and social developments are the best strategy for solving the problem of insurgency, and ASEAN's economic cooperation is a reasonable means to achieve those developments. The other reason involves the view that with the prevalence of peace in Indochina, the Indochinese states can become competitive in the economic field and therefore can get more attention from the developed countries. This point was explained as follows:

If ASEAN does not develop into an economic entity our various countries in the association will be surpassed by the Indochina bloc, which will therefore receive the attention of the United States, Europe, [and] Japan.... However, if we in ASEAN can get together and implement our proposals for economic cooperation, we will become more attractive to these countries, which would then begin to have vested interests in the ASEAN members' survival as independent, non-Communist nations.⁶⁵

As far as the attempts of ASEAN to extend the “olive branch” to the Indochinese states were concerned, the immediate reaction from the capitals in Indochina was totally negative. Hanoi in particular regarded ASEAN as “neocolonialist” and also as an American creation to replace SEATO. Hanoi’s strongest verbal attack came shortly after the first ASEAN Summit in late February 1976. The official newspaper of Hanoi, *Nhan Dan*, bluntly criticized ASEAN and promised its full support for the overthrow of ASEAN governments. This prompted ASEAN leaders to issue strong statements against Hanoi. Foreign Minister Rajaratnam of Singapore declared that no amount of confrontation from Hanoi could destroy the ASEAN countries. He also warned Hanoi that “Indochina can choose to be Communist, but we have right to be non-Communist. Do not interfere with us.”⁶⁶

A shift of Hanoi’s tactics in the second half of 1976 came as a surprise to ASEAN. Beginning with a good-will tour to ASEAN countries (except Thailand) by Vietnamese Deputy Foreign Minister Phan Hien, Hanoi later agreed to establish diplomatic relations with all ASEAN countries. It even went further to support ASEAN’s idea of transforming Southeast Asia into a zone of peace, freedom, and neutrality. Meanwhile, ASEAN relations with Laos and Kampuchea (Cambodia) also improved tremendously. In addition, it became clear that Kampuchea indeed intended to follow its own independent path with Peking’s support, and in the process constituted a buffer zone between Vietnam and ASEAN. These developments seemed to provide ASEAN with a much more comfortable position than before.

However, this comfort for ASEAN was short-lived because of the mounting conflicts between Vietnam and Kampuchea, and between Vietnam and China. In fact, the change in Hanoi’s tactics towards ASEAN can be adequately

explained by these conflicts. It is therefore appropriate here to further investigate these new developments with the emphasis on their relations with ASEAN.

The Kampuchea-Vietnamese Dispute and the Sino-Vietnamese Conflict:

The main concern here is not to analyze the origin or the factual aspect of these two related conflicts, but rather to look at the relationship between these developments and ASEAN. As later became clear, the growing rivalry between Soviet-supported Vietnam and China-supported Kampuchea, as well as disputes between China and Vietnam, had demanded ASEAN take its position. It is in this direction that these conflicts will be presented in the following discussion.

Since the second half 1976, ASEAN has become an arena of diplomatic campaigns delivered by such rival Communist countries as the Soviet Union, Vietnam, China, and Kampuchea. By the end of 1978, it seemed that all these countries wanted friendship from ASEAN, the organization they once referred to as a "neocolonialist" and pro-United States military alliance. The three-month period from September to November 1978 can be seen as the peak of their campaigns, characterized by Vietnamese Premier Pham Van Dong's tour of the entire ASEAN region, the visit to three of the ASEAN countries (Thailand, Malaysia, and Singapore) by Chinese Vice Premier Teng Hsiao-ping, and less spectacular visits by Kampuchea Deputy Premier Ieng Sary and Soviet Deputy Foreign Minister Nikolai Firyubin.

The ASEAN leaders seemed to be alert and well-prepared for these diplomatic tactics of the Communist states; they also knew that all of these campaigns were aimed at winning ASEAN's support or at least ensuring its neutrality in these Communist "fraternal" conflicts. With China and Vietnam at that time on the brink of outright conflict, and the Soviet-

supported Vietnam fighting with Chinese-backed Kampuchea, the militarily insignificant ASEAN had no choice but to opt for the policy of strict neutrality. It was reported that at the meeting of ASEAN officials in Bangkok in preparation for the visit of Vietnamese Premier Dong scheduled in September and October 1978, these officials had agreed on what should be the ASEAN position. They agreed that ASEAN members should accept Hanoi's friendship, but not commit themselves to any treaties with Hanoi.⁶⁷

The most concern for ASEAN with regard to Vietnam was Hanoi's relationship with Moscow and the ways in which Hanoi dealt with Kampuchea. During his tour, Premier Dong repeatedly assured the ASEAN countries that the Soviet Union was "no more than an ideological comrade" and also expressed his belief in peace and friendship between countries in the region. He even pledged that Hanoi would not support Communist subversion in the ASEAN countries.

Chinese Vice Premier Teng's trip to the three ASEAN capitals in many ways was less spectacular. Although he received a grand welcome in Bangkok, his receptions in Kuala Lumpur and Singapore in particular were cold. The reason for this was not difficult to understand. Thailand welcomed him because it had more to fear from Vietnam than from China, and more importantly it had no problem with its Chinese population. Furthermore, Peking could be an important counterbalance to the Indochinese states on its borders. Malaysia and Singapore, on the other hand, were less sensitive about Indochina but very sensitive about China's influence on their Chinese population. Leaders of both ASEAN countries publicly took a firm stance in stressing to Vice Premier Teng that Chinese in their countries were Malaysians and Singaporeans. To make Singapore's national identity clear, Premier Lee Kuan Yew told his Chinese guest at a reception banquet that: "Singaporeans have come to

realize that just as they cannot afford to sacrifice their national interests for China, so they cannot expect China to sacrifice her national interests for Singapore.”⁶⁸ Apart from these differences on the part of the three ASEAN countries, their reactions to Vice Premier Teng were similar. They did not desire to take sides in the quarrels of the Communist world.

The signing of the treaty of friendship and cooperation between the Soviet Union and Vietnam soon after Vietnamese Premier Dong’s tour further increased ASEAN suspicion of Hanoi’s intentions, even though some ASEAN leaders appeared to understand the reason of this treaty. For instance, Malaysia and Indonesia viewed this event as a dictate from Moscow to Hanoi in return for Soviet economic aid which was desperately needed. As Foreign Minister Mochtar Kusumaatmadja of Indonesia explained several days after his trip to Hanoi, the Vietnamese signed the treaty because they had no other alternatives. They had tried to obtain assistance from other sources such as Japan and the United States, and also encouraged investment and trade, but not much was forthcoming. Foreign Minister Mochtar further points out that:

The withdrawal of Chinese aid and assistance was a heavy blow to their economies. On top of that, you have natural disasters. Then there was a threat: the belligerent attitude of China. From a distance, of course, armchair analysts can say that was only bluster – China has no intention of really doing what it threatens to do because it has other priorities. But if you are there, you are really next door, it is quite understandable that it creates a certain situation psychologically. And if you project it against the background of long-standing struggle against

the Chinese, then you have the explanation for the [Moscow-Hanoi] treaty. I do not think they had much choice.⁶⁹

However, ASEAN could no longer remain “nice” to Vietnam after the new development in Kampuchea. The invasion of Kampuchea by Vietnam and the Vietnamese-created Kampuchean National Front for National Salvation had prompted a united opposition from ASEAN countries. There was no excessive fear among the Five that the Vietnamese troops would press on through Kampuchea into their territories. But they felt they had been deceived by Vietnamese Premier Dong who, during his ASEAN tour, had pledge Hanoi’s policy of peace, friendship, and non-interference in the region. As usual, outspoken criticism came from Singapore. Premier Lee Kuan Yew considered the Vietnamese-backed Kampuchea “Salvation Front” as a direct contradiction of Vietnamese Premier Dong’s commitments to ASEAN leaders. After his meeting with the leader of Thailand in Pattaya in December 1978, Premier Lee had this to say about the Hanoi-supported front. “I am quite sure that in time we will find out the difference between ... national liberation and national salvation. Maybe there is a nice distinction: when one subverts a non-Communist neighbor, it is called liberation. When one subverts a Communist neighbor, it is called salvation.”⁷⁰ Foreign Minister Rajaratnam went further than his superior to equate this Vietnamese act to an example of what he called Third World imperialism and Communist imperialism.⁷¹

In January 1979, a special meeting of ASEAN foreign ministers was held in Bangkok to consider the Vietnamese-Kampuchea conflict, which resulted in a strong joint statement indirectly censuring Vietnam and calling for a withdrawal of its troops from Kampuchea. It was clear that the statement

was carefully worded to condemn the invasion without being overtly anti-Vietnamese.⁷² Vietnam was named only in the preamble and not in the main clauses of the statement. The reason for this was to have a strong statement but one still conciliatory enough to keep the lines open to Hanoi. ASEAN still wanted to maintain its strictly neutral path, avoiding taking sides with Peking (the main supporter of the Pol Pot regime of Kampuchea). To ASEAN leaders, it was not with just the conflict between Vietnam and Kampuchea that they were concerned, but the backdrop of Sino-Soviet rivalry which was threatening to engulf the whole region.

When China launched a “punitive action” against Vietnam, ASEAN once more expressed its strict neutrality. On October 22, 1978, ASEAN issued a joint statement asking the countries in the region to respect the principles of peaceful coexistence under international law and to cease all hostile actions, and calling upon outside powers to refrain from any actions which may increase or deteriorate the existing conflicts in the region. In this connection, Indonesian Vice President Adam Malik had suggested that the neutral ASEAN should offer itself as a mediator in the settlement of the Sino-Vietnamese conflict. However, other ASEAN leaders preferred to take a “wait and see” position, arguing that the Indochinese matter was already under the consideration of the United Nations Security Council.⁷³ For most ASEAN leaders, the mediation role would be a potentially dangerous game for their diplomacy; there was no need at the moment to take this risk.

It will be interesting here to discuss briefly the actions of ASEAN members in the United Nations Security Council consideration of the Indochina crisis from the period of February 23 to 28, and March 13 to 16, 1979. Even though no ASEAN country was a member of the Council at the time of the consideration, all five members of ASEAN requested to be

represented without a right to vote. In the debate section, the five members expressed their grave concerns over the two-armed conflicts: the Sino-Vietnamese border conflict and the problem of Kampuchea. They also reiterated their appeal of October 22, 1978, calling on the conflicting parties to cease all hostilities and urging that all foreign forces be withdrawn from all areas of conflict in Indochina. The ASEAN countries also appealed to the outside powers to exercise the utmost restraint and to refrain from any acts which might lead to further escalation and a widening of the conflict.

It should be noted that, in the debate, all ASEAN members except Singapore had avoided criticizing either China or Vietnam. As can be expected, the strongest words came from Singapore. Referring to China's "punitive action" against Vietnam, Singapore representative T.T.B. Koh told the Council that:

Whatever the truth of the matter and whatever the merits of the case might be, they did not justify the action of China in launching a military attack against Vietnam.

China should not have taken the law into its own hands. If countries, especially those which were big and militarily powerful, took the law into their own hands and meted out punishment to other countries, then the world would not be safe for small and militarily weak countries. The Chinese action was in clear violation of the principles of international law and of the [United Nations] Charter.⁷⁴

He also stated that Vietnam had no right to send its

armed forces into Kampuchea and to impose a regime on that country. Therefore, the Council must renew its demand for the withdrawal of Vietnamese forces from Kampuchea.

When the Council failed to take any action, the Five decided to take an initiative and sponsored a draft resolution to the Council. Previously, two draft resolutions had been submitted – one by Czechoslovakia and the Soviet Union, and the other by China. But these two draft resolutions were never put to Council vote. The ASEAN draft did not condemn any of the conflicting parties but mostly reiterated ASEAN's previous appeals and suggested the "good offices" role of the United Nations Secretary-General in the search for a peaceful solution.

In statements before the vote on the ASEAN-sponsored draft resolution, ASEAN again demonstrated its intention to remain strictly neutral and not to openly offend China or Vietnam. Speaking on behalf of the ASEAN countries, Pracha Guna-Kasem of Thailand stressed that they had good relations with all the parties of the conflicts.⁷⁵ He further pointed out that the main concern of ASEAN was the restoration of peace, stability, and security in the region.

The Czechoslovakian and Soviet delegations stated their dissatisfaction of the draft resolution mainly on the grounds that it did not demand China to stop the aggression and to make restitution for the damage done, nor did it contain a clear-cut condemnation of Chinese aggression. Because of their opposition, the vote on the draft resolution was 13 in favor and 2 against (Czechoslovakia and the Soviet Union). The draft therefore failed to be adopted because of the veto of the Soviet Union.

What lessons do ASEAN leaders gain from these bitter Communist rivalries? Without a doubt, ASEAN leaders have been reaffirmed by these Indochinese events that they must

be united in order to be effective. Because of ASEAN's cohesive diplomacy, its viability has now been recognized even by the Communist powers that until recently maintained hostile attitudes towards ASEAN. Actually, the five ASEAN countries do not want the attention of their Communist neighbors, but have no alternative but to play this dangerous diplomatic game. So far, the Five are handling this game quite successfully. But more important is that the leaders of ASEAN know well that they must strengthen their unity even more than before. With the existing threat of big-power rivalry in the region, it will not be long before a new round of the Communist neighbors' attention will again be directed at ASEAN. Of course, the next round of diplomacy may not be as friendly as the present one.

The Problem of Indochinese Refugees:

An important effect of the developments in Indochina is the Indochinese refugee problem which creates great difficulties for the countries of ASEAN, especially Thailand and Malaysia. As of the end of 1978, there were almost 150,000 Indochinese refugees (mostly Laotians and Cambodians) in Thailand alone, about 50,000 Vietnamese in Malaysia, several thousands in Indonesia and the Philippines, and about 1,000 in Singapore.

In Malaysia and Thailand, the problem has already become a major crisis for the two governments. The fact is that they have done almost everything possible to deal humanely with the refugee influx, but the continuing arrival of new refugees has made the situation more and more "unbearable" for the Thais and Malaysians. In Malaysia, this problem has already created some domestic political tensions. As one source points out,⁷⁶ many Malaysian villagers living near refugee camps believe that their government has been giving financial support to the refugees, while actually all funds are provided by the United Nations High Commissioner for Refugees (UNHCR).

This misconception among the villagers breeds resentment against Kuala Lumpur. In addition, the fact that almost all of the new arrivals are of Chinese origin also constitutes a major concern particularly among the predominant Malays along the east coast. This could produce dangerous consequences for Malaysia's delicately balanced multi-racial society. As for Thailand, not only has the influx of refugees strained Thailand's relations with its Indochinese neighbors, but it has also become one of the country's increasing economic burdens. Funds from the UNHCR are hardly enough to maintain the subsistence level of life in the refugee camps. For instance, the figure of 1978 UNHCR's funds to Thailand was US \$15,751,294. Which was equal to about US \$.25 per day per each refugee.⁷⁷ The rest of the expenses have to be provided for by Thailand.

Leaders of ASEAN are undoubtedly concerned with the problem, and their countries are becoming increasingly reluctant to accept new arrivals, even temporarily. Expressions of concern on the part of ASEAN leaders are numerous. Premier Lee, for example, devoted a large part of his New Year Message to the problem and suggested that the year 1978 would long be remembered as the year of the refugees.⁷⁸ ASEAN countries such as Malaysia and Thailand for a long time have repeatedly discussed the subject with the Vietnamese officials. Hanoi's response so far has been nothing more than the expression of regret over the difficulties caused by the flight of its citizens.

Up to the end of January 1979, reactions to the refugee problem by ASEAN countries had been on an individual basis; there were no joint actions.⁷⁹ With the number of refugees increasing, individual ASEAN countries have decided that "enough is enough." Thailand had authorized its district officials to send refugee boats back to international water after refueling and repairing seaworthy craft. But this policy had been somewhat relaxed while more refugees kept crossing borders into

Thailand, both by land and by sea. On January 15, 1979, the Prime Minister of Malaysia announced that Vietnamese refugees will no longer be allowed to land in Malaysia. The Philippines also adopted a similar policy. Thai and Malaysian navies had stepped up their patrols in order to keep refugee boats away. But with few vessels and hundreds of miles of coastline to cover, their operations could not be effective. This type of measure taken by ASEAN members may create irritations among themselves. Malaysian Home Minister Ghazali expressed his concern that: "The only resource open to us is to shoo them [the refugees] off. If we shoo them, and our neighbors shoo them, we in ASEAN might find ourselves calling each other names."⁸⁰ So he suggested that ASEAN approach the subject together.

What can possibly be the joint efforts of ASEAN in dealing with the problem of Indochinese refugees? Among other things, ASEAN countries can set up joint patrols in the area. Although this type of joint effort will certainly help prevent irritations from emerging among ASEAN members, its effectiveness is highly questionable. The ASEAN countries simply do not have the means to seal their shores with their gunboats. Moreover, joint patrols will have minimal effect in stopping the Vietnamese from fleeing their homeland. The other joint effort, which Singapore Premier Lee hopes to see, is to make the issue of refugees internationalized through ASEAN cooperation. Once source quotes the Singapore leader as saying that "If we point the finger at Hanoi, we attack the problem at its source."⁸¹ According to Singapore, the UNHCR-sponsored conference on Indochinese refugees held in Geneva on December 11-12, 1978, was an example of how the issue had been mishandled. The countries of the region and the West were quarrelling among themselves over how to find places for the settlement of these refugees, while the main political point of where they all come from in the first place was being missed.

But putting the direct blame on Hanoi cannot assure that the problem will be solved. There are other factors to be considered before this measure is adopted by ASEAN. Perhaps the most important one is the question of whether ASEAN is willing to offend Hanoi on this issue with the risk of damaging its fragile relations with Vietnam.

• *Member Perceptions of Extra-regional Elements: Unity and Diversity*

Our study of ASEAN's extra-regional variables would not be complete without the analysis of ASEAN members' perceptions with regard to extra-regional political and security elements. Most of ASEAN's general perceptions of outside factors have already been discussed above. Here, we will mainly concentrate on the individual members' perceptions, hoping that our analysis may reveal the differences or similarities among their perceptions.

General "common" perceptions of ASEAN members discussed above can be summed up in the following perspectives. Even though their belief may vary in degrees, all ASEAN countries perceive that Communism and the Communist countries in the region are their main extra-regional threat. With security commitments and the presence in the region of such Western powers as the United States, Britain, Australia, and New Zealand, their security with regard to aggression from the Communist powers is adequately protected. But with the new significant developments in the region such as the declining role of the West, the intensified Sino-Soviet rivalry, and the victory of the Communists in Indochina, the five ASEAN members have had to reassess and readjust their perceptions and policies vis-à-vis extra-regional powers. According to ASEAN leaders, the West can no longer be relied upon and they have to carry the security burdens by themselves. In this respect, the strate-

gies the leaders of ASEAN believe they must adopt in order to survive in the new regional balance are as follows: consolidating ASEAN economically and politically; promoting friendly relations with their Communist neighbors in Indochina; and advocating policies towards non-alignment and neutrality.

While commonly believing in those strategies, the ASEAN members seem to have sharply divergent perceptions and interpretations of regional security.⁸² In this context, Singapore and Indonesia again offer significant contrasts (as they have different economic perceptions). Singapore favors a balanced great power presence in the region, and considers any decline of the Western role in Asia as a destabilizing influence in the Southeast Asian area. For many years, Singapore's leaders have expressed their desire to retain Western and particularly American military influences as long as possible. With regard to the Soviet Union and China, Singapore has adopted a policy of maintaining an equal distance between them in the hopes that they will contain each other. The leaders of Singapore believe that, whatever the outcome of the developments in Indochina, Southeast Asia will continue to be a center of international conflict, and thus a balance of power will be essential. With this balance, the small countries of Southeast Asia will have a better chance for survival. The following excerpts from Foreign Minister Rajaratnam's speeches clearly suggest Singapore's perceptions:

My government believes that for us small countries, the more big powers are around in this area, the better for us because our options are bigger. But if through some unhappy incident we have to contend and choose only between two powers, then life becomes more difficult. Worse still if we have no choice but to come to terms with one power; then that is disaster.⁸³

Our capacity to resist big power pressure would be greater if there were a multiplicity of powers present in the region. When there is multiplicity of suns, the gravitational pulls of each is not only weakened but also by a judicious use of the pulls and counter-pulls of gravitational forces, the minor planets have a greater freedom of navigation.⁸⁴

Among ASEAN countries, Singapore has been the most outspoken for having the continued military presence of the Western powers in the area. In the past, Singapore's leaders strongly stressed the importance of the stationing of American troops in Thailand and the Philippines, and also insisted in a continuing British, Australian, and New Zealand commitment under the Five Power Arrangement. United States intervention in Vietnam was highly praised by Singapore. In his address to the press in Washington, D.C., on April 6, 1973, Premier Lee was quoted as saying that the United States intervention in Vietnam had "broken the spell on the other Southeast Asians that Communism is inevitable, that it is the wave of history."⁸⁵ He also initiated a proposal for a joint-American, Australian, West European, and Japanese naval task-force in Southeast Asia to offset the Soviet naval presence in the Indian Ocean.⁸⁶ Singapore's present policy still strongly urges the United States to maintain its military forces in the Philippines and other areas in Asia.

Indonesia's interpretations and perceptions of regional security differ markedly from those of Singapore. Under the Suharto government, the regional vision of Indonesia is the belief in regional resilience based on national self-reliance. Because of its belief in the self-reliant aspect of security, Indonesia steadfastly refuses to join any security arrangements or

alliances with outside powers. As for the scheme of neutralization of Southeast Asia, Jakarta does not want an externally guaranteed neutralization. It believes that if the neutralized Southeast Asia is internally strong, there will be no need for guarantors from outside of the region. Jakarta is also unwilling to have its political and diplomatic initiatives dictated by the course of external events such as the United States withdrawal and the Indochinese developments.⁸⁷ While other ASEAN members are engaging in political accommodation with China in order to readjust to the new power balance, Indonesia sees no necessity to follow their ASEAN partners in this direction. In some cases, however, Indonesia's security concerns seem to be contradictory. As Justus M. van der Kroef pointed out, despite Jakarta's rejections of security pacts, it did not seem to be concerned with the operations of the Five Power Arrangement in Singapore and Malaysia. Nor did Jakarta see any inconsistency between its opposition to SEATO and the convening of SEATO-sponsored seminars on counterinsurgency on its soil.⁸⁸

Indonesia's emphasis on the resilience approach and a minimal role for the major external powers in the region are quite understandable. In terms of military strength, population size, and rich natural resources, Indonesia is one of the potential middle-range powers. It thus prefers not to have outside powers as regional balancers or guarantors, as it may one day play those roles itself.

In comparison to the views of Singapore and Indonesia, security perceptions of the other three ASEAN members seem to be in between the two positions discussed above. The Malaysian government believes that the rivalries of the great powers have been a major contributing factor to instability in the region. Malaysia's position is somewhat similar to that of Indonesia in this aspect: they both desire to see the Southeast Asian region being "deinternationalized" and separated as much as possible

from big power intervention. One way to reduce regional instability is to persuade both the major powers and ASEAN members to accept Malaysia's proposal of Southeast Asian neutralization. But unlike Jakarta, Kuala Lumpur sees the need to have this neutralization guaranteed by the big powers.⁸⁹ In addition, as the leaders of Malaysia perceive, the neutralization process must coincide with the increasing ASEAN resilience at both the national and regional levels, as well as with the adoption of a policy of maintaining equal distance towards great powers by ASEAN members.

Thailand's perceptions of security must be viewed in light of its traditional policy of pragmatism – adapting according to changes in its environment. Thailand was an active member of SEATO and decided to have its security dependent upon the United States until the latter changed its anti-Communist stand. After the visit of President Nixon to Peking and the fall of Indochina to the Communists, the Thai leaders came to believe that the best alternatives for Thailand and its ASEAN fellows are: avoiding any deep commitment of a political or military nature with the major outside powers; entering into *détente* with China as well as the Indochinese states; and strengthening ASEAN. With the power balance of the region in favor of the Communist powers, particularly the Soviet Union and Vietnam, Bangkok feels that it must also adopt a policy of maintaining an equal distance between all major powers.⁹⁰

The Thais also expect the great-power struggle to stay in the area for a long time, and believe that the ASEAN countries should therefore try to the best of their ability to benefit from this power reality. This explains why the Thais in January 1974 called on both the Soviet Union and the United States to contribute constructively and actively to the peace and stability of the region.⁹¹ They also acknowledge that ASEAN can have little impact on regional security unless it receives tangible

guarantees from such powers as the Soviet Union, China, and the United States.

As for the Philippines, it has always maintained a policy of being anti-Communist and has had its security protected by the United States. Even in the post-Vietnam era, Manila appears to believe that its security is not in grave danger. It therefore argues that defense and other ties with the United States should be maintained, but with some adjustments. The Philippines have recently concluded a new treaty with the United States, allowing the continuation of American bases on its soil in exchange for more military aid and the increase of its sovereignty over the bases. Meanwhile, Manila also seeks improvements in its relations with both China and the Soviet Union. Because Manila always has had a traditional policy of leaning towards the United States, it is suggested that Manila's commitment to ASEAN is not so much for security reasons as for economic considerations and the desire to be part of Southeast Asia.⁹²

This lack of unanimous perceptions with regard to the problem of security has several significant implications. Though ASEAN may act in unity on many areas when it deals with outside powers, its lack of unity in the area of regional and national security is evident. There still are differences in ASEAN's members' policy towards China and the Soviet Union. For instance, Indonesia still rejects the establishment of formal ties with China, while others have already done so in one way or another (Singapore has only economic ties). The Philippines still allow the United States to maintain military bases on its soil. Perhaps more important is the problem of turning the region into a zone of peace, freedom, and neutrality. Although in principle all five ASEAN members support the concept of neutralization, their different perceptions and interpretations of security have hampered their joint actions for the realization of this concept. It has already been more than eight years since the concept

was initiated by Malaysia and adopted by ASEAN; presently, progress towards its realization has been minimal at best. With these perceptual differences, ASEAN solidarity and unity with respect to security problems are not as solid as they could be.

EXTRA-REGIONAL ELEMENTS OF ASEAN: SIGNIFICANT FINDINGS

It has been accepted by integration theorists that relations between the regional system and the external world can be of immense importance in explaining integration.⁹³ This point is particularly true when applied to the study of ASEAN cooperation and regionalism. Such important elements as extra-regional dependence, involvement of extra-regional actors, and perceptions of extra-regional factors have all played significant roles in the cooperative process of ASEAN. In fact, the impacts of these extra-regional elements on ASEAN are perhaps far greater than those of ASEAN's intra-regional factors already analyzed in the previous chapter. The above study of ASEAN's extra-regional elements (both economic and political/security) has suggested several findings as follow:

1. In the economic sphere, ASEAN's relations with the outside world have produced several implications:

- (a) Their dependence upon the markets of developed countries for their commodity exports and manufactured products has forced ASEAN members to seek united strength in dealing with the industrial countries. What ASEAN aims to achieve in its bargains with the industrial powers is: a measure to stabilize ASEAN's export earnings and commodity prices; the reduction of protectionist policies of developed countries; and the increase of these countries' investments in and assistance to ASEAN.

- (b) World economic problems such as the energy

crisis and the economic recession of the industrial powers have stimulated ASEAN to take more cooperative measures (i.e. the commodity agreement on oil and rice).

(c) Perceptions of being exploited by the developed nations as well as being victimized by the world economic system of the “developed-developing nation dichotomy” have influenced the members of ASEAN to form concerted policies towards any common economic problems. The leaders of ASEAN believe that without unity, their bargaining power vis-à-vis the external countries will be ineffective. Of course, these perceptions are significant reasons for ASEAN cooperation.

(d) In another perceptive, anticipation of negative effects from outside elements (i.e. the Sino-Japanese peace treaty which may turn Japanese attentions away from ASEAN) further make ASEAN believe in the necessity of cooperation.

(e) The fact that the outside world tends to deal with ASEAN as a bloc also encourages ASEAN to continue its united position vis-à-vis external powers.

(f) Past experience and success with ASEAN’s united actions vis-à-vis the developed countries have reaffirmed ASEAN leaders of their belief in the effectiveness of common policies. Similarly, the success of other similar organizations (i.e. the EEC and OPEC) not only sets examples for ASEAN to follow, but also strengthens the members’ views that regionalism is the only effective means for their national development.

2. International political and security issues have generated impact upon ASEAN in the following areas:

(a) When most of the ASEAN members’ security was still dependent upon the Western powers, the members of ASEAN could take an “easy option” for the protection of their security, and thereby abolishing the need for regional solutions. This lack of urgency for common security measures on the part of ASEAN members helps explain why the process of ASEAN

cooperation and consolidation in the past was extremely slow.

(b) With the perception that their security can no longer be assured because of the declining role of the Western powers, the ASEAN members have begun to pay serious attention to strengthening and consolidating themselves. Hence, security uncertainties constitute a stimulus for ASEAN cooperation.

(c) Competitions of “unfriendly” outside powers to expand their influence in the region (i.e. the Sino-Soviet rivalry) are a definite aid to ASEAN regionalism. Members of the group understand that they must be united if they want to remain independent.

(d) Perceptions of threat from extra-regional hostile powers (i.e. the Communist states of Indochina) give ASEAN members a sense of urgency to consolidate and strengthen themselves politically and economically, thereby promoting regionalism. These perceptions of extra-regional threat on the part of ASEAN are both security and economical in nature; the emergence of a rival external grouping in the area is considered by ASEAN members as a threat to their internal and external security as well as economic development.

(e) ASEAN members’ divergent perceptions and interpretations of regional security issues have prevented them from agreeing upon a “unanimous approach” to their foreign policy in some areas. These differences, of course, are to some extent responsible for slowing down the progress of ASEAN’s policy cooperation.

SUMMARY

Unlike the intra-regional elements, most of the extra-regional determinants of cooperation analyzed in this chapter have been supportive to ASEAN regionalism. Both economic and security factors have been found responsible for creating

positive impacts upon the cooperative process of ASEAN. These “positive” independent variables are: economic dependence upon commodity exports and the markets of developed countries; protectionist policies of the developed countries; energy price increases and related problems; perceptions of economic elements; the declining role of the Western powers; the Sino-Soviet rivalry; the emergence of a powerful rival in Indochina and other Indochinese developments; and perceptions of extra-regional threats. Only two variables create negative effects. The first one, which no longer exists, is ASEAN members’ security dependence upon the protection of Western powers. With adequate security protection, ASEAN has no need for progressive regionalism in the area of security. Finally, divergent perceptions have somewhat prevented ASEAN from reaching common regional solutions.

PART

III

FURTHER EVALUATION,
FUTURE PROSPECTS,
AND CONCLUSION

CHAPTER

- 8 -

THE PATH OF ASEAN:
ASSESSMENT AND
PROSPECTS AHEAD

This study of ASEAN has suggested several significant findings concerning both the dependent and independent variables of ASEAN's regional cooperation. Moreover, the theoretical framework adopted by this dissertation seems to provide adequate tools for the analyses of this "young" regional organization. It is appropriate to make a final assessment of this twelve-year-old regional grouping of the five Southeast Asian countries, in order to determine its effectiveness in promoting regional cooperation. Then, this research will attempt to suggest the future of ASEAN as well as the prospects of ASEAN achieving regional integration. Certainly, it is difficult to predict the future of such an organization, as many uncertain variables are involved. There is no guarantee of certainty in the prediction.

ASSESSING THE "SLOW BUT STEADY" ASEAN

In an attempt to make an assessment, one essential

question must be asked here: how effective has ASEAN been in promoting regional cooperation in the economic, social, and political/security fields? From our analyses of ASEAN in the previous chapters, it is clear that a wide gap exists between its aspirations and achievements. During its early years, even the survivability of ASEAN was in serious doubt because the Philippines decided to revive its claim over Malaysia's state of Sabah in 1968. One source pointed out that this territorial dispute caused the already fragile foundation of ASEAN to erode to the extent that the formation of a rival association was suggested.¹ However, despite the stresses and strains during these years, ASEAN managed to survive and its foundation was strengthened.

The progress of ASEAN cooperation was slow, particularly during the first four years of its existence. This is because much of the time and effort in this period had to be directed at breaking down such "psychological barriers" as suspicion and distrust among the five members. Criticisms of this slow progress were numerous. But some ASEAN leaders pointed out that it was the intention of the members to take cautious steps towards regionalism, thus limiting the risk of major setbacks. An assessment of ASEAN's progress during the first four-year period was provided in March 1971 by Philippine Foreign Secretary Carlos P. Romulo as follows:

It has been said that the ASEAN is slow – slow in shaping its policies, slow in implementing its projects. I think nothing is more erroneous. If the ASEAN is slow, it has been so by deliberate choice.... An undue haste could cause a setback from which, unless we are careful, we may not recover. In view of the ASEAN it is better to carry out limited tasks and complete them

successfully than to essay over-ambitious ones which carry the large risk of failure.²

The early years of ASEAN can be said to be the period of consensus in consultation, planning, and adaptation. Although there was little progress in terms of economic performance, the members of ASEAN seemed to have exercised immense self-restraint in attempting not to emphasize their differences and possible conflicts. Meanwhile, ASEAN members appeared to stress their positive common grounds, if not often in concrete terms at least rhetorically. Therefore, the most valuable achievement of ASEAN and its members during this period was not in the economic progress but in the mutual trust and greater understanding of each other's problems. From 1972 on, however, ASEAN became more achievement-oriented. The respective ministerial meetings had increasingly produced policies and decisions that would generate joint regional activities in many areas.

Several important constraints have been responsible for the slow progress of ASEAN. From our study of ASEAN's cooperative process, many of its intra-regional elements are acting as stumbling blocks which have seriously impeded effectiveness in promoting cooperation. Although recent progress has been heartening, narrow nationalism is evident in members' perceptions and in ASEAN's economic, social, and political strategies. These perceptions and strategies are directed more towards the promotion of members' individual national rather than regional interests. Nationalism is also responsible for the weak structure of ASEAN, emphasizing national supremacy while limiting the power of the Central Secretariat. Perhaps more important is that narrow and excessive nationalism has deprived ASEAN of a political will among members, the will which is essential for the sacrifice of some national gains in order to attain regional

integration. With the absence of essential political will, there is no inspiration among the ASEAN masses and elite groups to act and think in terms of regionalism.

In addition to the problem of excessive nationalism, there are other intra-regional elements that constrain the economic, social, and political cooperative achievements of ASEAN. ASEAN cooperation in the economic area has been hampered by the lack of complementarity in the members' agricultural and industrial sectors. Social and political elements of ASEAN can also be blamed for its unimpressive performance. The weak force of both national and regional pluralism has given the group a limited base of support. Up to now, only a few politically elite groups have continuously supported ASEAN regionalism. Furthermore, cultural characteristics of members have influenced ASEAN to adopt a consensus in its decision-making process, thereby making it more difficult to reach progressive agreements which may accelerate the path of cooperation.

Aside from these "negative" intra-regional factors, ASEAN has been perhaps fortunate. This is because its extra-regional elements such as external dependence and perceptions of external threats have made the leaders emphasize more in terms of regional than national objectives. The "positive" extra-regional elements so far constitute the main stimuli for ASEAN consolidation and unity. In this context, international issues such as the world's "chaotic" economic system, the declining of Western influences in Southeast Asia, the Indochina debacle, and the Sino-Soviet rivalry in the region can all be seen as blessings in disguise for ASEAN. Without these elements, ASEAN leaders may not have appreciated the need for regional solutions. In this connection, it will not be unrealistic to state that extra-regional elements have been ASEAN's most important independent variables.

Viewed from another perspective, the existence of

ASEAN has beneficially served some members as a source to depend upon in times of serious crises generated by extra-regional elements. After the initial “shock” of American withdrawal from Vietnam and the swift victory of the Communists in Indochina, it was popularly and reasonably predicted that the non-Communist “dominoes” such as Thailand would also fall. But the Thais, with support from other ASEAN members, were able to maintain their confidence and strength as well as to avert the possibility of becoming a falling “domino.”³ Had there been no ASEAN, it was certain that consequences of the Indochinese events would have been different.

Despite the slow progress and the weaknesses of ASEAN, it is now more consolidated and stronger than in the late 1960s. Mutual suspicions and conflicts have been tremendously reduced while mutual trust and understanding have been enhanced significantly. Progress in regional cooperation in the recent past has been accelerated, even though there has been no spectacular achievement. For example, in the area of economic cooperation, after more than ten years of existence the establishment of an ASEAN common market is still a “remote dream.” So far, ASEAN has been “slowly but steadily” producing and expanding its “humble” joint economic measures, the measures which will slowly move it closer to regional integration. Recent “mild” progress was the addition of another 500 items into the ASEAN preferential trade arrangement, bringing the total number covered to 1,326. This addition was agreed upon during the seventh meeting of the economic ministers held in Kuala Lumpur in December 1978. The ministers also agreed to set up an ASEAN food security reserve of 50,000 metric tons of rice to be made available should a drought seriously affect ASEAN’s local market supply. But the main problem here is how long can ASEAN afford to take “slow but steady” steps towards economic integration. Some ASEAN leaders seem

to be dissatisfied with the lack of concrete achievement. As early as 1971, for example, President Ferdinand Marcos of the Philippines warned the ASEAN foreign ministers of the danger of being inactive in promoting economic cooperation. Referring to the slow progress of ASEAN, he stated that:

Patience has always been an Asian virtue....
But I should warn that only a thin line divided
patience and lack of action. In the pursuit
of regional economic cooperation, too much
patience may be a ruinous vice, inaction is
certainly a dreaded evil.⁴

THE UNCERTAIN FUTURE AND THE PROSPECT OF REGIONAL INTEGRATION

To predict the future of a “young” international organization like ASEAN is not an easy task because there is always the chance for unforeseen developments and alterations in the various involved factors. In the case of ASEAN, its future very largely depends on the uncertain course of its intra-regional and extra-regional independent variables.

The existence of ASEAN is not in any immediate danger of withering away. This indigenous regional grouping is already more than ten years old and seems likely to continue as long as its members believe that it is serving their national objectives. Therefore, the main problem of ASEAN in the near future is not how to survive but rather how to effectively promote integration and regionalism, thus strengthening its position vis-à-vis the outside world.

ASEAN is without a doubt an increasingly significant vehicle for the exercise of joint regional endeavors and concerted actions among the partners. It has already started to establish

considerable external leverage and is becoming a vital economic, social and political grouping to the outside world. Recently, ASEAN has acted as a group concerning issues that have regional implications. As one source points out, the potential external leverage of ASEAN may be the most significant cohesive force operating not only to enhance regionalism in the near future but also to compensate the slow progress in internal cooperation.⁵ But in the long run, this external leverage still depends upon the effectiveness of ASEAN internal cooperation and cohesion. The major challenges of ASEAN, therefore, are to achieve tangible progress with regard to its common efforts and perhaps to attain some level of regional integration in its economic, social, and political sectors. Without this concrete progress, it is unlikely that the external powers will take the “young” ASEAN seriously.

Before ASEAN can be effective in producing a high level of progress, several of its intra-regional elements such as the members’ strict nationalism and the fragile foundation must be improved tremendously in order to be conducive to regionalism. In the near future, however, it seems unlikely that the members of ASEAN will allow their national interests to be submerged to a high degree in the interests of the regional good. The abandonment of strict and narrow nationalism is a prerequisite of regional integration. ASEAN members in recent years have demonstrated that they are trying to harmonize their nationalism, as can be seen from the recent joint policies for the preferential trade arrangement. But when their important national interests are involved, such as in the case of Singapore’s diesel engine project which was cancelled because both Indonesia and Thailand preferred to keep on producing their own diesel engines, national interests always receive priority over regional interests. If this trend continues, it will be difficult to achieve regional integration in ASEAN.

Some ASEAN leaders seem to understand the problem of nationalism and warn their partners of the danger of conflicts of interest. Foreign Secretary Romulo of the Philippines, for instance, emphasizes that ASEAN "cannot and should not be an arena of permanently divided interests." He further points out that "if we allow ourselves to fall into the 'merchant syndrome,' with its strict accounting in terms of instant profits, ASEAN most assuredly will travel a dead-end street."⁶ Similarly, Singapore Foreign Minister Rajaratnam tells his fellow ASEAN foreign ministers that the members have a long way to go before they can harmonize nationalism with regionalism. Comparing ASEAN with other Third World countries, he suggests that the members of ASEAN have nevertheless gone further in harmonizing nationalism with regionalism than in most Third World countries where "refusal to go beyond nationalism is breeding interstate wars."⁷ Despite the realization of this problem among its leaders, ASEAN is most unlikely to overcome its excessive nationalism in the next decade. Scholars such as Alexander Woodside even go further and suggest that it is unrealistic to expect nationalism to decay in the region in the next three decades.⁸

In this type of nationalistic atmosphere, it seems that the only way ASEAN can achieve impressive progress must be through its ability to strike a proper balance in managing national interests in the service of a common regional cause. This balance will be undoubtedly very difficult to obtain since different members have different perceptions with regard to the expected benefits from their common efforts. In order to achieve balance, the leaders of the five member states must be willing to sacrifice some "short-term" benefits for "long-term" regional objectives. They will also have to acquire a willingness to dramatize the ways in which regional cooperation and interdependence serve national interests, thereby getting broad bases of support for

regional endeavors. But from our analysis of ASEAN's various intra-regional elements, this positive condition seems unlikely to occur in the near future.

Meanwhile, there are several "minor" steps that ASEAN leaders can take to strengthen regionalism without damaging their important national interests. One of the long-recommended actions is to make ASEAN's institutions more effective by providing them with limited decision-making power. Instead of maintaining a strict rule of unanimity or consensus for all decisions at all levels, ASEAN leaders can afford to make a change in the decision-making process. The following recommended basic principles can be taken into account: unanimity or consensus with regard to the important policy decisions; majority rule in the case of administrative and operational actions. Majority rule can also be applied to actions taken by the management bodies of specialized regional and common institutions.⁹ These principles, if adopted, should not pose any great danger to the members' national interests, since all important policy decisions will still be subjected to the veto rights of all members. On the other hand, the existence of majority rule, however limited, has the merit of clarifying the situation and making easier for the drafted decision to be accepted by all. This will of course help strengthen ASEAN's institutions as well as accelerate the cooperative efforts of ASEAN.

Another appropriate and "low cost" action that can be taken is to promote regional identity among the ASEAN public. In comparison to other regions such as Western Europe and Latin America, it is evident that regional identity among the ASEAN public has yet to be developed. For centuries the European and, to a lesser extent, Latin American intellectuals have been suggesting a united regional entity within their respective regions. This type of intellectual underpinning favoring regionalism in the past did not exist in the ASEAN

region. It was only in perhaps the past two decades that this regional consciousness among the elites and intellectuals began to be slowly developed. As for the general public, most of the ASEAN mass is still ignorant about the region.

One of the most effective means of developing regional identity in ASEAN is by introducing it to the general public through socio-cultural programs and activities. In fact, ASEAN has been active in promoting and encouraging these activities in recent years. This is in itself a significant trend, but much more vigorous programs and activities are certainly needed to serve as an effective means to create a regional identity.¹⁰ Of course, this is not a simple task, partly because of the fact that some members of ASEAN have not yet developed even a definite *national* identity. But the lack of a national identity does not necessarily pose an obstacle for the promotion of a regional identity, for the promotion process of national and regional identity can go hand in hand. Another important problem of this promotion lies in its financial aspect. Socio-cultural activities need to be supported by great amounts of money. ASEAN is perhaps fortunate in this regard, since Japan has already agreed to provide financial support in terms of setting up a cultural fund. It is thus reasonable to expect an increase of regional knowledge and identity among the ASEAN mass in the near future.

Closely related to the problem of regional identity is that of public support for ASEAN regionalism. The prospects ahead of ASEAN also depend upon whether or not the association can broaden its base of support, since the masses of ASEAN have so far been uninvolved with its activities. The base of support has been limited to only a few politically elite groups in the five members. This causes uncertainty as to the future of ASEAN. As one ASEAN scholar argues, in the current fluid Southeast Asian environment any major change of leadership in one country may have far-reaching implications at both the national and

regional levels.¹¹ The case of Indonesia's leadership change in the 1960s was an excellent example of how a new leader in one country could alter the course of regional politics. This particular uncertainty can be eliminated by broadening the base of support to include the ASEAN masses. In this context, ASEAN must have a high level of national and regional pluralism, characterized by the massive involvement of modern associational groups. However, due to many factors such as the poor education of the masses and the repressive policies of the member governments, there is only a slim chance that a high level of pluralism will be achieved in the near future. Although our study has fought that associational groups at the regional level have begun to emerge, it is likely that these groups will continue to be too weak to constitute a solid foundation for ASEAN.

If pluralism is developed to a high degree and other intra-regional elements such as violent disputes and hostilities are eliminated or reduced, it is possible that ASEAN can become perhaps in a few decades a pluralistic security community, in Karl Deutsch's meaning of this concept. As discussed earlier in this research, security community is defined by Deutsch as a community of sovereign states in which there is high mutual responsiveness and low expectation of violent mutual conflicts.¹² In this respect, low expectations of mutual conflict are reflected in the absence of military preparation against each other in the community. Peaceable mutual responsiveness is one major component of the security community. The other component is that when mutual conflicts or differences arise, the members agree to solve their conflicts by methods of peaceful change.

Our study suggests an interesting trend, ASEAN is moving slowly towards the direction of transformation into a security community. Particularly after the beginning of the 1970s, no new significant mutual hostilities among the member states have arisen while the existing conflicts and mutual distrusts

and suspicions have been solved to a significant extent. Only one "nagging" problem still exists in the relations between the Philippines and Malaysia, that is the Philippines' Sabah claim. It has already been two years since President Marcos of the Philippines declared in Kuala Lumpur that his government would take "positive steps" to disclaim the Malaysian state of Sabah. However, no such steps have been hitherto taken. This might explain why Prime Minister Datuk Hussein Onn of Malaysia did not include Manila in his recent tour of ASEAN capitals. Apart from this conflict, there is a good chance in the long run for ASEAN to develop into a security community.

With regard to a different type of cooperation, an important question can be asked: what are the prospects of an ASEAN economic community in the near future? Due to the many constraints discussed above, it seems unlikely that ASEAN will either achieve a high level of economic performance or become, in a few years, an economic community. In addition to the problem of nationalism, another significant impediment of ASEAN's economic progress lies within the economic structures of the member states. With the exception of Singapore, all members have basically competitive rather than complementary agrarian societies. This competitive nature of the ASEAN economies is not conducive to economic integration particularly in trade. Despite several measures (i.e. preferential trade arrangements and the ASEAN joint industrial projects), the prospects of having impressive intra-regional trade in the near future are almost nil.

From our discussion of ASEAN's intra-regional elements, it is highly doubtful that it will be able to overcome its several constraints and obstacles in order to achieve integration. The future of ASEAN, however, does not depend upon its intra-regional elements alone. Extra-regional elements of ASEAN have been known to create perhaps more significant impacts upon

its progress, and it is very likely that they will continue to have major implications on ASEAN regionalism in the years ahead. It is therefore appropriate to look at the future developments of ASEAN's important extra-regional elements.

The Sino-Soviet rivalry in Southeast Asia, which presently is intensified, seems likely to continue to be an indispensable factor of ASEAN regionalism and the relations between members and the Indochinese states. While the East-West conflict in Southeast Asia has been improved to a great extent, the East-East conflict or the Sino-Soviet rivalry in the region is becoming worse, causing new tensions and armed conflicts in Indochina.¹³ It is ironic that not too long ago China was regarded by ASEAN members as the principal source of inspiration of instability and insurgency, while today China is considered a major stabilizing force in the Southeast Asian region. Both the Soviet Union and China are likely to continue supporting the regimes and movements in Indochina in order to secure and enhance their powers and influences against one another.

This rivalry of the two Communist giants together with the existence of a rival grouping consisting of the Communist Indochinese states is likely to remain a significant stimulus for ASEAN cooperation in the future. As is generally known, the Communist powers have been the major supporters and trainers of the insurgency movements within the ASEAN countries. In the face of the perceived threats to their security interests, ASEAN members can be expected to continue to close ranks and adopt common positions with regard to their relations with these Communist states, and also to continue to cooperate with each other in their attempts to wipe out their insurgency movements.

Other external pressures can be expected to provide ASEAN with a continuing impetus for taking joint measures

and efforts in their dealings with extra-regional powers. In the economic realm, the problems of protectionism and dependence seem likely to persist for many more years. Therefore, it is probable that the cooperative progress of ASEAN will continue to be in the form of joint policies towards the economic issues that have regional implications. In this connection, the developed countries are likely to remain the major target of its joint measures, since most of ASEAN's economic relations with the outside world will probably be maintained with the Western developed countries. However, with the problem of energy price increases, the Middle East in the near future can be expected to play a more important role.¹⁴ This may force ASEAN to form a common stand vis-à-vis the Middle Eastern countries.

In any event, the future prospects for ASEAN's economic progress particularly in the area of joint industrial efforts largely hinge upon whether or not ASEAN can bring Japan into its circle of industrialization. Japan's tentative commitment of one billion dollars in loans to ASEAN's industrial complementation projects is an initial indication of its decision to back the concept of ASEAN regionalism. If Japan continues its support and enters into a mutually beneficial arrangement with the group, ASEAN's future progress will be assured. It is certain that the ASEAN members would like to see increased participation by Japan in the region, provided that this participation is on ASEAN's terms. As one Philippine scholar points out, what ASEAN needs from Japan is as follows: information and improved systems and techniques of cultivating such regional products as coconut, rubber, and tropical hardwood; technology for shipbuilding; and technology and capital for industrial complementation.¹⁵ With the signing of the Sino-Japanese peace treaty, however, Japan in the near future might turn its economic attention to China and thereby neglect its declared commitments to ASEAN development. If this is the case, ASEAN will be certain to look

for other sources of technology and capital, perhaps from the EEC.¹⁶

One final assessment of ASEAN can be presented in the following terms. Several important conditions seem to exist for ASEAN taking progressive steps towards a high degree of regional cooperation in the economic, social, and political sectors. Mutual trust has been developed while mutual suspicions and animosity in the region have been greatly reduced. Perhaps more important is that, after joining together for more than ten years, a habit of working together now exists among ASEAN members. Past beneficial experiences resulting from their joint regional efforts also reaffirm the five members of the importance of regionalism. Extra-regional threats, which in the recent past acted as a "spark plug" that ignited the revitalization process of ASEAN regionalism, seem to provide ASEAN members with a continuous sense of urgency in their regional cooperation. With these favorable conditions, one might feel that ASEAN is ready to take a giant step towards regionalism or even towards regional integration. However, this is quite over optimistic. In ASEAN, there still exist several difficult problems that need to be solved before we can realistically expect a high degree of regional achievement. Among these problems are nationalism, the lack of economic complementarity, and the lack of regional identity. In the near future, it thus seems certain that ASEAN members will not abandon their strict sovereignty in exchange for a common regional cause. Consequently, ASEAN can be expected to remain a "slow but steady" regional organization characterized by its slow pace towards increasing regional cooperation. It is quite possible that ASEAN might achieve in the next few years a high degree of regional interdependence in terms of a pluralistic security community, but almost certainly not in terms of regional integration.

SUMMARY

ASEAN is not in danger of being dissolved by its members in the immediate future. Its existence will be assured as long as the five members still believe in its usefulness in enhancing their national interests. In terms of achievement, however, it is very likely that ASEAN will remain a “slow but steady” organization with its tardy progress towards a higher degree of cooperation in the economic, social, and political fields. With regard to the anticipated developments of significant factors, most of the intra-regional elements of ASEAN seem likely to remain major constraints to its progress, while extra-regional elements in the near future will continue to constitute principal impetuses for ASEAN cohesion. Although the prospect of regionalism in general is enhanced in recent years, it seems that ASEAN still has a long road ahead to travel before it achieves regional integration.

CHAPTER

- 9 -

THE ASEAN EXPERIENCE: FINAL REVIEW AND CONCLUSION

FINAL REVIEW OF ASEAN'S REGIONAL EFFORTS

The research is an attempt to undertake a comprehensive analysis of Southeast Asian regionalism in the context of ASEAN. The major purpose is to identify and explain ASEAN's achievements and problems from its inception in 1967 up to the end of 1978. To provide this study with sufficient analytical tools, Joseph S. Nye's and Philippe Schmitter's theoretical frameworks are adopted as guidelines for the investigation of ASEAN regionalism.

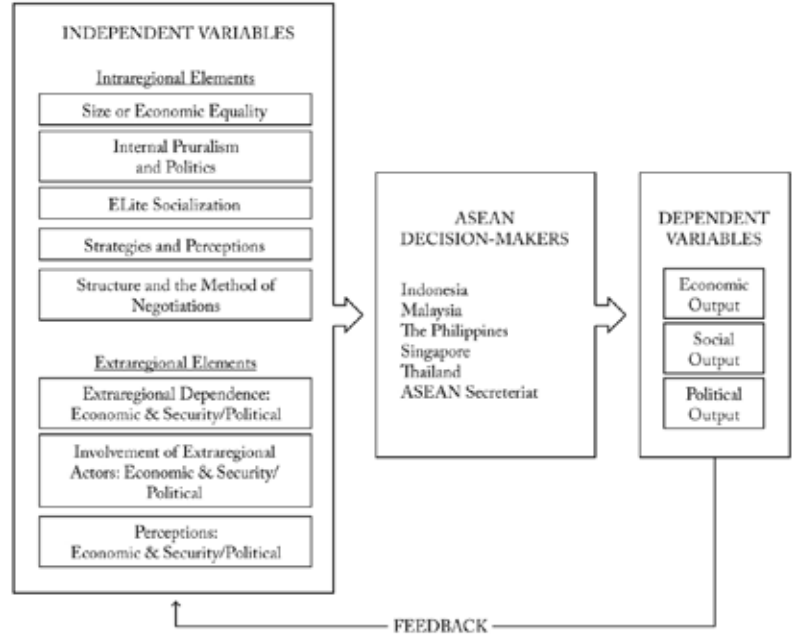
In attempting to examine ASEAN's achievements and obstacles, this study has divided cooperation and its elements into dependent and independent variables. The dependent variables or the actual cooperative progress and output of ASEAN are separated into economic, social, and political categories. The independent variables or the reasons and explanations of ASEAN's progress and problems are categorized

into two major types: intra-regional and extra-regional elements.

The overall process of ASEAN regionalism can be best illustrated in Figure 2 below. Elements in the left column of the figure constitute major independent variables of ASEAN. These variables generate their influences upon the decision-makers of ASEAN (the middle column) which include the five ASEAN member governments and, to a lesser extent, the ASEAN Central Secretariat. The right column represents the principal dependent variables or the output of ASEAN decisions and policies leading to cooperation in economic, social, and political fields. These dependent and independent variables are linked with the “feedback” loop.

The analyses of ASEAN’s dependent variables (in terms of economic, social, and political output) have indicated to us that

FIGURE 2 Simple model of ASEAN cooperation process



the cooperative process is advancing at a slow pace. With regard to the economic cooperation, our study suggests that ASEAN's performances during its twelve years of existence are not impressive. Intra-regional trade has been insignificant in comparison to ASEAN's trade with the outside world, constituting only about 15 to 16% of ASEAN's total. However, cooperative activities of the association cover a wide range of economic matters other than trade. Joint economic measures have already been taken by ASEAN in the areas of basic commodities, industrial complementation and harmonization, trade liberalization, common policies vis-à-vis the outside world, banking, and also shipping.

Like economic cooperation, achievement in the area of social cooperation is also minimal. With the employment of transactions as indicators, the study reveals that both the masses and elites of ASEAN member states are still very much isolated and have little contact with their counterparts in other ASEAN countries. It also suggests that the government and the general public of the ASEAN members have been increasingly aware of the importance of social cooperation. This awareness is demonstrated in the various activities of ASEAN aiming at the promotion of social cooperation, and also in the increasing number of social interest groups.

Perhaps more interesting than the previous two types of cooperation is ASEAN's political cooperation. Although institutional and attitudinal progress are still very low, the progress of policy cooperation is quite impressive. ASEAN's joint and common policies now cover a larger number of areas and these policies involve more ministries of the ASEAN countries. Externally, ASEAN is now acting more and more as a cohesive group in its dealings with China, the Indochinese states, the industrialized countries, and the international forums. Internally, the members of ASEAN are more responsive to one

another and have been seriously trying to solve their mutual conflicts and differences. In other words, there now exists in ASEAN a spirit of mutual understanding and tolerance, the spirit which is essential for long and lasting regionalism.

In an attempt to explain the reasons for ASEAN's tardy progress, this research analyzes several intra-regional and extra-regional elements which have significant impact upon the cooperation process of ASEAN. The analyses of these independent variables of ASEAN produce several significant findings. With regard to intra-regional elements, only elite socialization demonstrates its strong positive effects upon ASEAN cooperation. Other variables, which act as stumbling blocks and generate negative impacts upon ASEAN, are as follows: the lack of complementarity in the economic structures of ASEAN members; the lack of pluralism or modern associational groups; member strategies and perceptions which place emphasis upon national interests and national supremacy; the weak institutional structure; and the ASEAN style of negotiations. In addition, these two variables – ASEAN members' size or economic equality and internal politics – have been found to play a neutral role in the cooperative process of ASEAN. They constitute neither negative nor positive effects upon ASEAN's slow progress and lack of concrete achievements.

As far as extra-regional elements are concerned, most of them have been identified as significant stimuli for ASEAN regionalism. Of course, the positive impact of these elements is important to the performance and existence of ASEAN. It is unfortunate that their positive impact is not strong enough to overcome the negative effects generated by other elements. Variables which create an environment conducive to regional cooperation can be identified as follows: in the economic realm – economic dependence on commodity exports, economic protectionism, energy price increases and related problems, and

perceptions of economic elements; and in the political/security realm – the declining role of the Western powers, the Sino-Soviet rivalry, the emergence of a strong and hostile Vietnam, violent developments in Indochina, and perceptions of extra-regional threats. Among the analyzed extra-regional elements, only security dependence in the past and divergent perceptions with regard to regional security have somewhat been responsible for the slow progress of ASEAN.

Finally, this research has attempted to predict the prospects for regional integration and the future of ASEAN by examining anticipated developments of several uncertain factors identified as affecting ASEAN cooperation. The overall prospect of ASEAN is not clear, although its existence is not in immediate danger of being dissolved. If the present trend continues, it is unlikely that ASEAN will face any significant setbacks in the near future. However, ASEAN seems to remain a “slow but steady” regional organization in terms of its economic, social, and political progress. There is no promising prospect of ASEAN achieving some degree of supranationality and becoming integrated in the near future. It also seems likely that ASEAN’s constraints will be continuously created by most of its intra-regional elements, while its major stimuli will probably be obtained from its extra-regional elements.

ASEAN EXPERIENCE AND THE STUDY OF REGIONAL INTEGRATION

Before we turn to the assessment of the modified model employed in this study to investigate ASEAN’s efforts towards regional integration, it seems appropriate to underline some basic characteristics of ASEAN. From the lesson of Western European integration, we learn that regional integration (in the economic sector) proceeds well whenever there exist considerable

preconditions or background conditions for integration. These conditions include: (a) a pattern of regional interdependence in terms of trade, travel, and intellectual communication; (b) a pattern of pluralism in which a functionally specific group in one member state easily establishes and articulates common values and interests with its counterpart in another member states; and (c) a pattern of regional identity and loyalties among the politically aware citizens.¹ None of these conditions have been presently met in the ASEAN case.

ASEAN shares a great deal of "common traits" with other regional organizations of developing countries such as LAFTA, EACM, CACM, and the Andean Group, characterized by the imperfect pluralism and the low level of social communication. The members of ASEAN also have several common characteristics of developing countries. Among them are the commitment of the elite to national modernization, a self-conscious and powerful bureaucracy, a growing entrepreneurial class, considerable progress towards the stage of "social and economic take-off," and to some extent a comprehensive single-party system. It is in this context that the modified model suggested by Joseph Nye and Philippe Schmitter is used in the pursuit of an understanding of regional integration attempts in ASEAN.

A note on the validity and viability of the modified framework employed throughout this research can be presented as follows. With the lack of precise conceptualization and measurement in the study of regional integration, this framework certainly helps organize perceptions about the subject and leads this research on to a consistent pursuit of systematic study of ASEAN. But like other pretheoretical tools of social science studies such as this one, the modified model is not perfect. For example, it seems to be inadequate in covering the various dimensions of ASEAN's dependent variables (actual output/

progress), and has to be supplemented by the analysis of ASEAN's actual common policies and actions. Other than this minor problem, it seems to maintain a great deal of validity, particularly in the investigation of ASEAN's independent variables. By concentrating on both intra-regional and extra-regional elements, this scheme provides a very appropriate and comprehensive analytic tool from which explanations and reasons for ASEAN's regionalism can be obtained. The emphasis on extra-regional elements seems particularly relevant to the study of regional integration attempts in ASEAN where extra-regional threats constitute important stimuli for the association.

On balance, the fact that this analytical tool proved to be considerably useful on studying ASEAN helps to enhance our confidence in its universality. This framework does seem to provide a much needed common one from which integration in any region can be analyzed. Consequently, it may also be applicable to the study of the various dimensions of regional integration in other temporal settings.

What is the main value/contribution of this study to the field of regional integration at large? In assessing the contribution this research hopes to have made, there are a few important points that we must keep in mind. First of all, the findings of any study such as this one must be regarded as tentative. As Charles W. Kegley and Llewellyn D. Howell suggest, "no empirical study can be better than the data on which it is based, and the limitations of the data at our disposal certainly limit the 'face' validity of the study itself."² We must also understand that the findings might be an artifact of the analytical technique or framework employed in the study. Finally, we must be cautious in generalizing the findings of our study of ASEAN to other similar regional organizations. The main reason is that even though those findings are valid, they are bound by the temporal confines of the study for their validity.

One main point that characterizes the process of ASEAN's regionalism involves the concept of "spillover," the concept which is an integral part of the study of regional integration. It is important to clarify the concept here since it has frequently been misapplied to cover any sign of increased cooperation within regional organizations. Spillover is basically involved with the idea that perceived imbalances created by the interdependence or inherent linkages of tasks can press political actors to redefine their common task,³ resulting in the increase of cooperation including the expansion of collective goals and common institutions.

In ASEAN, the "spillover" effects can be affirmed in various areas. ASEAN started with several vague and broad objectives concerning the various fields in which the five members intended to cooperate. During its early years, the association could operate well under those guidelines, mainly because ASEAN activities then were few and mostly non-technical. Most of ASEAN activities were directed towards the creation of mutual trust and friendships among its members. It was when ASEAN later became a more achievement-oriented organization and involved with a higher degree of functional interdependence that those guidelines seemed to be inadequate for ASEAN's common tasks. The matter was culminated with the adoption by the ASEAN leaders of new objectives and principles in the pursuit of ASEAN cooperation.⁴ This redefinition of collective goals was done at the first ASEAN Summit in Bali, Indonesia, in February, 1976. In comparison with the original broad objectives, these new common objectives were much more explicit and comprehensive, covering specific and detailed cooperative aims in the economic, social, cultural, and political fields.

Not only did the five governments find themselves compelled to redefine ASEAN's collective goals, but they also felt it necessary to reorganize and expand ASEAN machin-

ery/institutions. The increasing volume and scope of activities under the cooperation scheme created new needs that gave rise to institutionalized solutions. Thus, the Central Secretariat, the economic ministers, and committees of the economic ministers were formed to meet these new needs.

If this increase of cooperative activities can cause “spillover” in ASEAN, the decrease of such activities can also cause “spill-back.” Up to now, however, ASEAN has not yet experienced the “spill-back” effect in its operation. At the same time, the new needs in ASEAN are still not strong enough to cause “spillover” effects to the degree that its leaders find themselves compelled to provide ASEAN with a supranational status.

The ASEAN experience further reaffirms us of the important role of the external world in relations with the regional system. Like in LAFTA and EACM, economic regionalism in ASEAN is designed to change a situation in which prosperity and development depend on commodity exports to developed nations. Perceptions of economic dependence on the external world thus constitute an incentive to ASEAN’s regional economic efforts. But there is perhaps another incentive far more important than economic dependence. The five individual members believe that their security is threatened by their Communist neighbors, namely China (particularly in the past) and Soviet-backed Vietnam (in recent years). It is clear that fear or perception of threat from extra-regional powers is a definite aid to ASEAN regionalism. Particularly the emergence of Vietnam as a strong military power in the Southeast Asian area had prompted the leaders of ASEAN to revitalize the association by accelerating their economic, social, and political cooperation, and by agreeing to settle their mutual disputes by peaceful means.

There is no need here to repeat the discussion of all significant findings of this study already presented at the end

of Chapters VI, and VII. Rather, it will be more useful to refer only to some of the relevant findings which may help us enhance our knowledge of regional integration. From our study of ASEAN experience, it seems to have certain conditions which can be considered as important preconditions of regional integration.⁵ The existence of these conditions certainly helps facilitate the cooperative process, and will undoubtedly continue to create positive impacts upon ASEAN regionalism in the future. They are, among others, value sharing/complementarity and compatibility among ASEAN elites, congenial past relations, and external influences. The importance of external factors has already been discussed above. As for other conditions, most of the present elites of ASEAN member states share similar values; they all believe in the capitalist and free market system. This condition, when added to elite socialization and generally cordial contacts of ASEAN governments, creates corporate feeling and the habit of working together among ASEAN elites.

Despite the existence of such conditions mentioned above, ASEAN still lacks several other significant background conditions of regional integration. What ASEAN lacks are, for example, internal pluralism (existing modern associational groups), regional identity, intellectual underpinning, economic complementarity, and high rates of transactions.

In the final analysis, however, there is only one outstanding element upon which the fate of ASEAN regionalism is extremely dependent. Although the importance of the various preconditions is recognized here, this study strongly believes that it is the ASEAN elites whose roles and determinations control the "life and death" of ASEAN regionalism. Similar to the cases of LAFTA and EACM,⁶ ASEAN's imperfect conditions such as the low level of existing socio-political communications or the lack of internal pluralism can be overcome by favorable expectations and responsiveness among participating elites.

In this type of developing society, it is the elites that have a complete control over their country's policy decisions. If the restricted ASEAN elites strongly favor regional integration and agree to loosen their strict principles of nationalism and national sovereignty, the prospect of ASEAN becoming integrated will be greatly improved. So far, these elites are still hesitant to make any decision which involves the transference, albeit small, of their national sovereignty to ASEAN's institutions.

It seems appropriate to conclude this study with some words on potential future researches regarding ASEAN's regionalism and regional integration. Clearly, our knowledge with respect to the various aspects of ASEAN's regional integration attempts is still very limited. There are several areas of ASEAN that need to be explored and uncovered. Such areas as decision-making system, structural analysis, national strategies and perceptions, ASEAN economies, and above all the role of ASEAN elites, are only some example. Quantitative studies of these topics are also needed. Of course, these kinds of future researches will conceivably help us learn more about ASEAN regionalism as well as enhance our understanding concerning the problem of regional integration at large.

NOTES

NOTES TO CHAPTER ONE

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1. The Association of Southeast Asian Nations, created by the governments of Indonesia, Malaysia, the Philippines, Singapore, and Thailand on 8 August 1967.

2. Philippe Schmitter, "Central American Integration: Spill-Over, Spill-Around or Encapsulation?," *Journal of Common Market Studies*, Vol. 9, No. 1 (September 1970), pp. 1-48. Ernst Haas and Philippe Schmitter had earlier studied the prospect of integration in LAFTA and suggested that the prospects of LAFTA developing into a political entity were almost non-existent. See Haas and Schmitter, "Economics and Differential Patterns of Political Integration: Projections about Unity in Latin America," *International Organization*, Vol. 18, No. 4 (Autumn 1964), pp. 705-737.

For recent studies of South American integration in general, see, for example, Robert D. Bond, "Regionalism in Latin America: Prospects for the Latin American Economic System," *International Organization*, Vol. 32, No. 2 (Spring 1978), pp. 401-424; Martin Carnoy, *Industrialization in a Latin American Common Market* (Washington, D.C.: The Brookings Institution, 1972); and Joseph Grunwald, Miguel Wionczek, and Martin Carnoy, *Latin American Integration and US Policy* (Washington, D.C.: The Brookings Institute, 1972). Some of the works on integration in Central America are: James Cochrane and John Sloane, "LAFTA and CACM: A Comparative Analysis of Integration in Latin America," *Journal of Developing Areas*, (October 1973), pp. 13-38; Stuart Fagen, *Central American Integration: The Politics of Unequal Benefits* (Berkeley: University of California Press, 1970); and Philippe Schmitter, *Autonomy or Dependence as Regional Integration Outcomes: Central America* (Berkeley: University of California Press, 1972). For LAFTA in

particular, see Edward Milenky, *The Politics of Regional Organization in Latin America: The Latin American Free Trade Association* (New York: Praeger, 1973). On the Andean Common Market, see William P. Avery and James D. Cochrane, "Subregional Integration in Latin America: The Andean Common Market," *Journal of Common Market Studies*, Vol. 11, No. 2 (December 1972), pp. 85-102; William P. Avery and James D. Cochrane, "Innovation in Latin American Regionalism: The Andean Common Market," *International Organization*, Vol. 27, No. 2 (Spring 1973), pp. 181-223; and Elizabeth G. Ferris, "National Political Support for Regional Integration: The Andean Pact," *International Organization*, Vol. 33, No. 1 (Winter 1979), pp. 83-104.

3. For discussion of the impact of external pressures upon the regional integration process, see, Roger Hansen, "Regional Integration: Reflections on a Decade of Theoretical Effort," *World Politics*, Vol. 21, No. 2 (January 1969), pp. 242-271; and Ernst Haas, "Turbulent Fields and the Theory of Regional Integration," *International Organization*, Vol. 30, No. 2 (Spring 1976), p. 176.

4. Fred M. Hayward, "Continuities and Discontinuities between Studies of National and International Political Integration: Some Implications for Future Research Efforts," in Leon N. Lindberg and Stuart A. Scheingold, eds., *Regional Integration: Theory and Research* (Cambridge, Massachusetts: Harvard University Press, 1971), p. 315.

5. Karl W. Deutsch, and others, *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton, New Jersey: Princeton University Press, 1957) p. 5. Ernst B. Haas, however, prefers to think of Deutsch's definition as a process leading to the creation of security communities. See Ernst Haas, "The Study of Regional Integration: Reflections on the Joy and Anguish of Pretheorizing," in Lindberg and Scheingold, eds., *Regional Integration*, p. 7.

6. Amitai Etzioni, *Political Unification: A Comparative Study of*

Leaders and Forces (New York: Holt, Rinehart and Winston, Inc., 1965), p. 329.

7. Louis A. McCall, *Regional Integration: A Comparison of European and Central American Dynamics*, Sage Professional Papers in International Studies, Vol. 4, series no. 02-041 (Beverly Hills and London: Sage Publications, 1976), p. 6.

8. Ernst B. Haas, *The Uniting of Europe: Political, Social, and Economic Forces, 1950-1957* (Stanford: Stanford University Press, 1958), p. 16.

9. Ernst B. Haas, *Beyond the Nation-State: Functionalism and International Organization* (Stanford: Stanford University Press, 1964), p. 29. Emphasis in original.

10. Leon N. Lindberg, *The Political Dynamics of European Economic Integration* (Stanford: Stanford University Press, 1963), p. 6. Emphasis in original.

11. Ernst B. Haas, "The Study of Regional Integration," in Lindberg and Scheingold, eds., *Regional Integration*, p. 6.

12. Philip E. Jacob and Henry Teune, "The Integration Process: Guidelines for Analysis of the Bases of Political Community," in Philip E. Jacob and James V. Toscano, eds., *The Integration of Political Community* (Philadelphia: J.B. Lippincott Co., 1964), p. 7. Emphases in original.

13. Jacob and Teune regard integration both as a process and as a condition. See *Ibid.*, pp. 14-15.

14. Hayward R. Alker, Jr., and Donald J. Puchala, "Trends in Economic Partnership: The North Atlantic Area, 1928-1963," in J. David Singer, ed., *Quantitative International Politics* (New York: The Free Press, 1968), p. 288.

15. Bruce M. Russett, "Transactions, Community, and International Political Integration," *Journal of Common Market Studies*, Vol. 9, No. 3 (March 1971); also reprinted as Chapter XVIII in Bruce M. Russett, *Power and Community in World Politics* (San Francisco: W. H. Freeman and Company, 1974), p. 332.

Emphasis in original.

16. Ernst B. Haas, "The Challenge of Regionalism," *International Organization*, Vol. 12, No. 4 (Autumn 1958), p. 445.

17. Jacob and Teune, "The Integrative Process," in Jacob and Toscano, eds., *The Integration of Political Community*, pp. 16-44.

18. See their article in Lindberg and Scheingold, eds., *Regional Integration*.

19. Karl W. Deutsch, and others, *France, Germany and the Western Alliance: A Study of Elite Attitudes on European Integration and World Politics* (New York: Charles Scribner's Sons, 1967), p. 218.

20. Leon N. Lindberg and Stuart A. Scheingold, *Europe's Would Be Polity: Patterns of Change in the European Community* (Englewood Cliffs, New Jersey: Prentice-Hall, 1970), pp. 24-100; Lindberg, *The Political Dynamics of European Economic Integration*, pp. 6, 286-288; Ronald Inglehart, "An End to European Integration," *American Political Science Review*, Vol. 61 (March 1967), p. 91; and Carl J. Friedrich, *Europe: An Emergent Nation?* (New York: Harper and Row, 1969), pp. 196-215. For discussions of these findings, see James E. Dougherty and Robert L. Pfaltzgraff, Jr., *Contending Theories of International Relations* (Philadelphia: J. B. Lippincott Company, 1971), pp. 306-307.

21. Joseph S. Nye, Jr., "Comparative Regional Integration: Concept and Measurement," *International Organization*, Vol. 22, No. 4 (Autumn 1968), p. 858. Nye later elaborates his concept in his *Peace in Parts: Integration and Conflicts in Regional Integration* (Boston: Little, Brown & Co., 1971).

22. Nye, "Comparative Regional Integration," p. 858.

23. For a similar definition, see Steven J. Rosen and Walter S. Jones, *The Logic of International Relations* (2nd ed.; Cambridge, Massachusetts: Winthrop Publishers, Inc., 1977), pp. 375-376.

24. For discussions on these three approaches, see Haas, "The Study of Regional Integration," in Lindberg and Scheingold, eds., *Regional Integration*, pp. 18-26. Some criticisms of neo-func-

tionalist and transactionalist approaches are handled in Louis J. Cantori and Steven L. Spiegel, "The Analysis of Regional International Politics: The Integration versus the Empirical Systems Approach," *International Organization*, Vol. 27, No. 4 (Autumn 1973), pp. 465-494.

25. Some well-known federalists are Stanley Hoffman and Amitai Etzioni.

26. Karl Deutsch, Bruce Russett, and Donald Puchala, for example, can be identified as the transactionalists.

27. The neo-functionalists comprise a number of scholars, for example, Ernst Haas, Joseph Nye, Philippe Schmitter, and Leon Lindberg.

28. Cantori and Spiegel, "The Analysis of Regional International Politics," pp. 480-494.

29. Donald J. Puchala, "Of Blind Men, Elephants and International Integration," *Journal of Common Market Studies*, Vol. 10 (March 1972), pp. 267-284.

30. According to Haas, this relevance "will cease when the commitment to modernization is no longer dominant, or if modernization seems attainable by methods which do not require collective action." Ernst B. Haas, *The Obsolescence of Regional Integration Theory* (Berkeley: Institute of International Studies, University of California, 1975), pp. 15-20. See also Haas, "Turbulent Fields and the Theory of Regional Integration," pp. 173-212.

31. Quantitative studies of Southeast Asian integration can be found primarily in Llewellyn D. Howell, Jr. and Charles W. Kegley, Jr., "Southeast Asian Foreign Policy Behavior in an Integration Context," *Asian Forum*, Vol. 6, No. 3 (July-September 1974), pp. 27-44; Charles W. Kegley, Jr. and Llewellyn D. Howell, Jr., "The Dimensionality of Regional Integration: Construct Validation in the Southeast Asian Context," *International Organization*, Vol. 29, No. 4 (Autumn 1975), pp. 997-1020; and

Llewellyn D. Howell, Jr., "Delineating Regional Structure: A Methodological Note," *Asian Forum*, Vol. 7, No. 3 (Summer 1976), pp. 23-39.

32. Nye, "Comparative Regional Integration," pp. 858-880.

33. Joseph S. Nye, Jr., "Comparing Common Markets: A Revised Neo-Functionalist Model," and Philippe C. Schmitter, "A Revised Theory of Regional Integration," in Lindberg and Scheingold, eds., *Regional Integration*, pp. 192-231, and 232-264, respectively.

34. See, for example, Joseph S. Nye, Jr., "Central American Regional Integration," *International Conciliation*, No. 562 (March 1967), p. 51; and Schmitter, "Central American Integration," p. 39.

In the case of the CACM, integration did exist in some dimensions, even though El Salvador and Honduras later entered into mutual armed conflict.

NOTES TO CHAPTER TWO



1. For analyses and evaluations of ASA, see Vincent K. Pollard, "ASA and ASEAN, 1961-1967: Southeast Asian Regionalism," *Asian Survey*, Vol. 10, No. 3 (March 1970), pp. 244-255; and Bernard K. Gordon, *Toward Disengagement in Asia* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1969), pp. 97-111. MAPHILINDO is analyzed in Bernard K. Gordon, *The Dimensions of Conflict in Southeast Asia* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1966), pp. 22-23, 70-71, and 188-189.
2. ASEAN history in detail is well presented in Gordon, *Toward Disengagement in Asia*, pp. 111-127.
3. "The ASEAN Story," contributed by Thailand in *ASEAN Journal* (10th Anniversary Commemorative Issue), Vol. 2, No. 4 (November 1977), p. 6. This view is also expressed, for example, by former Malaysian Prime Minister Tunku Abdul Rahman and former Thai Foreign Minister Thanat Khoman. In his article, the Tunku writes: "After Sukarno's fall and the separation of Singapore from Malaysia, ASA was enlarged to include these two countries [Indonesia and Singapore] also, and the name is now changed to ASEAN." See, Tunku Abdul Rahman, "The Communist Threat in Malaysia and Southeast Asia," *Pacific Community*, Vol. 8, No. 4 (July 1977), p. 570.

Similarly, Thanat Khoman in an interview states: "... we [ASA] approached Indonesia and asked it to join a new organization, an enlarged ASA. [Soon] afterwards, Indonesia signified its willingness to join. So did Singapore, which had got wind of the talks between the four countries." See his interview with John McBeth in "Thanat Looks Back," *Asiaweek*, August 5, 1977, p. 14.

4. ASEAN National Secretariat of Indonesia, *ASEAN* (2nd ed.; Jakarta: Department of Foreign Affairs, July 1975), p. 13.

5. Gordon, *Toward Disengagement in Asia*, pp. 111-113.
6. For a comparison of conditions leading to the inception of the European Economic Community and ASEAN, see Arnfinn Jorgensen-Dahl, "ASEAN 1967-1976: Development or Stagnation?," *Pacific Community*, Vol. 7, No. 4 (July 1976), pp. 519-525.
7. Ernst Haas and Philippe Schmitter, for example, develop this set of preconditions: size of units, high rates of transactions, pluralism, and elite complementarity as background conditions; and, a high degree of politicization and the wide scope of powers of the union as conditions at the time of the formation of the new union. See, "Economic and Differential Patterns of Political Integration: Projection about Unity in Latin America," *International Organization*, Vol. 18, No. 4 (Autumn 1964), pp. 705-737. Later, Haas and Mario Barrera add extra-regional elements to the list; see Mario Barrera and Ernst Haas, "The Operationalization of Some Variables Related to Regional Integration: A Research Note," *International Organization*, Vol. 23, No. 1 (Winter 1969), pp. 150-160.

For discussion of preconditions to integration in general, see Michael Haas, *International Systems: A Behavioral Approach* (New York; Chandler Publishing Co., 1974), pp. 208-211.

8. Tunku Rahman, "The Communist Threat in Malaysia and Southeast Asia"
9. Speech in Bangkok. Quoted in Jorgensen-Dahl, "ASEAN 1967-1976," p. 524.
10. See his interview with Drew Middleton in *The New York Times*, April 12, 1967. Cited in Gordon, *Toward Disengagement in Asia*, pp. 96-97.
11. Adam Malik, "Regional Cooperation in International Politics," in Center for Strategic and International Studies (CSIS), sponsor, *Regionalism in Southeast Asia* (Jakarta: Center for Strategic and International Studies, 1975), p. 161. The article is also printed under the same title in *The Indonesian Review of*

International Affairs, Vol. 1, No. 5 (April 1975).

12. *The Manila Times*, for example, in its editorial on July 15, 1967, warned Asian leaders to be prepared for the withdrawal of the American presence.

13. Statement of Rajaratnam at the Second ASEAN Ministerial Meeting, Jakarta, August 6, 1968, in Boni Ray Siagian, ed., *Eight Year Cycle of ASEAN* (Jakarta: Department of Information and ASEAN National Secretariat, 1977?), p. 87. A similar view was reportedly expressed by Adam Malik that “he would like to see ASEAN strengthened to meet the problems of the post-Vietnam war era when American involvement in Asia would be limited to economic and technical assistance.” *The Bangkok Post*, supplement, August 15, 1969. See also Barbara French Pace, and others, *Regional Cooperation in Southeast Asia: The First Two Years of ASEAN – 1967-1969* (McLean, Virginia: Research Analysis Corporation, October 1970), p. 7.

14. Some integration theorists see the politicization of economic issues by developing countries as “premature.” See Roger Hansen, “Regional Integration: Reflections on a Decade of Theoretical Efforts,” *World Politics*, Vol. 21 (1969), pp. 100-101.

15. Malik, “Regional Cooperation in International Politics,” p. 162.

16. There is an argument that the Philippines under the previous administration of President Macapagal also wanted to establish relations with Malaysia; however, to do that was not considered worth the risk of antagonizing Indonesia. See Lela Garner Noble, “The National Interest and the National Image: Philippine Policy in Asia,” *Asian Survey*, Vol. 13, No. 6 (June 1973), p. 566.

17. This view is expressed by ASEAN Secretary-General Uma-rjadi Njotowijono. Interview, the ASEAN Secretariat, Jakarta, February 22, 1978.

18. For discussion of this point, see Gordon, *Toward Disengagement in Asia*, p. 123; see also Pace, and others, *Regional*

Cooperation in Southeast Asia, pp. 17-18.

19. Pace, and others, *Regional Cooperation in Southeast Asia*, pp. 33-34.

20. This reason is given by senior Singapore officials. Interview, Ministry of Foreign Affairs, Singapore, February 27-28, 1978.

21. See Shee Poon-Kim, "A Decade of ASEAN, 1967-1977," *Asian Survey*, Vol. 17, No. 8 (August 1977), pp. 755-756.

22. For a succinct discussion of the Philippines' decision to join ASEAN, see Robyn J. Abell, "Philippine Policy Towards Regional Cooperation in Southeast Asia, 1961-1969" (Ph.D. Dissertation, Australia National University, 1972), pp. 328-347.

23. President Johnson expressed this encouragement in his speech during his visit to Honolulu in October 1966.

24. Philippe C. Schmitter and Ernst B. Haas, *Mexico and Latin American Economic Integration* (Berkeley: University of California, 1964); and Elizabeth A. Finch, *The Politics of Regional Integration: A Study of Uruguay's Decision to Join LAFTA* (Liverpool: University of Liverpool, 1973).

25. E. G. Ferris, "National Political Support for Regional Integration: the Andean Pact," *International Organization*, Vol. 33, No. 1 (Winter 1979), pp. 83-104.

26. For reports on Foreign Minister Malik's visit, see *The Guardian* (Rangoon), May 25 and 26, 1967. Detailed discussion of the Burmese position on the ASEAN question can be obtained from Kathryn E. Rafferty, *Burma and Southeast Asian Regionalism* (McLean, Virginia: Research Analysis Corporation, July, 1969).

27. The Cambodian press praised its government's decision not to join the proposed ASEAN as a very intelligent move, and charged the proposed association as a group closely associated with American imperialism. See *La Nouvelle Dépêche*, May 22, 26, and 27, 1967. See also Bernard Gordon and A. Cyr, *Cambodia and Southeast Asian Regionalism* (McLean, Virginia: Research Analysis Corporation, July 1969).

28. For more detail of the various regional organizations in Asia, see Somsakdi Xuto, *Regional Cooperation in Southeast Asia: Problems, Possibilities and prospects* (1st ed.: Bangkok: Chulalongkorn University, 1973).
29. See editorial of *The Straits Times* (Singapore), May 23, 1967; and *The Bangkok Post*, May 24, 1967.
30. Reported in *The Bangkok Post*, August 4, 1967.
31. Hans H, Indorf proposes and elaborates this view in his study, *ASEAN: Problems and Prospects*, Occasional Paper No. 38 (Singapore: Institute of Southeast Asian Studies, December 1975).
32. From the text of the Bangkok Declaration, August 8, 1967.
33. From the preambular section, the Bangkok Declaration, August 8, 1967. It is interesting to note that there is not a single word of “political” mentioned in the whole text.
34. From the text of the Declaration of ASEAN Concord, Bali, February 24, 1976. Emphasis added.
35. Paragraph F 2 of the Program of Action, the Declaration of ASEAN Concord, February 24, 1976.

NOTES TO CHAPTER THREE

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1. See, for example, H. Kitamura, "Economic Development and Regional Cooperation in Southeast Asia," *Economic Bulletin for Asia and the Far East*, Vol. 20, No. 2 (September 1969), pp. 1-8.
2. Far Eastern Economic Review, *Asia 1977 Yearbook* (Hong Kong: Far Eastern Economic Review, 1977), p. 78.
3. Ernst Haas and Philippe Schmitter, "Economic and Differential Patterns of Political Integration: Projections about Unity in Latin America," *International Organization*, Vol. 18, No. 4 (Autumn 1964), pp. 705-737.
4. See Bela Balassa's article in M. S. Wionczek, ed., *Economic Cooperation in Latin America, Africa, and Asia* (Cambridge, Massachusetts: M.I.T. Press, 1969), p. 31.
5. Joseph S. Nye, Jr., "Comparative Regional Integration: Concept and Measurement," *International Organization*, Vol. 22, No. 4 (Autumn 1968), p. 861. Emphasis added.
6. Address at the official opening of the Fifth ASEAN Ministerial Meeting, Singapore, April 13, 1972.
7. Institute for Latin American Integration, *The Latin American Integration Process in 1976* (Buenos Aires: Inter-American Development Bank, 1977), pp. 24-25.
8. "The Association of Southeast Asian Nations," *Bangkok Bank Monthly Review*, Vol. 18, No. 4 (April 1977), p. 159.
9. J. Panglaykim, "Indonesia's Economic and Business Relations with Other ASEAN Countries," *The Indonesian Quarterly*, Vol. 4, No. 2, 3, and 4, special issue (1976), p. 53.
10. Far Eastern Economic Review, *Asia 1977 Yearbook*, p. 76.
11. This "ASEAN Joint Fund" was established by an agreement at the Third Ministerial Meeting, signed on December 17, 1969.
12. The number is given by a senior Thai official, interview, Ministry of Foreign Affairs, Bangkok, January 1978.

13. The number is obtained from the letter No. 709/06/77 of the ASEAN Secretariat to the Thai Embassy in Jakarta, shown to me by a Thai official. Interview, Ministry of Foreign Affairs, Bangkok, January 1978.
14. United Nations/ECAFE, *Economic Cooperation among Member Countries of the ASEAN*. Report of a UN team. Later published in *Journal of Development Planning*, No. 7 (1974). Discussions concerning the report are presented in detail in Dick Wilson, "Economic Cooperation within ASEAN," *Pacific Community*, Vol. 5, No. 1 (October 1973), pp. 80-96.
15. Ernst B. Haas, *The Obsolescence of Regional Integration Theory* (Berkeley: Institute of International Studies, University of California, 1975), p. 10.
16. His message to the first ASEAN Public Relations Congress, Manila, March 18, 1978.
17. *Far Eastern Economic Review*, Vol. 91, No. 12 (March 19, 1976), p. 67.
18. *The Indonesian Times*, February 21, 1978.
19. *The Straits Times* (Singapore), March 1, 1978.
20. Joint Standing Committee on Commerce and Industry, sponsor, *ASEAN-CCI Souvenir Programme: Sixth Council Meeting, March 28-30, 1977* (Bangkok: Business Information and Research Co., 1977), p. 19.
21. *Far Eastern Economic Review*, Vol. 95, No. 12 (March 25, 1977). P. 50.
22. *The Indonesian Times*, February 22, 1978.
23. Reported in *Far Eastern Economic Review*, Vol. 97, No. 33 (August 19, 1977), p. 28.
24. *The New Straits Times* (Malaysia), January 14, 1978.
25. *The New Straits Times* (Malaysia), February 18, 1978.
26. *The Straits Times* (Singapore), January 18, 1978.
27. *The Nation* (Bangkok), January 23, 1978.
28. Reported in *Far Eastern Economic Review*, Vol. 100, No. 17

(April 28, 1978), p. 41.

29. For the individual member's views of free trade, see for example, Phitaya Smutrakalin and Phisit Setthawong, *ASEAN Free Trade: Thailand's Position* (Bangkok: The Economic Cooperation Center for the Asian and Pacific Region (ECOCEN), 1976); and D. Joesoef, "Some Thoughts on Free Trade," *The Indonesian Quarterly*, Vol. 4, No. 2, 3, 4, special issue (1976), pp. 78-91.

30. *Far Eastern Economic Review*, Vol. 91, No. 4 (January 23, 1976), p. 51.

31. From *Joint Communiqué*, Meeting of ASEAN Economic Planning Ministers, Jakarta, January 1976.

32. *Far Eastern Economic Review*, Vol. 91, No. 5 (January 30, 1976), p. 48.

33. *Far Eastern Economic Review*, Vol. 91, No. 13 (March 26, 1976), p. 28.

34. *Far Eastern Economic Review*, Vol. 91, No. 11 (March 12, 1976), p. 45.

35. Shee Poon-Kim, "A Decade of ASEAN: 1967-1977," *Asian Survey*, Vol. 17, No. 8 (August 1977), p. 762; and *Far Eastern Economic Review*, Vol. 95, No. 4 (January 28, 1977), p. 7.

36. Quoted in *Far Eastern Economic Review*, Vol. 95, No. 7 (February 18, 1977), p. 26.

37. For some criticism in Thailand with regard to this agreement, see "Intra-ASEAN Trade: Thailand-Singapore," *Thailand's Profile*, April 1977, p. 80.

38. "ASEAN's Move Towards Freer Trade," *Malaysian Digest*, Vol. 9, No. 4 (February 28, 1977), p. 3.

39. Quoted in *The Indonesian Observer*, March 3, 1977.

40. Reported in *Far Eastern Economic Review*, Vol. 97, No. 27 (July 8, 1977), p. 56.

41. The ASEAN Secretariat, *ASEAN Relations with Third Countries, Groups of Countries, and International Organizations*, Mimeograph (Jakarta: The ASEAN Secretariat, December 1977), p. 9.

The author is indebted to Mrs. Wallaya Pura, Public Information Assistant at the ASEAN Secretariat, for materials prepared by the ASEAN Secretariat.

42. See, "Musa Heads ASEAN Mission to Save Tin Agreement," *Malaysian Digest*, Vol. 9, No. 4 (February 28, 1977), p. 7.

43. For example, the ASEAN Secretariat, *ASEAN Relations with Third Countries*; and the ASEAN Standing Committee, *Annual Report*, presented to the Tenth ASEAN Ministerial Meeting, Singapore, July 5-8, 1977, pp. 26-59.

44. *Far Eastern Economic Review*, Vol. 97, No. 27 (July 8, 1978), p. 55.

45. *Ibid.*, p. 55.

46. The ASEAN Standing Committee, *Annual Report*, 1977, pp. 30-31.

47. The ASEAN Secretariat, *Activities and Achievements in the Economic Field*, Mimeograph (Jakarta: The ASEAN Secretariat, 1977), pp. 6-7.

48. *Far Eastern Economic Review*, Vol. 93, No. 30 (July 23, 1976), p. 39.

49. "The Association of Southeast Asian Nations," *Bangkok Bank Monthly Review*, pp. 159-160.

50. Cited in *Far Eastern Economic Review*, Vol. 97, No. 33 (August 19, 1977), p. 29.

51. See, *Joint Communiqué*, the Fourth ASEAN Ministerial Meeting, Manila, 1971.

52. Welcoming speech, delivered at the Sixth Council Meeting of ASEAN-CCI, Bangkok, March 28, 1977.

53. "ASEAN Private Sector: An Interview with Srirote Ungsuwatana," a radio broadcast program (in Thai), Radio of Thailand, January 28, 1978.

54. Reported in *The Nation* (Bangkok), February 2, 1978.

55. Details of some clubs are presented in "Industry Club's Situationer," *ASEAN-CCI Souvenir Programme*, pp. 29-36; see

also *Far Eastern Economic Review*, Vol. 96, No. 21 (May 27, 1977), p. 37.

56. "A Position Paper on ASEAN Shipping," in *ASEAN-CCI Souvenir Programme*, pp. 38-39. It is interesting to note that ASEAN's merchant fleet is very small, covering only 1.4% of the total world shipping tonnage.

57. *Far Eastern Economic Review*, Vol. 93, No. 30 (July 23, 1976), p. 39.

58. *Far Eastern Economic Review*, Vol. 94, No. 38 (September 17, 1976), pp. 101-102.

59. *The Nation* (Bangkok), January 23, 1978.

60. It is important to note at the outset that the discussion of general problems in this chapter will be limited strictly to the economic field. Of course, there are a number of problems that have indirect impact on ASEAN's economic integration i.e. the conflict of national interest, differences in national objectives, and structural problems. They will be analyzed later in other parts.

61. "The Association of Southeast Asia Nations," *Bangkok Bank Monthly Review*, p. 157.

62. *Far Eastern Economic Review*, Vol. 97, No. 35 (September 2, 1977), p. 13.

63. Reported in *Far Eastern Economic Review*, Vol. 97, No. 32 (August 12, 1977), p. 8.

64. See, for example, Charles Draper, *Private Foreign Investment in ASEAN: A Study of Trends, Policies, Incentives and Impediments to Incorporating* (Bangkok: ECOCEN, 1974), pp. 182-183.

65. *The Straits Times* (Singapore), February 28, 1978.

NOTES TO CHAPTER FOUR

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1. Joseph S. Nye, Jr., "Comparative Regional Integration: Concept and Measurement," *International Organization*, Vol. 22, No. 4 (Autumn 1968), pp. 862-864. For an outstanding discussion on transactions versus regional integration, see Donald J. Puchala, "International Transactions and Regional Integration," in Leon N. Lindberg and Stuart A. Scheingold, eds., *Regional Integration: Theory and Research* (Cambridge, Massachusetts: Harvard University Press, 1971), pp. 128-159.
2. UNESCO, *Statistics of Students Abroad, 1969-1973*, Study No. 21 (Paris: UNESCO Workshops, 1976).
3. *Ibid.*, p. 9.
4. For more details, see ASEAN Secretariat, *The Socio-Cultural Dimension of ASEAN*, Mimeograph (Jakarta: The ASEAN Secretariat, 1977).
5. For more details, see *Singapore Bulletin*, Vol. 5, No. 4 (December 1976), p. 10; and *ASEAN News*, 1/1978, a publication of the Office of Director-General, ASEAN – THAILAND, Ministry of Foreign Affairs (Thailand), pp. 51-52.
6. Reported in *Singapore Bulletin*, Vol. 4, No. 12 (August 1976), p. 11.
7. *The Straits Times* (Singapore), March 1, 1978.
8. See, *Joint Communiqué*, the Meeting of ASEAN Ministers Responsible for Social Welfare, Jakarta, Indonesia, July 18-19, 1977.
9. *The Asian Student*, Vol. 26, No. 14, April 8, 1978.
10. *The Indonesian Times*, February 23 and 24, 1978.
11. Far Eastern Economic Review, *Asia 1975 Yearbook* (Hong Kong: Far Eastern Economic Review, 1975), p. 65.
12. *Singapore Bulletin*, Vol. 4, No. 12 (August 1976), p. 10.
13. Reported in *Thai News Weekly* (in Thai), December 22, 1978,

p. 6. This is a publication of the Office of the Public Relations Attaché, The Royal Thai Embassy, Washington, D.C.; and *The Philippine Daily Express*, January 25, 1978.

14. For more information on ASEAN tourism, see "ASEAN's Cooperative Projects in Tourism," *ASEAN Journal*, 10th Anniversary Commemorative Issue, Vol. 2, No. 4 (November 1977), pp. 27-31.

15. *The Philippine Daily Express*, January 24, 1978.

16. *Singapore Bulletin*, Vol. 4, No. 4 (December 1975), p. 10; and *News Bulletin* (Bangkok), No. 12/ 1977, September 1977, p. 10.

This is a publication of Thailand's Ministry of Foreign Affairs.

17. Involvement of regional interest groups is always considered by several theorists as an important factor leading to integration among developed countries. In less developed or developing countries, these groups remain a weak force without effective power to influence regional decision-makers. See Joseph S. Nye, Jr., "Comparing Common Markets: A Revised Neo-Functional-ist Model," in Lindberg and Scheingold, eds. *Regional Integration*, pp. 205-206; Joseph S. Nye, Jr., *Pan-Africanism and East African Integration* (Cambridge, Massachusetts: Harvard University Press, 1965), Chapter I; and James D. Cochrane, *The Politics of Regional Integration: The Central American Case* (New Orleans: Tulane University Press, 1969), Chapter IV.

NOTES TO CHAPTER FIVE

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1. Joseph S. Nye, Jr., "Comparative Regional Integration: Concept and Measurement," *International Organization*, Vol. 22, No. 4 (Autumn 1968), pp. 866-867.
2. ASEAN Secretariat's letter No. 709/06/77 to the Thai Embassy in Jakarta, shown to the author by a senior Thai official. Interview, Ministry of Foreign Affairs, Bangkok, January 1978.
3. Interview, the ASEAN Secretariat, Jakarta, February 22, 1978.
4. See reports in *The Nation* (Bangkok), January 26, 1978; and *Far Eastern Economic Review*, February 24, 1978, pp. 14-15.
5. William Coplin, *The Functions of International Law* (Chicago: Rand McNally, 1966), p. 166; also cited in Nye, "Comparative Regional Integration," pp. 867-868.
6. More analyses of ASEAN's decision-making process will be presented in the next chapter.
7. See Chapter III, pp. 62-63.
8. For a succinct comparison of institutions in regional integration attempts among developing countries, see UNCTAD, *Current Problems of Economic Integration: The Role of Institutions in Regional Integration Among Developing Countries* (New York: United Nations, 1974).
9. See a brief note on the economic committees written by Philippine Secretary of Industry, Vincente T. Paterno, "ASEAN: Problems and Prospects – A Southeast Asian View," in Center for Strategic and International Studies (CSIS), sponsor, *Southeast Asia and the World of Tomorrow* (Jakarta: CSIS, 1977), p. 303.
10. Since the main concern in this chapter is political cooperation, only policies relating to political and security matters will be presented here. Discussions of economic and social policies have already been brought up in the previous chapters. See pp. 57-72, and 93-97.

11. See his opening speech at the Second Meeting of ASEAN Economic Ministers, Kuala Lumpur, March 8-9, 1976.
12. *Far Eastern Economic Review*, Vol. 95, No. 4 (January 28, 1977), pp. 9-10.
13. *The Straits Times* (Singapore), February 27, 1978. For the Indochinese States' reactions to these joint operations, see Donald E. Weatherbee, "US Policy and the Two Southeast Asias," *Asian Survey*, Vol. 18, No. 4 (April 1978), pp. 418-419.
14. For more discussions of such arrangements, see for example Robert A. Scalapino, "ASEAN: Problems and Prospects – An American View," in CSIS, sponsor, *Southeast Asia and the World of Tomorrow*, pp. 333-335; Lau Teik Soon, "ASEAN and the Bali Summit," *Pacific Community*, Vol. 7, No. 4 (July 1976), pp. 73-74; Shee Poon-Kim, "A Decade of ASEAN, 1967-1977," *Asian Survey*, Vol. 17, No. 8 (August 1977), pp. 760-761; and Ali Moertopo, "Political, Economic and Strategic Developments of Southeast Asia with Particular Emphasis on the Future of ASEAN," *The Indonesian Quarterly*, Vol. 4, No. 2, 3, 4 (1976), pp. 26-27.
15. See Adam Malik's view in his interview with David Jenkins in *Far Eastern Economic Review*, Vol. 96, No. 23 (June 10, 1977), p. 37.
16. Reported in *Far Eastern Economic Review*, Vol. 94, No. 52 (December 24, 1976). P. 8.
17. *Far Eastern Economic Review*, Vol. 95, No. 11 (March 18, 1977), p. 13.
18. As early as 1968, ASEAN leaders began to express this feeling. See, for example, Thanat Khoman, "A Policy of Regional Cooperation," *Foreign Affairs Bulletin* (Bangkok), Vol. 8, No. 1 (August-September, 1968), pp. 2-3.
19. Shee Poon-Kim, "A Decade of ASEAN," p. 767.
20. For example, after his visit to ASEAN neighbors, Thai Premier Kukrit Pramoj told newsmen of his and other ASE-

AN leaders' feeling that ASEAN should act in unison. See *The Bangkok Post*, July 22, 1975.

21. For detailed analyses of the neutralization of Southeast Asia, see Ruslan Abdulgani, *Problems of Neutralization and Regional Cooperation in Southeast Asia* (Bedford Park: Flinders University of South Asia, 1972); Marvin C. Ott, *The Neutralization of Southeast Asia: An Analysis of the Malaysian/ASEAN Proposal*, Papers in International Studies, Southeast Asian Series No. 33 (Athens, Ohio: Ohio University Center for International Studies, 1974); Sheldon W. Simon, *Asia Neutralization and United States Policy* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1975); A. W. Stargardt, *Problems of Neutrality in Southeast Asia: The Relevance of the European Experience* (Singapore: Institute of Southeast Asian studies – ISEAS, 1972); and Dick Wilson, *The Neutralization of Southeast Asia* (New York: Praeger, 1975).

22. See, for example, the final communiqué of the two ASEAN Summits.

23. *The Bangkok Post*, July 10, 1972; see also Justus M. van der Kroef, "ASEAN's Security Needs and Policies," *Pacific Affairs*, Vol. 47, No. 2 (Summer 1974), p. 167.

24. The proposal has been seen by many as the only prudent policy for ASEAN as ASEAN. For example, former Philippine Foreign Secretary Salvador Lopez was quoted to this effect in *The Sunday Times* (Singapore), January 8, 1978. See also A. Doak Barnett, "The Future of US Role in East and Southeast Asia," *Pacific Community*, Vol. 8, No. 3 (April 1977), pp. 409-410; Alexander Woodside, "Progress, Stability, and Peace in Mainland Southeast Asia," in Donald C. Hellmann, ed., *Southeast Asia: The Politics of Poverty and Peace* (Massachusetts: D.C. Heath & Company, 1976), p. 179.

25. See interviews with Thanat Khoman by John McBeth in *Asiaweek*, August 5, 1977, p. 14.

26. *Final Communiqué*, the Second ASEAN Summit, Kuala Lumpur, August 1977.

27. For details see, for example, Joseph Camilleri, *Southeast Asia in China's Foreign Policy* (Singapore: ISEAS, 1975); Justus M. van der Kroef, "The Malaysian Formula: Model for Future Sino-Southeast Asian Relation?," *Asia Quarterly*, No. 4 (1974), pp. 311-336; Khaw Guat Hoon, *An Analysis of China's Attitudes Towards ASEAN, 1967-1976* (Singapore: ISEAS, 1977); and Jay Taylor, *China and Southeast Asia: Peking's Relations with Revolutionary Movements* (2nd ed.; New York: Praeger, 1976).

28. It is interesting to note that Singapore leaders have said that Singapore will be the last ASEAN country to establish relations with China. See *Far Eastern Economic Review*, Vol. 101, No. 37 (September 15, 1978), p. 21.

Another interesting point to note is that during this visit, Lee Kuan Yew insisted on using English in official meetings and speeches. This means that both Singaporeans and the Chinese on the mainland are now on the record not only as separate political but also separate cultural entities.

29. See, for example, reasons given by Indonesian Foreign Minister Mochtar Kusumaatmadja in *The Sunday Times* (Singapore), February 28, 1978.

30. Quoted in *Far Eastern Economic Review*, Vol. 95, No. 7 (February 18, 1977), p. 25.

31. For the full text, see *ASEAN: Treaties, Agreements and Joint Communiqué* (Bangkok: Ministry of Foreign Affairs (Thailand), 1977), p. 49.

32. Llewellyn Howell, Jr., "Attitudinal Distance in Southeast Asia: Social and Political Ingredients in Integration," *Southeast Asia*, Vol. 3, No. 1 (Winter 1974), pp. 577-605; and Estrella D. Solidum, *Towards a Southeast Asia Community* (Quezon City: University of the Philippines Press, 1974).

33. See Karl W. Deutsch and R. L. Merritt, "Effects of Events

on National and International Images,” and I. L. Janis and M. B. Smith, “Effects of Education and Persuasion on National and International Images,” in H. C. Kelman, ed., *International Behavior: A Social-Psychological Analysis* (New York: Holt, Rinehart & Winston, 1965), pp. 132-187, and 190-235, respectively; and Stuart Oskamp, *Attitudes and Opinions* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1977), pp. 313-315. For discussions of the role of public opinion in European integration, see Ronald Inglehart, “Public Opinion and Regional Integration, in Leon N. Lindberg and Stuart A. Scheingold, eds., *Regional Integration: Theory and Research* (Cambridge, Massachusetts: Harvard University Press, 1971), p. 315.

34. See Chapter IV, pp. 94-97.

35. Solidum, *Towards a Southeast Asia Community*, p. 203.

36. Quoted in *Far Eastern Economic Review*, Vol. 95, No. 7 (February 18, 1977), p. 25.

37. Karl W. Deutsch, and others, *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton, New Jersey: Princeton University Press, 1957), p. 3. Emphasis in original.

38. The Sabah issue is an extraordinarily complicated matter from the point of view of linguistics, ethnicity, history, and international law. For an excellent analysis of the problem, see Bernard K. Gordon, *The Dimensions of Conflict in Southeast Asia* (Englewood Cliffs: New Jersey: Prentice-Hall, Inc., 1966), pp. 9-40. See also M. O. Ariff, *The Philippines' Claim to Sabah: Its Historical, Legal and Political Implications* (Singapore & Kuala Lumpur: Oxford University Press, 1970); Lela Garner Noble, “The National Interest and the National Image: Philippine Policy in Asia,” *Asian Survey*, Vol. 13, No. 6 (June 1973), pp. 560-576; and Lela Garner Noble, “Ethnicity and Philippine-Malaysian Relations,” *Asian Survey*, Vol. 15, No. 5 (May 1975), pp. 453-472.

39. Noble, “Ethnicity and Philippine-Malaysian Relations,” pp. 454-455.

40. *Ibid.*, pp. 454-455.

41. In fact, Kuala Lumpur could do little if it wanted to put pressure on Tun Mustapha. He was very popular in Sabah and Kuala Lumpur needed the support from his political party.

42. Opening statement, the Second ASEAN Summit, Kuala Lumpur, August 4-8, 1977.

43. For example, strong opposition to such a move came from former President Macapagal, who initiated the claim when he was in power. Reported in *Far Eastern Economic Review*, Vol. 97, No. 33 (August 19, 1978), pp. 20-21.

44. *Ibid.*, p. 21.

45. For detailed analysis of the situation, see Gordon, *The Dimensions of Conflict in Southeast Asia*, pp. 68-79.

46. See *Far Eastern Economic Review*, Vol. 93, No. 32 (August 6, 1976), p. 58.

47. *Ibid.*, p. 58; see also *Asian Research Bulletin* (Singapore), pp. 1830-1831.

48. Wilson, *The Neutralization of Southeast Asia*, p. 80.

49. For discussions of the Straits with regard to prospects of ASEAN cooperation, see Peter Polomka, *ASEAN and the Law of the Sea: A Preliminary Look at the Prospects of Regional Cooperation* (Singapore: ISEAS, 1975); K.E. Shaw and George G. Thomson, *The Straits of Malacca: In Relation to the Problem of the Indian and Pacific Oceans* (Singapore: University Education Press, 1973); and M. Pathmanathan, "The Straits of Malacca: A Basis for Conflict or Cooperation?," in Lau Teik Soon, ed., *New Directions in the International Relations of Southeast Asia* (Singapore: Singapore University Press, 1973), pp. 186-196.

50. Reported in *Far Eastern Economic Review*, Vol. 93, No. 35 (August 27, 1976), p. 60.

51. *The Bangkok Post*, May 4, and June 4, 1976. For an interesting study of the Malaysian Communists versus Thai-Malaysian Relations, see M. Ladd Thomas, "The Malayan Communist

Insurgents and Thai-Malaysian Relations,” *Asian Affairs*, Vol. 4, No. 6 (July/August 1977), pp. 371-384.

52. For more details of the incident, see *The Bangkok Post* and *The New Straits Times* (Kuala Lumpur), May 4-6, 1976.

53. See *Far Eastern Economic Review*, Vol. 93, No. 32 (August 6, 1976), pp. 26-27, and Vol. 93, No. 35 (August 27, 1976), pp. 33-35.

54. The necessity of communications among ASEAN members is emphasized by many people as an important strategy for ASEAN. See, for example, Lau Teik Soon, “ASEAN and the Future of Regionalism,” in Lau Teik Soon, ed., *New Directions in the International Relations of Southeast Asia*, pp. 165-172.

55. Jusuf Wanandi, “Politico-Security Dimensions of Southeast Asia,” *Asian Survey*, Vol. 17, No. 8 (August 1977), p. 789.

56. Articles 13 to 17 of the ASEAN Treaty of Amity and Cooperation (1976).

57. For details of the Timor issue, see Robert Lawless, “The Indonesian Take-over of East Timor,” *Asian Survey*, Vol. 16, No. 10 (October 1976), pp. 948-964.

58. This is the term used by Singapore Minister of State, Lee Khoo Choy. Cited in *Singapore Bulletin*, Vol. 4, No. 5 (January 1976), p. 1.

59. Cited in Sompong Sucharitkul, “Intraregional Economic Relations in Southeast Asia,” in Centre d’Etude du Sud-Est Asiatique et de l’Extrême Orient, ed. *The Economic Future of the Far East and Southeast Asia* (Bruxelles: Centre d’Etude du Sud-Est Asiatique et de l’Extrême Orient, 1973), p. 139.

60. Reported in *The Straits Times* (Singapore), June 15, 1978. See also his opening speech, the Eleventh ASEAN Foreign Ministers’ Conference, Pattaya, Thailand, June 14, 1978.

NOTES TO CHAPTER SIX

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1. Joseph S. Nye, Jr., "Comparing Common Markets: A Revised Neo-Functionalist Model," in Leon N. Lindberg and Stuart A. Scheingold, eds., *Regional Integration: Theory and Research* (Cambridge, Massachusetts: Harvard University Press, 1971), p. 210.
2. These numbers are obtained or calculated from United Nations, *United Nations 1977 Statistical Yearbook* (New York: United Nations, 1978).
3. Calculated from Far Eastern Economic Review, *Asia 1977 Yearbook* (Hong Kong: Far Eastern Economic Review, 1977); and United Nations, *United Nations 1975 Statistical Yearbook* (New York: United Nations, 1976).
4. Bruce M. Russett, *International Regions and the International System: A Study in Political Ecology* (Chicago: Rand McNally & Co., 1967), p. 21; also cited in Nye, "Comparing Common Markets," in Lindberg and Scheingold, eds., *Regional Integration*, p. 210.
5. Nye, "Comparing Common Markets," and Philippe C. Schmitter. "A Revised Theory of Regional Integration," in Lindberg and Scheingold, eds., *Regional Integration*, pp. 213, and 247, 253, respectively.
6. Pluralism is considered by neo-functionalist theorists as an essential component for integration in Europe.
7. Ross Prizzia, "The Labor Movement in Thailand: A Brief Overview," *Asia Quarterly: A Journal from Europe*, No. 2 (1978), pp. 94-95; see also Bevars D. Mabry, "The Thai Labor Movement," *Asian Survey*, Vol. 17, No. 10 (October 1977), p. 948.
8. Singapore, for example, has been extremely careful in preserving the fabric of racial harmony. When two opposition candidates accused the ruling party of initiating discriminating measures against Chinese education in 1976 during election campaigns,

the government moved quickly against them and accused them of stirring up “communal and chauvinistic emotions” among the Chinese speaking community. See Shee Poon-Kim, “Singapore in 1977: Stability and Growth,” *Asian Survey*, Vol. 18, No. 2 (February 1978), p. 196. For discussion of the measures taken by the Philippine government, see for example, Robert L. Youngblood, “Church Opposition to Martial Law in the Philippines,” *Asian Survey*, Vol. 18, No. 5 (May 1978), pp. 505-520; and Lela Garner Noble, “Emergency Politics in the Philippines,” *Asian Survey*, Vol. 18, No. 4 (April 1978), pp. 350-362.

9. Joseph LaPalombara, ed., *Bureaucracy and Political Development* (Princeton, New Jersey: Princeton University Press, 1963), pp. 23-25.

10. For more descriptions of bureaucratic polity, see Fred W. Riggs, *Thailand: The Modernization of a Bureaucratic Polity* (Honolulu: East-West Center Press, 1966), pp. 310-396; Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968), pp. 78-92; and Samuel P. Huntington and Joan M. Nelson, *No Easy Choice: Political Participation in Developing Countries* (Cambridge, Massachusetts: Harvard University Press, 1976).

11. Karl D. Jackson, “Bureaucratic Polity: A Theoretical Framework for the Analysis of Power and Communications in Indonesia,” in Karl D. Jackson and Lucian W. Pye, eds., *Political Power and Communication in Indonesia* (Berkeley: University of California Press, 1978), pp. 3-22; and Riggs, *Thailand*.

For more analyses of bureaucratic involvement in Thai politics, see Thawatt Mokarapong, *History of the Thai Revolution: A Study in Political Behavior* (Bangkok: Sivaporn Press, 1972); David A. Wilson, *Politics in Thailand* (Ithaca: Cornell University Press, 1962); and Kamol Somvichian, “The Oyster and the Shell: Thai Bureaucrats in Politics,” *Asian Survey*, Vol. 18, No. 8 (August 1978), pp. 829-837.

12. Far Eastern Economic Review, *Asia 1975 Yearbook* (Hong Kong: Far Eastern Economic Review, 1975), p. 65.
13. For more discussion of de Gaulle's role vis-à-vis Western European integration, see Ronald Inglehart, "Public Opinion and Regional Integration," in Lindberg and Scheingold, eds., *Regional Integration*, pp. 173-178.
14. Robert D. Bond, "Regionalism in Latin America: Prospects for the Latin American Economic System," *International Organization*, Vol. 32, No. 2 (Spring 1978), pp. 407-408.
15. Interview, Ministry of Foreign Affairs, Singapore, February 27, 1978.
16. Far Eastern Economic Review, *Asia 1975 Yearbook*, p. 65.
17. Interview, The Embassy of the Philippines, Bangkok, February 10, 1978.
18. When the latest Thai experiment with democracy ended in October 1976, leaders in ASEAN capitals seemed to be satisfied with the development. As one source suggests, this ASEAN satisfaction "stems from the widespread belief that Thai democracy is nothing more than the occasional pause between bouts of martial law, and that a military-dominated government offers the best prospects for stability." See *Far Eastern Economic Review*, Vol. 94, No. 43 (October 22, 1976), p. 24.

On the question of stability in Southeast Asia, see Frank N. Trager and William L. Scully, "Domestic Instability in South-east Asia," *Orbis*, Vol. 19, No. 3 (Fall 1975), pp. 971-998.
19. Ernst B. Haas, "The Challenge of Regionalism," in Stanley Hoffman, ed., *Contemporary Theory in International Relations* (Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1961), p. 236.
20. Interview, Ministry of Foreign Affairs, Kuala Lumpur, March 2, 1978.
21. *Ibid.* The divide and rule policy of the colonial powers was often claimed by ASEAN leaders as being responsible for their estranged relationships in the past. See the statement of Philip-

- pine Foreign Secretary Carlos Romulo in *Far Eastern Economic Review*, Vol. 95, No. 7 (February 18, 1977) p. 25.
22. Interview with John McBeth in "Thanat Looks Back," *Asiaweek*, August 5, 1977, p. 14.
23. He was Minister of Justice before being appointed to the Foreign Ministry.
24. Interview, conducted in Southeast Asia, February-March, 1978.
25. Nye, "Comparing Common Markets," in Lindberg and Scheingold, eds., *Regional Integration*, p. 204.
26. As it happened in East Africa in 1963, *Ibid.*, p. 204.
27. General Moertopo is a prominent strategist of Indonesia. He once served as advisor to President Suharto. See Ali Moertopo, *Indonesia in Regional and International Cooperation: Principles of Implementation and Construction* (Jakarta: Center for Strategic and International Studies – CSIS, 1973), p. 3. For an excellent review of Indonesian writing on regional foreign policy, see D. G. McCloud, "Indonesian Foreign Policy in Southeast Asia: A Study of the Patterns of Behavior" (Ph. D. Dissertation, University of South Carolina, 1974).
28. Speech at the Fourth ASEAN Ministerial Meeting, Manila, March 12, 1971.
29. Hans H. Indorf, *ASEAN: Problems and Prospects*, Occasional Paper No., 38 (Singapore: Institute of Southeast Asian Studies, December 1975), p. 5.
30. The absence of clearly stated strategies not only poses a problem for scholars of ASEAN, but also creates difficulties for ASEAN planners and policy-makers as well. As Indorf suggests, the lack of an unequivocal expression of national intent concerning ASEAN causes ASEAN planners to get "caught in the unnecessary dilemma of demonstrating allegiance to regionalism while laboring to satisfy national priorities. It is an unnecessary dilemma because the choice should not only

be unmistakably clear but also openly stated as the motivation for cooperation." See *Ibid.*, p. 5. This helps explain one of the reasons why it takes a long time for ASEAN to come up with proposals for any specific programs.

31. For more discussion, see Joseph S. Nye, Jr., "Comparative Regional Integration: Concept and Measurement," *International Organization*, Vol. 22, No. 4 (Autumn 1968), pp. 865-866, and 874-880.

32. Reported in *Far Eastern Economic Review*, Vol. 91, No. 8 (February 20, 1976), p. 28.

33. *Far Eastern Economic Review*, Vol. 95, No. 7 (February 18, 1977), p. 33.

34. See *Far Eastern Economic Review*, Vol. 91, No. 9 (February 27, 1976, p. 25; and Vol. 91, No. 6 (February 6, 1976), p. 18.

35. S Rajaratnam, "Dyason Memorial Lectures," *Australia Outlook*, Vol. 27, No. 3 (December 1973), p. 260.

36. For his speech, see *The Mirror* (Singapore), Vol. 14, No. 50 (December 11, 1978), pp. 1 and 8.

37. Rajaratnam, "Dyason Memorial Lectures," p. 260.

38. See Programme of Action, Section C. and D. in Declaration of ASEAN Concord (1976).

39. Programme of Action, Section A., Declaration of ASEAN Concord.

40. For discussions of the origin of this concept, see Justus M. van der Kroef, "Indonesia: Strategic Perceptions and Foreign Policy," *Asian Affairs*, Vol. 2, No. 3 (January/February 1975), pp. 161-163.

41. This definition came from a February 1977 ASEAN symposium on national resilience. Quoted in Donald E. Weatherbee, "US Policy and the Two Southeast Asias," *Asian Survey*, Vol. 18, No. 4 (April 1978), pp. 418-419.

42. President Suharto, Address at the Opening of the Conference on Regionalism in Southeast Asia, Jakarta, October 22, 1974.

Full text is printed in CSIS, sponsor, *Regionalism in Southeast Asia* (Jakarta: CSIS, 1975), pp. 3-10.

43. Tan Sri Muhammad Ghazali bin Shafie, "International Developments in the Southeast Asian Countries," in CSIS, sponsor, *Southeast Asia and the World of Tomorrow* (Jakarta: CSIS, 1977), p. 237.

44. Adam Malik, "Djakarta Conference and Asia's Political Future," *Pacific Community*, Vol. 2, No. 1 (October 1970), p. 73.

45. Speech at the Second ASEAN Ministerial Meeting, Jakarta, August 6, 1969.

46. Opening speech, The Eighth ASEAN Ministerial Meeting, Kuala Lumpur, May 13, 1975.

47. See his Chinese New Year speech in *The Straits Times* (Singapore), February 18, 1977.

48. Malik, "Djakarta Conference," p. 73.

49. See pages 105-108.

50. Interview, ASEAN Central Secretariat, Jakarta, February 22, 1978. It is ironic that despite this kind of institutional profusion, some ASEAN leaders still complain that the organizational machinery of ASEAN is still inadequate to "keep pace with ASEAN's rapid growth and progress." See the view made by Indonesian Foreign Minister Mochtar Kusumaatmadja, reported in *The Straits Times* (Singapore), June 15, 1978.

51. Discussions for this point can be found in Indorf, *ASEAN*, p. 23; and Arnfinn Jorgensen-Dahl, "ASEAN 1967-1976: Development or Stagnation?," *Pacific Community*, Vol. 7, No. 4 (July 1976), pp. 527-528.

52. Indorf, *ASEAN*, p. 23.

53. This fact led Malaysian Prime Minister to refer to ASEAN as "the exclusive club of foreign ministers," *Ibid.*, p. 32.

54. Herbert Feith, *The Decline of Constitution Democracy in Indonesia* (Ithaca: Cornell University Press, 1962), p. 40. Quoted in Jorgensen-Dahl, "ASEAN 1967-1976," p. 529.

55. Estrella D. Solidum, "The Nature of Cooperation among the ASEAN States as Perceived through Elite Attitudes: A Factor of Regionalism" (Ph. D. Dissertation, University of Kentucky, 1970), p. 138. This was later published with the title of *Towards a Southeast Asia Community* (Quezon City: University of the Philippines Press, 1974).
56. Peter J. Boyce, "The Machinery of Southeast Asian Regional Diplomacy," in Lau Teik Soon, ed., *New Directions in the International Relations of Southeast Asia* (Singapore: Singapore University Press, 1973), p. 176.
57. See Jorgensen-Dahl, "ASEAN 1967-1976," p. 530.
58. *Ibid.*, p. 530.

NOTES TO CHAPTER SEVEN

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1. Far Eastern Economic Review, *Asia 1978 Yearbook* (Hong Kong: Far Eastern Economic Review, 1978), p. 73; see also TABLE VI, Direction of ASEAN Trade, p. 56.

For more general discussions of ASEAN-Japan relations, see Wayne T. Frank, *Japan and Southeast Asian Development* (Perth: Center for Asian Studies of the University of Western Australia, 1971); Shinichi Ichimura, *Japan's Stake in Asia* (Kyoto: Center for Southeast Asian Studies, Kyoto University, 1973); *Japanese Economic Influence in Southeast Asia*, Conference Papers (Kuala Lumpur: University of Malaya, 1970); and Raul S. Manglapus, *Japan in Southeast Asia: Collision Course* (New York: Carnegie Endowment for International Peace, 1976).

2. Far Eastern Economic Review, *Asia 1978 Yearbook* (Hong Kong: Far Eastern Economic Review, 1978), p. 73.

3. *Far Eastern Economic Review*, Vol. 92, No. 18 (April 30, 1976), p. 45.

4. The ASEAN Secretariat, *10 Years ASEAN* (Jakarta: The ASEAN Secretariat, 1978), p. 225; and The ASEAN Standing Committee, *Annual Report*, presented to the Tenth ASEAN Ministerial Meeting, Singapore, July 5-8, 1977, p. 36.

5. Cited in *Far Eastern Economic Review*, Vol. 95, No. 7 (February 18, 1977), p. 26.

6. Thousands of students demonstrated in Bangkok and in Kuala Lumpur against Premier Tanaka and the Japanese. However, the worst incident occurred in Jakarta where violent demonstrations broke out on the streets, involving perhaps 100,000 demonstrators in all; 11 people died, 807 vehicles (mainly Japanese cars and motorcycles) were burned, and 104 buildings were damaged. For a succinct account of the incident and its aftermaths, see Alvin D. Coox, "Chapter V: Japan and the Southeast Asian Config-

uration,” in Sudashan Chawla, and others, eds., *Southeast Asia Under the New Balance of Power* (New York: Praeger Publishers, 1974), pp. 84-86.

7. In fact, Japanese scholars themselves had anticipated such anti-Japanese reactions and urged Japanese companies to become more responsible to the host countries. See, for example, Tadashi Kawata, *Towards a New Sense of Economic Responsibility* (Tokyo: Institute of International Relations, Sophia University, 1972).

8. Reported in *Far Eastern Economic Review*, Vol. 95, No. 10 (March 11, 1977), p. 14; and also “Raja’s ‘Marshall Plan,’” *Asiaweek*, Vol. 3, No. 10 (March 11, 1977), p. 16.

9. In the joint communiqué at the end of the meeting between President Carter and Premier Fukuda, the two leaders reaffirmed that “the two countries are prepared to continue cooperation and assistance in support of the efforts of the ASEAN countries towards regional cohesion and development.”

10. It should be noted here that the immediate predecessor of Premier Fukuda (former Premier Takeo Miki) along with Australian Prime Minister Malcolm Fraser had earlier expressed their desire to attend the First ASEAN Summit in Bali in 1976. But the ASEAN foreign ministers decided that the Bali Summit should be limited only to the ASEAN countries.

11. Quoted in *Far Eastern Economic Review*, Vol. 92, No. 18 (April 30, 1976), p. 43.

12. Reported in *Ibid.*, Vol. 95, No. 11 (March 18, 1977), p. 15.

13. See joint statement of the Meeting between the ASEAN Heads of Government and the Prime Minister of Japan, Kuala Lumpur, August 5, 1977.

14. Since World War II, Fukuda’s speech has been the first Japanese comprehensive statement of Japan’s position towards Asia. This “Fukuda Doctrine” outlines the following principles: (a) Japanese rejection to the role of a military power; (b) relations characterized by “heartfelt commitment” and “spiritual

fulfillment" with ASEAN; (c) equal partnership in these Japan-ASEAN relations; and (d) relationships based on mutual understanding with the Indochinese states.

15. *Far Eastern Economic Review*, Vol. 102, No. 52 (December 29, 1978), p. 39.

16. *Ibid.*, Vol. 92, No. 24 (June 11, 1976), p. 79.

17. Quoted in *Ibid.*, Vol. 102, No. 52 (December 29, 1978), pp. 36-37.

18. For details, see the ASEAN Secretariat, *10 Years ASEAN*, pp. 221-223; and the ASEAN Standing Committee, *Annual Report* (July 1977), pp. 26-30.

19. *Far Eastern Economic Review*, Vol. 97, No. 38 (September 19, 1977), p. 124.

20. United States Secretary of State Cyrus Vance said in June 1977 that the United States would still maintain its commitments in the region. See *The New York Times*, June 30, 1977.

21. According to congressional requirements, the United States funds would have to be limited for human needs such as in the areas of agriculture, rural development, health, nutrition, education, and human resource development, but not for industrial projects.

22. For more details of the meetings, see *The New York Times*, August 5, 1978; and *Far Eastern Economic Review*, Vol. 101, No. 33 (August 18, 1978), pp. 11-12.

23. Cited in *Far Eastern Economic Review*, Vol. 100, No. 16 (April 21, 1978), p. 58.

24. *Ibid.*, Vol. 103, No. 8 (February 23, 1979), p. 39.

25. See, for example, *The Indonesian Times*, February 27, 28, 1979; and *The Straits Times* (Singapore), February 27, 28, and March 1, 1979.

26. *Far Eastern Economic Review*, *Asia 1975 Yearbook* (Hong Kong: Far Eastern Economic Review, 1975, p. 64; for a discussion of the implications of the energy crisis to ASEAN, see

Williams S. Lim, *Implications of the Energy Crisis to the Third World, with Special Reference to ASEAN Countries* (Singapore: Design Partnership, 1974).

27. Justus M. van der Kroef, "The 'Malaysian Formula': Model for Future Sino-Southeast Asian Relations?," *Asia Quarterly*, No. 4 (1974), p. 337.

28. *The Nation* (Bangkok), April 7, 1978.

29. *Thai News Weekly* (in Thai), Vol. 7, No. 329 (February 2, 1979), p. 8; this is a publication of the Office of Public Relations Attaché, Royal Thai Embassy, Washington, D.C.

30. See John Wong, "The Economic Basis of the Sino-Malaysian Détente," *Asia Research Bulletin*, August 31, 1974, p. 2915.

31. Cited from *Far Eastern Economic Review*, Vol. 94, No. 41 (October 1, 1976), p. 79.

32. Reported in *Ibid.*, Vol. 97, No. 39 (September 30, 1977), p. 39.

33. *Ibid.*, p. 39.

34. Quoted in *Ibid.*, Vol. 91, No. 23 (June 10, 1977), p. 41.

35. *Ibid.*, p. 41. ASEAN's problem of dependency was discussed in John Wong, *ASEAN Economies in Perspective: A Comparative Study of Indonesia, Malaysia, the Philippines, Singapore and Thailand* (Philadelphia: Institute for the study of Human Issues, 1979), particularly Chapter II.

36. See his comments in *Far Eastern Economic Review*, Vol. 101, No. 33 (August 18, 1978), p. 12.

37. For example, see Singapore Foreign Minister Rajaratnam's speeches in *The Mirror* (Singapore), Vol. 13, No. 43 (October 24, 1977), pp. 1, 8; and also Vol. 15, No. 6 (February 5, 1979), pp. 1-3.

38. *The Straits Times* (Singapore), April 19, 1974; see also Arnfinn Jorgensen-Dahl, "Extra-regional Influences on Regional Cooperation in Southeast Asia," *Pacific Community*, Vol. 8, No. 3 (April 1977), pp. 424-425.

39. See discussions in *Far Eastern Economic Review*, Vol. 103, No. 8 (February 23, 1979), pp. 37-41.

40. *Ibid.*, p. 38.

41. As early as 1973, some sources suggested that ASEAN had already aimed at persuading the EEC to play a role in countering Japan's mounting economic influence in ASEAN. See, for example, Malcolm Subhan, "Southeast Asia and the EEC," in Centre d'Etude du Sud-Est Asiatique, ed., *The Economic Future of Southeast Asia* (Brussels: Centre d'Etude du Sud-Est Asiatique, 1973), p. 92.

42. These two security arrangements will not be discussed in detail here. For more on the subject, see George A. Modelski, ed., *SEATO: Six Studies* (Melbourne: Cheshire for the Australian National University, 1962); T. B. Millar, "Prospect for Regional Security Cooperation in Southeast Asia," in Mark W. Zacher and Stephen Milve, eds., *Conflict and Stability in Southeast Asia* (Garden City, New York: Doubleday, 1974), pp. 451-468; Chin Kin Wah, *The Five Power Defense Arrangements and AMDA: Some Observations on the Nature of an Evolving Partnerships* (Singapore: Institute for Southeast Asian Studies, 1974); and T. B. Millar, "The Five Power Defense Agreement and Southeast Asian Security," *Pacific Community*, Vol. 3, No. 2 (January 1972), pp. 341-351.

43. The author is indebted to Professor Henry S. Albinski for the information concerning the status of these forces.

44. Quoted in Chin Kin Wah, *The Five Power Defense Arrangements*, p. 1.

45. Singapore Foreign Minister Rajaratnam retrospectively expressed this view in his speech at the Asia Society's Conference for American Business on ASEAN, New York, October 4, 1977. According to this ASEAN founder, "... initially, the motivation behind ASEAN was not belief in the merits of regionalism as such, but it was more of a response on the part of non-Communist Southeast Asia to the Western Abandonment of its role as a shield against Communism." Cited from *The Mirror*

(Singapore), Vol. 13, No. 43 (October 24, 1977), p. 1.

46. Robert Shaplen, "Southeast Asia: Before and After," *Foreign Affairs*, Vol. 53, No. 3 (April 1975), p. 541.

47. Frank N. Trager with William L. Scully, "Domestic Instability in Southeast Asia," *Orbis*, Vol. 19, No. 3 (Fall 1975), pp. 972-973. ASEAN members' support of the Western role in Southeast Asia is also discussed in Justus M. van der Kroef, "ASEAN's Security Needs and Policies," *Pacific Affairs*, Vol. 47, No. 2 (Summer 1974), pp. 154-170.

48. See his interview in *The New York Times*, July 26, 1969. This doctrine was formalized in President Nixon's State of the World Message of February 1971; see Richard M. Nixon, *United States Foreign Policy for the 1970's: Building for Peace* (Washington, D.C.: Government Printing Office, February 25, 1971). For analyses of the doctrine and its impacts upon Southeast Asia, see Melvin Gurtov, "Security by Proxy: The Nixon Doctrine and Southeast Asia," in Zacher and Milne, eds., *Conflict and Stability in Southeast Asia*, pp. 203-236; and Frank N. Trager, "The Nixon Doctrine and Asian Policy," *Southeast Asian Perspectives*, June 1972.

49. *Siam Rath* (Bangkok), November 21, 1969. Cited in Astri Suhrke, "Smaller-Nation Diplomacy: Thailand's Current Dilemmas," *Asian Survey*, Vol. 11, No. 5 (May 1971), p. 438.

A similar concern had been expressed by Singapore Foreign Minister Rajaratnam. In his interview with the *Time* (Magazine), he said that "Before, all of us were living under the umbrella of great powers. Thailand had America. We had Britain. Now they have taken away the umbrella, and we are really beginning to feel the heat." *Time* (Magazine), February 12, 1973, p. 27; also quoted in Tai Sung An, "The PRC and Southeast Asia in the 1970's," *Asian Profile*, Vol. 2, No. 1 (February 1974), p. 7.

50. Reported in *The Bangkok Post*, July 25, 1975.

51. SEATO Headquarters was officially dissolved on June 30,

1977.

52. *The Bangkok Post*, May 16, 1975. Emphasis in original.

53. *Ibid.*

54. Reported in *Thai News Weekly*, Vol. 3, No. 141 (June 6, 1975), p. 9.

55. This point has also been made by Jorgensen-Dahl, "Extra-regional Influences," p. 424.

56. *The Mirror* (Singapore), Vol. 13, No. 43 (October 24, 1977), p.1.

57. For more analyses of the Sino-Soviet competition in South-east Asia, see Donald E. Nuechterlein, "The Emerging Sino-Soviet Contest in Southeast Asia," *Spectrum* (SEATO publication), January 1975; Melvin Gurtov, "Sino-Soviet Relations and South-east Asia: Recent Developments and Future Possibilities," *Pacific Affairs*, Vol. 43, No. 4 (Winter 1970-1971), pp. 491-505; Robert C. Horn, "Changing Soviet Policies and Sino-Soviet Competition in Southeast Asia," *Orbis*, Vol. 17, No. 2 (Summer 1973), pp. 493-526; Robert C. Horn, "Soviet Influence in Southeast Asia: Opportunities and Obstacles," *Asian Survey*, Vol. 15, No. 8 (August 1975), pp. 656-671; Robert C. Horn, "Moscow and Peking in Post-Indochina Southeast Asia," *Asian Affairs: An American Review*, Vol. 4, No. 1 (September/October 1976), pp. 14-40; and Dick Wilson, "Sino-Soviet Rivalry in Southeast Asia," *Problems of Communism*, Vol. 23, No. 5 (September/October 1974), pp. 39-51.

58. Quoted in Robert C. Horn, "The Soviet Perspective," in Chawla, and others, eds., *Southeast Asia under the New Balance of Power*, p. 47.

59. See *Peking Review*, No. 2 (January 9, 1976), p. 20.

60. Jusuf Wanandi, "Politico-Security Dimensions of Southeast Asia," *Asian Survey*, Vol. 17, No. 8 (August 1977), p. 774.

61. As far as Laos and Cambodia are concerned, these two countries are of little importance to ASEAN except in relation

with their border problem with Thailand.

62. Detailed discussions of this uncertainty can be obtained from Russell H. Fifield, "Power Relations among the Southeast Asian States," *Asian Affairs*, Vol. 4, No. 3 (January/February 1977), pp. 159-160, and 166-171; Wanandi, "Politico-Security Dimensions," pp. 786-788; Donald E. Weatherbee, "US Policy and the Two Southeast Asias," *Asian Survey*, Vol. 18, No. 4 (April 1978), pp. 417-419; and Bernard K. Gordon, "Asian Perspectives on Security: the ASEAN Region," *Asian Forum*, Vol. 8, No. 4 (Autumn 1976), pp. 62-65.

63. Press Statement, the Eighth ASEAN Foreign Ministers Meeting, Kuala Lumpur, May 14, 1975.

64. Singapore Foreign Minister Rajaratnam made this point clear in his opening speech at the Eighth ASEAN Ministerial Meeting, Kuala Lumpur, May 13, 1975.

65. From an editorial of *The Bangkok Post*, cited in "An ASEAN Common Market?," *Asiaweek*, Vol. 3, No. 19 (March 11, 1977), p. 16.

66. See more details in *Far Eastern Economic Review*, Vol. 91, No. 11 (March 12, 1976), pp. 28-29.

67. *Ibid.*, Vol. 102, No. 49 (December 8, 1978), p. 20.

68. Quoted in *Ibid.*, Vol. 102, No. 47 (November 24, 1978), p. 33.

69. From *Ibid.*, Vol. 102, No. 50 (December 15, 1978), p. 33.

70. *Ibid.*, Vol. 102, No. 51 (December 22, 1978), p. 18.

71. See, for example, *The Mirror* (Singapore), Vol. 15, No. 6 (February 5, 1979), pp. 1-2.

72. Reported in *Thai News Weekly*, Vol. 7, No. 327 (January 19, 1979); and also *Far Eastern Economic Review*, Vol. 103, No. 4 (January 26, 1979), pp. 24-25.

73. *Thai News Weekly*, Vol. 7, No. 333 (March 9, 1979).

74. *UN Monthly Chronicle*, Vol. 16, No. 3 (March 1979), p. 17.

75. *UN Monthly Chronicle*, Vol. 16, No. 4 (April 1979), pp. 46-47.

76. *Far Eastern Economic Review*, Vol. 102, No. 51 (December

22, 1978), p. 10.

77. *Thai News Weekly*, Vol. 7, No. 336 (March 30, 1979).

78. See his 1979 New Year Message in *The Mirror* (Singapore), Vol. 15, No. 3 (January 15, 1979), p. 1.

79. Although the problem of Indochinese refugees had been discussed in the special meeting of ASEAN foreign ministers in Bangkok on 12-13 January 1979, no agreement had been reached on what should be ASEAN's joint action to deal with the problem. See *ASEAN Digest* (Newsletter of the ASEAN Secretariat, Jakarta), No. 1/79, January 1979, pp. 27-28.

80. *Far Eastern Economic Review*, Vol. 103, No. 4 (January 26, 1979), p. 15.

81. *Ibid.*, Vol. 102, No. 51 (December 22, 1978), p. 19.

82. More discussions of this subject can be found in Gordon, "Asian Perspectives on Security," pp. 62-76; van der Kroef, "ASEAN's Security Needs and Policies," pp. 154-170; and Shee Poon-Kim, "A Decade of ASEAN: 1967-1977," *Asian Survey*, Vol. 17, No. 8 (August 1977), pp. 755-757.

83. Speech at the Eighth ASEAN Ministerial Meeting, Kuala Lumpur, May 13-14, 1975.

84. Quoted from *The Mirror* (Singapore), July 12, 1976, p. 1.

85. van der Kroef, "ASEAN's Security Needs," p. 163.

86. *Ibid.*, p. 163.

87. See Michael Leifer, "The Security of Southeast Asia," *Pacific Community*, Vol. 7, No. 1 (October 1975), p. 23.

88. van der Kroef, "ASEAN's Security Needs," p. 164. For a detailed analysis of Indonesia's security perceptions, see Justus M. van der Kroef, "National Security, Defense Strategy and Foreign Policy Perceptions in Indonesia," *Orbis*, Vol. 20, No. 2 (Summer 1976), pp. 461-495.

89. Shee Poon-Kim, "A Decade of ASEAN," p. 755; see also Tan Sri Muhammad Ghazali bin Shafie, "ASEAN's Response to Security Issues in Southeast Asia," in Center for Strategic and

International Studies (CSIS), sponsor, *Regionalism in Southeast Asia* (Jakarta: CSIS, 1975), pp. 28-35.

90. According to former Thai Foreign Minister Thanat Khoman, an equidistance policy means a policy "to live on as good terms as possible with all the major powers, without letting any of them 'hug you too profusely.'" See Thanat Khoman, "The New Equation of World Power and Its Impact on Southeast Asia," *Orbis*, Vol. 20, No. 3 (Fall 1976), pp. 620-621.

91. van der Kroef, "ASEAN Security Needs," p. 169.

92. Shee Poon-Kim, "A Decade of ASEAN," pp. 756-757.

93. Ernst B. Haas, "The Study of Regional Integration: Reflections on the Joy and Anguish of Pretheorizing," in Leon N. Lindberg and Stuart A. Scheingold, eds., *Regional Integration: Theory and Research* (Cambridge, Massachusetts: Harvard University Press, 1971), p. 16.

NOTES TO CHAPTER EIGHT

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1. Former Indonesian Foreign Minister Adam Malik mentioned this during his speech to the Standing Committee on May 21, 1968. Cited in Shee Poon-Kim, "A Decade of ASEAN, 1967-1977," *Asian Survey*, Vol. 18, No. 8 (August 1977), p. 757.

For discussions of ASEAN's performances in its early years, see for example, Lau Teik Soon, ed., *New Directions in the International Relations of Southeast Asia*. (Singapore: Singapore University Press, 1973); Somsakdi Xuto, "Prospects for Security and Stability in Southeast Asia," *Pacific Community*, Vol. 3, No. 1 (October 1971), pp. 118-125; and Barbara F. Pace, and others, *Regional Cooperation on Southeast Asia: The First Two Years of ASEAN* (McLean, Virginia: Research Analysis Corporation, 1970).

2. Closing Statement, the Fourth ASEAN Ministerial Meeting, Manila, March 13, 1971.

3. Foreign Minister Rajaratnam of Singapore expressed this view in October 1977, see *The Mirror* (Singapore), Vol. 13, No. 43 (October 24, 1977), p. 1.

4. Opening Statement, the Fourth ASEAN Ministerial Meeting, Manila, March 12, 1971.

5. Far Eastern Economic Review, *Asia 1978 Yearbook* (Hong Kong: Far Eastern Economic Review, 1978), p. 70.

6. See his opening speech at the Eleventh ASEAN Foreign Ministers Meeting, Pattaya, Thailand, June 14, 1978. Reported in *The Straits Times* (Singapore), June 15, 1978.

7. *Ibid.*

8. Alexander Woodside, "Progress, Stability, and Peace in Mainland Southeast Asia," in Donald C. Hellman, ed., *Southern Asia: The Politics of Poverty and Peace* (Lexington, Massachusetts: D.C. Heath, Co., 1976), p. 179.

9. See UNCTAD, *Current Problems of Economic Integration: The*

Role of Institutions in Regional Integration Among Developing Countries (New York: United Nations, 1974), p. 153.

10. For some recommendations on ASEAN's socio-cultural programs, see Choongpol Swasdiyakorn, "Joint Socio-Cultural Programmes: The Regional Identity in Questions?," and Zainal Abidin bin Abdul Wahid, "A Regional Identity Through a Socio-Cultural Programme," in Center for Strategic and International Studies (CSIS), sponsor, *Regionalism in Southeast Asia* (Jakarta: CSIS, 1975), pp. 119-126, and 127-132, respectively.

11. Shee Poon-Kim, "A Decade of ASEAN," p. 765.

12. Karl W. Deutsch, and others, *Political Community and the North Atlantic Area: International Organization in the Light of Historical Experience* (Princeton, New Jersey: Princeton University Press, 1957), p. 3. For a brief discussion of security community in the context of Southeast Asia, see Peter Lyon, "ASEAN and the Future of Regionalism," in *New Directions in the International Relations of Southeast Asia*, pp. 163-164.

13. This intensification of Sino-Soviet rivalry is believed by a Southeast Asian Foreign Minister to last perhaps 20 years. One source quotes this minister (without mentioning his name) to state that: "The big story of the past 30 years has been the East-West conflict, but the big story of the next 20 years is going to be the East-West conflict between the Soviet Union and China. That will affect everything from now on." See *The Mirror* (Singapore), Vol. 14, No. 52 (December 25, 1978), p. 3.

14. For a discussion of ASEAN-Middle Eastern economic relations, see John Wong, *ASEAN Economies in Perspective* (Philadelphia: Institute for the Study of Human Issues, 1979), pp. 47-48.

15. Alejandro Melchor, Jr., "Assessing ASEAN's Viability in a Changing World," *Asian Survey*, Vol. 18, No. 4 (April 1978), p. 431.

16. With various economic and political reasons already discussed in the previous chapters, it is very unlikely that ASEAN will ask for assistance from the Communist countries such as China and the countries of the Soviet bloc.

NOTES TO CHAPTER NINE



1. These points were raised by Philippe Schmitter and Ernst B. Haas in *Mexico and Latin American Economic Integration* (Berkeley: University of California, 1964), p. 4.
2. Charles W. Kegley, Jr. and Llewellyn D. Howell, Jr., "The Dimensionality of Regional Integration: Construct Validation in the Southeast Asian Context," *International Organization*, Vol. 29, No. 4 (Autumn 1975), p. 1019.
3. For more explanations, see Joseph S. Nye, Jr., "Comparing Common Markets" A Revised Neo-Functionalist Model," in Leon N. Lindberg and Stuart A. Scheingold, ed., *Regional Integration: Theory and Research* (Cambridge, Massachusetts: Harvard University Press, 1971), p. 200.
4. Details of these objectives are stipulated in the Declaration of ASEAN Concord, signed in Bali, Indonesia, on February 24, 1976.
5. For discussions of preconditions of regional integration, see Ernst B. Haas and Philippe C. Schmitter, "Economics and Differential Patterns of Political Integration: Projection about Unity in Latin America," in Amitai Etzioni, ed., *International Political Communities* (Garden City, New Jersey: Doubleday, 1966); this article is also appeared in *International Organization*, Vol. 18, No. 4 (Autumn 1964), pp. 705-737. See also Mario Barrera and Ernst B. Haas, "The Operationalization of Some Variables Related to Regional Integration: A Research Note," *International Organization*, Vol. 23, No. 1 (Winter 1969), pp. 150-160; and Steven J. Rosen and Walter S. Jones, *The Logic of International Relations* (2nd ed.; Cambridge, Massachusetts: Winthrop Publishers, Inc., 1977), pp. 387-389.
6. See Schmitter and Haas, *Mexico and Latin American Economic Integration*, p. 3; and Joseph S. Nye, Jr., "East African Economic Integration," in Etzioni, ed., *International Political Communities*, pp. 405-436.

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