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**ASEAN, The Regional Economic
Collaboration in Perspective**

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Centre for Contemporary Asian Studies

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IN PERSPECTIVE

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CONTENTS

I	Introduction	3
I	Evolutionary Progress of ASEAN Scheme	3
	1. Two Distinct Stages in ASEAN Evolution	10
	2. Evolution in Economic Cooperation	15
III	Some Salient Features of the ASEAN Regional Economic Collaboration	15
	1. Sluggishness	15
	2. Immoderateness	22
	3. "Joint Outside-Help"	26
IV	ASEAN and the NIEO	33
	1. ASEAN in a Changing World Economy	33
	2. Towards Establishment of the NIEO	37
V	Conclusion	48
	NOTES	50

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I Introduction

Two different views are prevalent regarding the evolution of ASEAN economic integrating movement as it entered the 1980s. One expresses a satisfactory (positive) evaluation on ASEAN evolution since its inception while another shows a rather reserved (passive) view.

1. ASEAN has completed the first phase of economic cooperation and decided that new areas and approaches be explored to further strengthen cooperation in trade and investment among ASEAN countries."(1)
2. "Why, in spite of the many governmental and private sector meetings, so little had been achieved? There was a need to pin-point the obstacles that had retarded progress....."(2)

The former statement was expressed in the Tenth Meeting of the ASEAN Economic Ministers (AEM) held in October 1980, while the latter opinion could be found in the report of the Special Review

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Committee on ASEAN Development by the ASEAN Chambers of Commerce and Industry (ASEAN-CCI) in November 1980. As a result an ASEAN Task Force was formed and it presented recommendations on economic cooperation among ASEAN countries including machinery and funding of ASEAN projects which was discussed in the sixteenth meeting of the AEM of May 1984 and then in the seventeenth meeting of the AFM (ASEAN Foreign Ministers) of July 1984. (3) In the light of such remarks, ideas of where ASEAN economic integrating movement is heading seems still to be lacking.

Why is it that there are many diverging views on the specific framework of ASEAN economic cooperation and the direction of the scheme in the long-run evolutionary perspective? The future of the ASEAN scheme will depend on a clear understanding of questions such as, what obstacles block its progress and what its key objectives are.

It is important in the first place, however, to understand the characteristics of ASEAN economic interaction by examining its evolutionary development. But there is very little research done on this vital subject. Hence this paper will attempt to explain them.

This paper consists of three parts. The first gives a brief account of the ASEAN evolutionary progress and outlines broadly the economic development efforts under the different stages it has gone through; the second presents some salient features of the ASEAN economic integrating movement by the examination of its evolution and its characteristics (distinguishing) features; and the third explores the relationship between ASEAN and the New International Economic

Order (NIEO), a concept which has recently arisen in connection with the "collective self-reliance" and integrating movement among developing countries.

II Evolutionary Progress of ASEAN Scheme

1. Two Distinct Stages in ASEAN Evolution

For eighteen years since its inception in 1967, ASEAN has worked continuously to resolve many problems, and has pursued common interests therefore bringing rapid progress to the region while various associations (ASA and MAPHILINDO)(4) among Southeast Asian developing countries had either lapsed, or had failed to satisfy the hopes of its members. In this respect, ASEAN's performance should be highly commended.

As summarized in Table 1, the ASEAN integrating movement apparently progressed in two different stages which could be generally outlined. The first stage, lasted nine years after its inception (1967-1976), characterized by political conciliation in the region rather than economic cooperation. From the meeting of the heads of member governments in February 1976 at Denpasar, Bali (Bali Summit Meeting), ASEAN has entered into a stage of substantial cooperation into the economic field. Hence the Bali Summit Meeting remains a watershed in the evolution of the ASEAN economic integrating movement as the meeting has for the first time

Table 1: Summary of Heads of Governments Meeting and Ministers' Meeting of ASEAN Members

Year	Head of Governments' Meeting	Foreign Ministers' Meeting	Economic Ministers' Meeting	Other Minister's Meeting
(1) 1967	1st	(Bangkok) 5-8 Aug		
(2) 1968	2nd	(Jakarta) 6-7 Aug		
(3) 1969	3rd	(Cameroon Highlands) 16-17 Dec		
(4) 1970	4th	(Manila) 12-13 Mar		
(5) 1971	1st special (K.L.)	26-27 Nov		
(6) 1972	2nd special (S'pore)	13-14 Apr		
(7) 1973	3rd special (K.L.)	15-16 Jul		
(8) 1974	6th	(Pattaya) 16-18 Apr		Trade and Commercial Ministers (Jakarta) 23-24 Aug
(9) 1975	7th	(Jakarta) 7-9 May		
(10) 1976	8th	(K.L.) 13-15 May	(Jakarta) 26-27 Nov	ASEAN Labour Ministers (Jakarta) 1-3 Apr
(11) 1977	9th	(Manila) 24-26 Jun	(K.L.) 9-9 Mar	1st special ASEAN Labour Ministers (Baguio City Philippines) 17-19 May
(12) 1978	10th	4th special (Manila) 24 Feb	(Manila) 20-22 Aug	2nd special ASEAN Labour Ministers (Pattaya) 26-28 May
(13) 1979	5th special (K.L.)	1 Aug	(S'pore) 26 Feb	Welfare Ministers (Jakarta) 18-19 Jul
(14) 1980	11th	(Pattaya) 14-16 Jun	(K.L.) 27-29 Jun	Education Ministers (Manila) 8-9 Dec
(15) 1981	12th	(Bangkok) 12-13 Jan	(Pattaya) 2-4 Sept	ASEAN Economic Ministers on Agriculture and Forestry (Manila) 22-29 Aug
(16) 1982	13th	7th special (K.L.) 16 Aug	(Jakarta) 5-7 Sept	ASEAN Economic Ministers on Agriculture and Forestry (Manila) 20-21 Feb
(17) 1983	14th	8th special (K.L.) 6 Mar	(K.L.) 21-23 Apr	ASEAN Economic Ministers on Agriculture and Forestry (K.L.) 26-27 May
(18) 1984	15th	9th special (K.L.) 25-26 Jun	(S'pore) 24-25 Oct	ASEAN Health Ministers (Manila) 22-26 Jul
	16th	10th special (Jakarta) 8 May	(Bangkok) 17-18 Jun	ASEAN Economic Ministers on Industry (Bali) 25-30 Sept
	17th	11th special (Manila) 17-18 Jun		ASEAN Economic Ministers on Energy Cooperation (Pattaya) 27-28 Oct
	18th	12th special (S'pore) 14-16 Jun		ASEAN Economic Ministers on Energy Cooperation (K.L.) 27-28 Apr
	19th	13th special (Bangkok) 24-25 Jun		ASEAN Ministers on the Environment (Manila) 30 Apr-May
	20th	14th special (Jakarta) 7 Nov		ASEAN Economic Ministers on Agriculture and Forestry (Jakarta) 12-14 Apr
	21st	15th special (Bangkok) 7 Nov		ASEAN Economic Ministers on Energy Cooperation (Manila) 8-9 Oct
	22nd	16th special (S'pore) 14-16 Jun		ASEAN Labour Ministers (S'pore) 6-7 Sept
	23rd	17th special (Bangkok) 24-25 Jun		ASEAN Economic Ministers on Agriculture and Forestry (K.L.) 8-9 Oct
	24th	18th special (Jakarta) 7 Nov		ASEAN Economic Ministers on Energy Cooperation (S'pore) 19 Jan
	25th	19th special (K.L.) 6 Mar		ASEAN Economic Ministers on Agriculture and Forestry (S'pore) 20-22 Oct
	26th	20th special (K.L.) 25-26 Jun		ASEAN Ministers of Science and Technology (Jakarta) 15-16 Nov
	27th	21st special (S'pore) 14-16 Jun		ASEAN Health Ministers (Pattaya) 6-9 Mar
	28th	22nd special (Bangkok) 17-18 Jun		ASEAN Labour Ministers (Manila) Oct

Sources: Department of Information and Culture, Ministry of Foreign Affairs, Japan (1967-August 1981). Others collected by Annual Report of the ASEAN Standing Committee, 1981-1982; 1982-1983; 1983-1984.

ASEAN Economic Bulletin (ISEAS), No. 1, and No. 2, 1984. Singapore Economic Bulletin, various issues and others.

Note: K.L. = Kuala Lumpur, S'pore = Singapore

demonstrated ASEAN's political will to lay down a programme of action strengthening cooperation among member countries in the economic field.

In the Bali Summit Meeting, five programmes were proposed, namely, (i) to ensure "cooperation on the supply of basic commodities particularly of food and energy" in times of shortage; (ii) establish joint venture regional industrial plants under "Industrial Cooperation"; (iii) liberalize intra-ASEAN regional trade, namely "Cooperation in Trade"; (iv) adopt a "Joint Approach" to the solution of international commodity problems and other world economic problems, particularly the stabilization of prices of primary export commodities and establishment of the NIEO; (v) lastly, establishment of a "machinery for economic cooperation" in the form of periodic meetings of ASEAN Economic Ministers. All of these programmes were adopted in the Declaration of ASEAN Concord at the Bali Summit Meeting.(5)

From this brief account, it is evident that there are two different stages. The first stage which may be called "the integrate-formation period" lasted about nine years before the Bali Summit Meeting (1967-1976); and the period after the Bali Summit Meeting till the present about the same period of nine years is as the second stage which may be called "the economic collaborate-movement period" where economic cooperation is promoted significantly.

Looking back at the Bangkok Declaration (namely, the ASEAN Declaration) of 8 August 1967, it can be regarded principally as a political agreement, reflecting the belief of the five ASEAN member countries that their cooperation, "in the spirit of equality and partnership, would bring mutual benefits and stimulate solidarity", which can contribute to "peace, progress and prosperity in the region" (stated in the Bangkok Declaration). In such a context, the decision "to promote active collaboration and mutual assistance on matters of common interest in the economic field" (same) was listed as the third priority among seven items of the aims and purposes proclaimed in the Bangkok Declaration.(6)

But in the late 1970s after the Bali Summit Meeting, ASEAN countries have endorsed economic cooperation in addition to their basic aim of political conciliation. Why did ASEAN countries decide to do so? To this question, one can examine the Declaration of ASEAN Concord of the Bali Summit Meeting concerning economic collaboration on the following points.

Firstly, regards cooperation on basic commodities, particularly food and energy, among member countries of ASEAN "in critical circumstances" (the Declaration). It is well known that in spite of the so-called "Green Revolution" which had promoted agricultural development and modernization in some member countries since the mid-1960s, adverse critical circumstances can arise because the production of food especially rice output in terms of per capita output might not be able to keep up with population increases.(7) On the other hand, some of the member countries of ASEAN have achieved a

fairly high rate of economic growth through a great deal of energy imports (mainly imported crude oil) since the 1960s. The ASEAN countries have been following the energy (crude oil) intensive "industrialization" approach similar to the industrialized advanced (North) countries. After the oil price increased three and a half fold in 1973/74 and has been rising ever since, the proportion of oil import cost in their total import bills has been increasing, and in the face of deteriorating energy situation increasingly suffered a drain in their foreign exchange reserves. Such an adverse situation in energy and balance of payments was undoubtedly reflected in the Declaration of ASEAN Concord.

The next point concerns industrial cooperation to establish large scale ASEAN industrial plants. The Declaration says, "which utilize the available materials in the member states, contribute to the increase of food production, in increasing foreign exchange earnings or save foreign exchange and create employment" This point in the Declaration of ASEAN Concord reflected a transition in development stages of the member countries. They include, for example, Singapore which moved from the substitution industrialization phase into the export substitution industrialization phase ("increase foreign exchange earnings") and Indonesia which moved from the earlier stage of import dependent economy to import substitution industrialization phase ("save foreign exchange"). The need for setting regional industrial cooperation according to their appropriate stages of economic development was influenced strongly by the unfavourable food and energy situation during the mid-1970s.

The third point relates to cooperation in trade. The Declaration says, "in order to promote development and growth of new production and trade and to improve the trade structures of individual states and ... to further development and to safeguard and increase their foreign exchange earnings and reserves". It seems not unconnected with the second situation above of industrial cooperation, owing to its implication on the requirement of "increase foreign exchange earnings or save foreign exchange" mentioned herewith. "The establishment of preferential trading arrangements" and "the joint efforts to improve access to markets outside ASEAN for their raw material and finished products by seeking the elimination of all trade barriers in those markets ... in adopting common approaches and actions" (the Declaration) were adopted as major approaches by the Bali Summit Meeting. In this context, the fact that establishment of preferential trading arrangements is to be "a long term objective on a basis deemed to be at any particular time appropriate", should be paid due attention and this statement reflects the new ASEAN environment where margins of preference for ASEAN products are viewed as unfamiliar ground to ASEAN businessmen in trade and industry.(8) Business in ASEAN countries tend to direct themselves to traditional markets either by importing or exporting products. The potential impact of ASEAN Preferential Trading Agreements (APTA) in terms of opportunities for market development and market penetration has not been fully appreciated. There are implications that ASEAN's fundamental conditions, so far as regional integration was concerned, were in a state of immoderateness and sluggishness.

Fourthly, the joint approach to international commodity problems, among other things, the establishment of the NIEO, were mentioned in the Declaration of ASEAN Accord. The trend in international economic relations has not permitted ASEAN to confine itself to political collaboration but to take a common position in the economic sphere. The reference to consider joint efforts to improve access to markets outside ASEAN for their raw materials and finished products was adopted and this is noteworthy since it is seen as the primary driving force for ASEAN unity. A unified approach to external relations in the economic sphere is itself indicative of a common outlook among the member countries and to the extent that a unified approach was adopted an important contribution is made to the development of a regional identity among ASEAN countries. In this matter, the progress of the United Nations Conference on Trade and Development (UNCTAD) and the fundamental change in the international economic system all of which obviously directly affected the ASEAN integrating movement, should certainly be considered. In other words, entering into the latter half of the 1970s, in spite of some unresolved issues among the member states, ASEAN had no alternative but to take a unified stance on common external concerns.

From the above brief examination of ASEAN's objectives set out in the Declaration of ASEAN Concord, it is obvious why ASEAN switched attention towards economic cooperation in the mid-1970s.

2. Evolution in Economic Cooperation

With the first ASEAN summit meeting in Bali in 1976, major steps were taken to move ASEAN forward to economic cooperation. Since then, "substantial headway" in the five aspects mentioned above has taken place in both the government and the private sector with a pace which has never been achieved previously in ASEAN.(9) Table 2 sets out all the progress attained after each AEM meeting which were held regularly since the Bali Summit Meeting.

From the summary shown in Appendix 1, we can review and undertake an objective assessment of the performance in economic cooperation ASEAN has taken so far. Here, three main points should be pointed out.

First, Economic cooperation was given a practical impetus by the fourth AEM meeting of June 1977 in the form of liberalization of trade under the ASEAN Agreement on Preferential Trading Arrangements (AAPTA).(10) The proposal to have uniform across-the-board tariff cuts for ASEAN-made products in the ASEAN region even at a nominal rate was abandoned, and instead, a much slower, more cumbersome and more complex commodity-by-commodity approach was adopted. 71 items in the first batch of trade preferences were implemented only on 1 January 1978(11) although the protocol was agreed upon in the fourth AEM meeting of 1977. Five ASEAN industrial projects were originally approved in 1977 of which the principles governing the investment in Indonesia of an ammonium-urea project was selected in the fifth AEM meeting as the first project. It should be noted that rice and crude oil were chosen as the first step in the cooperation for supply of

basic commodities under critical circumstances and an agreement was reached to set up an ASEAN emergency reserve (rice) of 50,000 metric tons in the seventh AEM meeting of December 1978 (see Appendix 1). All of those, and many public and private sector activities following them took place within four and a half years after the Bali Summit Meeting.

Second, Cooperation in ASEAN Industrial Projects (AIP) was adopted in the form of an industrial-package-deal approach while allocating to each of the five ASEAN nations. Indonesia and Malaysia were each to have an ASEAN urea plant, superphosphate was to go to the Philippines, soda-ash to Thailand and diesel-engine to Singapore. Each ASEAN plant was to be jointly financed, with 60 per cent of the capital coming from the host country, and 10 per cent from each of the four ASEAN partners.(12) Each ASEAN plant would also enjoy AAPTA-wide marketing preferences, including, in all probability, guaranteed pre-agreed purchases.

In the expected economies of large-scale production under this "package deal" form, ASEAN nations would be able to make a more rapid advance towards industrialization. They will also save imports of some capital goods in other sectors. It purports that ASEAN countries, in effect, are realizing "collective import-substitution"(13) through regional and individual projects enjoyed by AAPTA protection measures. P.T. ASEAN Aceh Fertilizer (AAF), the first of the five ASEAN industrial project, was completed on October 1983 and started commercial production since January 1984.

These projects represent the initial signs of meaningful economic cooperation in regional industrialization. Two approaches have been adopted for these projects. One is the principle of same equity and a deliberate avoidance of polarization of industrial growth among member countries, to which the so-called market support and pricing measures are being adopted as a supplement of AAPTA. Therefore, ASEAN industrial projects seem to stress the important position of relating to the formation of a regional free market supported by AAPTA implementation.(14) Another one is a promise to get financial sources from foreign countries to build the various plants has become a main form of development. In the case of the urea plant project in Indonesia, for instance, the Japanese Government provided 72 billion Yen sharing about 70 per cent of the fixed price of US\$297 million.(15) Later, the project underwent a cost over-run of US\$90 million and this additional amount was also provided by the Japanese Government.(16) Finally, about 77 per cent of the lump sum construction cost of US\$387 million came from Japan. So, in fact, that ASEAN industrial projects take a form of financial dependency (joint outside-help) on a foreign country cannot be denied.

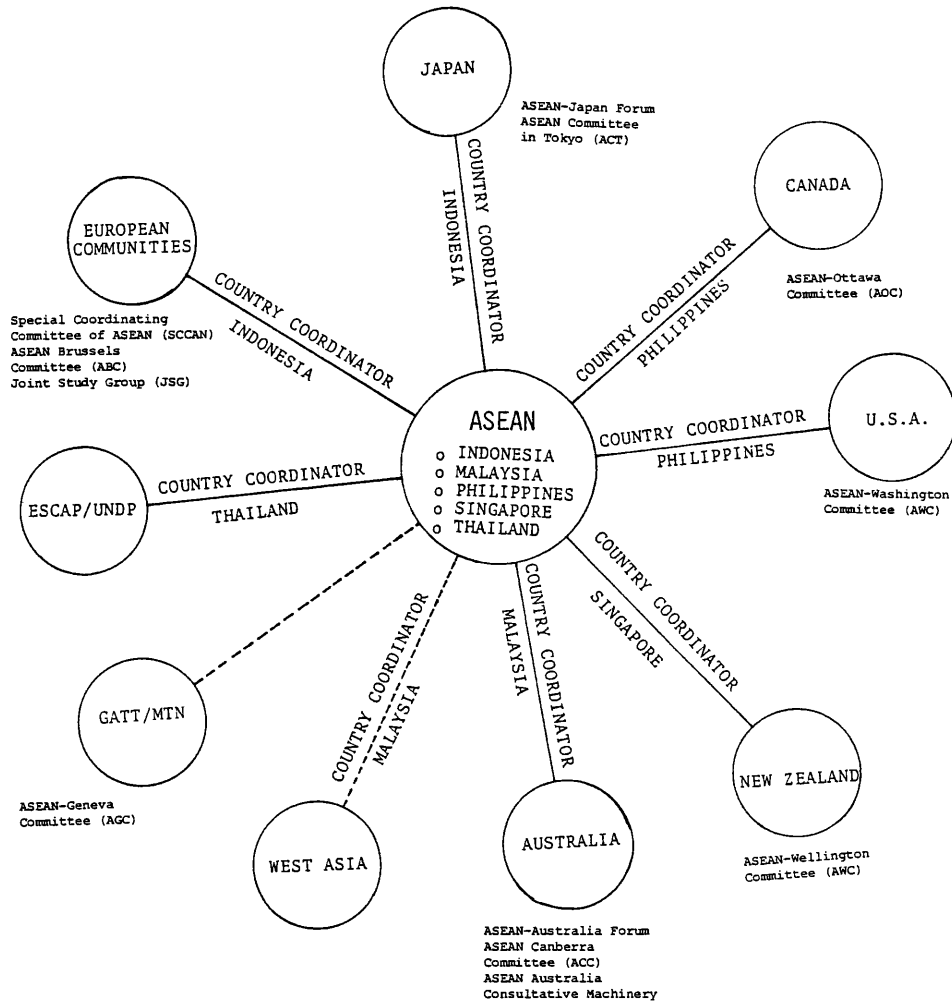
Thirdly, We can find out from Appendix 1 that vigorous activities in the field of its external relationship, adopting a "joint approach" toward third countries and organizations for common interests, have been developed since the Bali Summit Meeting of February 1976. Agreements to establish an ASEAN machinery for dealing with third countries or groups of countries and adopt joint approach to world economic common problems, such as problems of raw materials, transfer of resources and the reform of the international

system in the United Nations as well as other international fora, have been reached in the second AEM meeting of March 1976. Among the many joint consultative groups and committees that ASEAN had set up to conduct its external relations are, the ASEAN-Japan Forum (approved December 1976, the first meeting was held in March 1977 in Jakarta); the Special Coordinating Committee of ASEAN (established in 1972, developed then to the ASEAN Brussels Committee, the Joint Group of ASEAN-EEC dialogues in 1974) and the ASEAN-AUSTRALIAN FORUM (established in 1974). Similar consultative fora were set up for ASEAN's relations with the United States, Canada, New Zealand, the United Nations Development Program/Economic and Social Commission for Asia and the Pacific (UNDP/ESCAP). For each of its major dialogues with them ASEAN has designated a country coordinator (see Diagram 1).

A Common Fund, a ATABEX-type arrangement within the framework of the Integrated Programme of Commodities; liberalization and improvement of IMF compensatory financing facilities; commodity policies on items of interest to ASEAN (involving natural rubber, timber products, vegetable oils and oilseeds, tin, copper, sugar, and hard fibres; trade issues in the Multilateral Trade Negotiations (MTN); promoting North-South global negotiation in the United Nations and establishment of NIEO, etc.; all have been covered in the joint ASEAN approach contexts. Such successful progress in this field of external dialogues, when compared to other fields such as industrial projects and trade liberalization, suggested that ASEAN has been increasingly recognized as a viable and a cohesive entity(17) rather than a scheme to be dismissed as one of the many futile experiments among developing countries.

Diagram 1

NETWORK OF ASEAN'S EXTERNAL RELATIONS



Source: Agerico O. Lacanlale, "Community Formation in ASEAN's External Relations" in ASEAN identity, Development and Culture, ed. by R.P. Anand and others, op.cit, p. 386.

It may be noted that, in a survey of ASEAN's economic cooperation outlined above, the dialogue with third parties on the basic premises of joint approach generally has a better performance than among member countries. The level of coordination and the implementation of agreed industrial project seems more successful than trade liberalization under the AATPA. Furthermore, private sectors participating in industrial cooperation through the ASEAN-CCI (Chambers of Commerce and Industry) seems to have more momentum than the public sector.(18)

Gradualism and consensus have been identified as characteristics of the ASEAN style of approaching and dealing with problems.(19) But what are the ASEAN's salient features and where does ASEAN's position place it among the Third World integrating movements as found in Latin America and Africa? This is a bigger and more important issue but few scholars in ASEAN countries have paid attention to it so far. The next section will attempt to discuss these questions.

III Some Salient Features of the ASEAN Integrating Movement

1. Sluggishness

Comparing with other integrating schemes among developing countries, ASEAN is characterized by the following three points, namely, sluggishness, immoderateness, and joint outside-help. These three factors are not independent but intertwined together in a complex trinity, so it is not appropriate to instate one from the

others and pick each one for separate study. But for the sake of convenience and simplicity, I shall discuss them one by one as follows.

Regarding the sluggishness of the ASEAN scheme, one can point out that the time interval between what ASEAN envisaged for economic cooperation after the Bali Summit Meeting of 1976 and the actual action being taken was more than three years. ASEAN's sluggishness is not so much in its belated economic cooperation but more so in the fact that economic cooperation has been subordinated for political aims. Promotion of regional peace and stability was stressed in the Bangkok Declaration (the ASEAN Declaration of 8 August 1968) as a premise for political conciliation and only later was economic cooperation considered as the next step. Coming into existence only in the second half of the 1970s, ASEAN economic cooperation was too late among developing countries' schemes. In Table 2, one can find that most of the other schemes had been initiated around 1960 or the mid-1960s at the latest and nine or more years had passed before ASEAN set out economic cooperation at the Bali Summit Meeting of 1976. Compared with the Latin American Free Trade Association (LAFTA) which was inaugurated in 1960 and the Council of the Entente of Africa in 1959, ASEAN indeed lost valuable time. To rectify ASEAN's sluggishness, in this regard, three points could be considered as follows.

The first point is that ASEAN is in a unique position to learn from earlier schemes such as LAFTA and even from African experience regarding institutional mechanisms and practices.

Table 2: Main Market-Integrating and Market-Sharing Schemes among the Developing Countries (1977)

Name of Scheme	Inception Year	Member Countries	Name of Scheme	Inception Year	Member Countries
ASIA REGION					
(1) Regional Cooperation for Development = RCD	1964	3 countries (Iran, Pakistan, Turkey)	(1) Council of the Entente	1959	5 countries (Benin, Ivory Coast, Niger, Togo, Upper Volta)
(2) Association of South East Asian Nations = ASEAN	1967	5 countries (Indonesia, Malaysia, Philippines, Singapore and Thailand)	(2) Permanent Consultative Committee of the Magreb = HPC	1964	3 countries (Algeria, Morocco, Tunisia)
(3) Arab Common Market = ACH	1971	5 countries (Egypt, Iraq, Jordan, Sudan, Syria)	(3) Central Africa Customs and Economic Union = UDEAC (successor to the Equatorial Customs Union)	1966	4 countries (Central African Republic, Congo, Gabon, Cameroon)
LATIN AMERICA AND CARIB REGION					
(1) Latin America Free Trade Association = LAFTA	1960	10 countries (Argentina, Bolivia, Brazil, Chile, Colombia, Mexico, Paraguay, Peru, Uruguay, Venezuela)	(4) East African Community = EAC (successor to the Common Market and Organization but not 1977, EAC not being operated in fact)	1967	3 countries (Kenya, Uganda, Tanzania)
(2) Central American Common Market = CACH	1960	5 countries (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua)	(5) Union of Central African States = UEAC	1968	2 countries (Chad, Zaïre)
(3) Andean Group	1968	5 countries (Bolivia, Colombia, Ecuador, Peru, Venezuela)	(6) West African Economic Community = CEAC (successor to the West African Customs Economic Union)	1973	6 countries (Ivory Coast, Mali, Mauritania, Niger, Senegal, Upper Volta)
(4) Caribbean Community (successor to the Caribbean Free Trade Association, started in 1968)	1973	12 countries (or areas) (Jamaica, Belize, Guiana, Tobago, and East Caribbean Common Market's members: Antigua, Barbados, Grenada, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent)	(7) Mano River Union	1973	2 countries (Liberia, Sierra Leone)
(5) Latin America Economic System	1975	24 countries (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominica, Ecuador, El Salvador, Grenada, Guatemala, Guiana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela)	(8) Economic Community of West African States	1975	15 countries (Benin, Chad, Gambia, Guinea, Guinea-Bissau, Ivory Coast, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone, Togo, Upper Volta)
			(9) Economic Community of the Great Lake Countries	1976	3 countries (Burundi, Rwanda, Zaïre)

Source: "Salient Features of Economic Cooperation Among Developing Countries", United Nations, 5 December 1977, E/AC.54/L.94, Annex 1, pp. 1-4.

Preferential trading arrangements, agreements on industrial projects as well as industrial complementing packages were all adopted by LAFTA before(20) and the Latin American experience in the 1960s was acknowledged by U. Nyun, Secretary-General of ECAFE (present ESCAP), in the Asian Ministerial Conference of Economic Cooperation in December 1963.(21) The techniques of cooperation from Latin America was incorporated in the form of interim proposals, made by the United Nations Team whose main objective was to identify possible ways in which cooperative action between the ASEAN countries can make their economies individually and collectively more efficient and more capable of achieving the objectives set out in the Bangkok Declaration.(22)

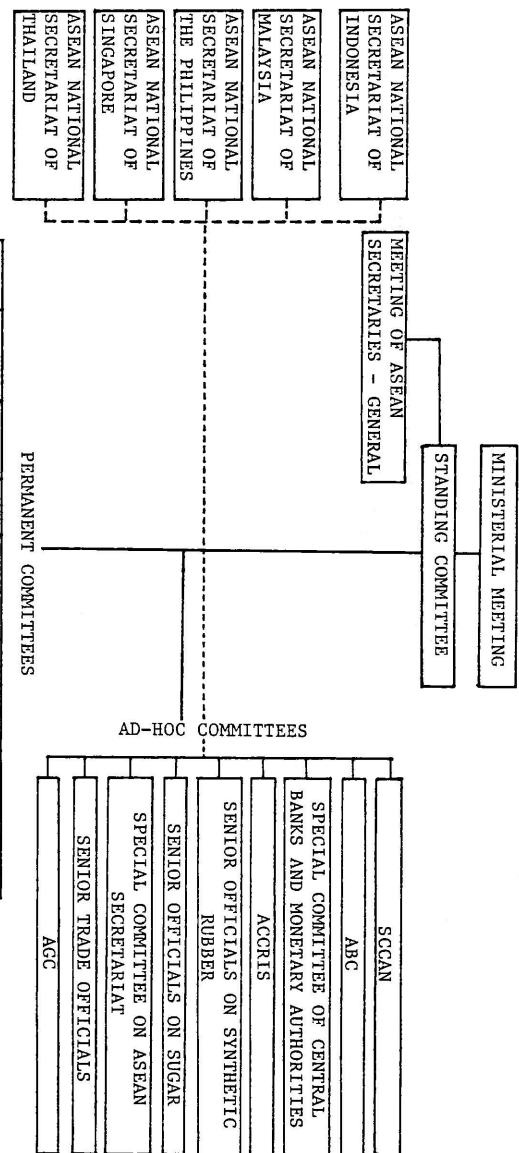
Secondly, as previously pointed out, the second point is that economic cooperation has been completely behind political collaboration, and the former has always been subordinated to the latter as a supplementary function. Such a pattern of putting political collaboration before economic cooperation is a complete reversal of the general pattern in Third World integrating movements -- a proposition for economic cooperation being developed to reach a certain high level, which afterwards leads to political collaboration.(23) Accordingly, in the light of regional integrating movements among the Third World which are designed towards collective reliance, ASEAN integrating movement deviated from this pattern since its inception. The objectives set out in the Bali Summit Meeting, "to expand ASEAN cooperation in the economic field" based on the "principles in the pursuit of political stability" (Declaration of ASEAN Concord) symbolize the characteristic sluggishness in the ASEAN integrating movement.

The third point concerns the organizational structure of the movement in view of the low position being accorded to the Central Secretariat administration among the institutional machinery of the ASEAN scheme. The establishment of a Central Secretariat may be considered as an initial step in formalizing the institutional aspects of ASEAN as a corporate entity governed by its own constitution and by-laws. According to the Agreement,(24) a central machinery implies availability of resources, high commitment to the concept of regionalism, promotion of many activities which cannot be handled by lesser units, the initiation of centralized coordination of behaviour as distinguished from pluralistic coordination which is being done by national secretariats, and better communication among the members. But, in reality, the Central Secretariat has not even been given authority for research and conference management. Moreover, the Secretary-General of the Central Secretariat is not the chief administrative officer of the ASEAN like the Secretary-General of the United Nations as does have to the political functions. In this regard, Jose D. Ingles, Deputy Minister of the Ministry of Foreign Affairs, Philippines, has said:

"Moreover, the Secretary-General is not the Secretary-General of ASEAN. According to the Agreement on the Establishment of the ASEAN Secretariat, he is the Secretary-General and head of the ASEAN Secretariat. Whereas in the United Nations the Secretary-General is not only the chief administrative officer of the organization but he also exercises political functions, such as bringing to the attention of the Security Council and the General Assembly situations which are likely to endanger international peace and security. The Foreign Ministry of ASEAN might consider giving the Secretary-General of the ASEAN Secretariat political functions in addition to broadening his administrative powers and duties."(25)

In fact, the head of the ASEAN Secretariat is appointed by the Foreign Ministers Meeting and holds office for two years. He is responsible directly to the Foreign Ministers Meeting when it is in session, and to the ASEAN Standing Committee at all other times. In form, the Secretary-General of ASEAN is responsible for the discharge of all functions and responsibilities entrusted by the Foreign Ministers Meeting, or by the ASEAN Standing Committee. He also acts as the channel for formal communications between the various ASEAN bodies and the Standing Committee, and between the ASEAN Secretariat and other international organizations and governments. But the Central Secretariat has not been given strong authority to administer such tasks and maintain the network in the same manner as the corresponding machinery at the governmental and private sector could. The national secretariats are still performing their respective functions notwithstanding the creation of a Central Secretariat which should logically take over such functions (see Diagram 2). Incidentally, the Economic Ministers Meeting has not been as important as the Foreign Ministers Meeting regarding the decision-making rule towards the organization, so that its leadership role is not well defined in directing the Central Secretariat's activities. On the whole, the Central Secretariat, by no means resembles the pyramid power structure of the private sector ASEAN-CCI which was set up in April 1972.(26)

Source: ASEAN, Association of Southeast Asian Nations, Jakarta, second edition, August 1975, p.23.



2. Immoderateness

The immoderateness of ASEAN integrating movement is deeply rooted in its sluggishness mentioned above, as they represent two sides of the same coin. In other words, ASEAN has been found to obtain immoderateness more rapidly than other similar integrating movements owing to its late inception, and on the other hand, this immoderateness has its origins in the said sluggishness. We shall now try to delineate some of the features of immoderateness as follows.

Firstly, joint approach to external relations with third countries and groupings has been adopted before implementing economic cooperation among member countries. Properly speaking, according to the doctrine of "joint self-help" and "collective self-reliance", the integrating scheme among developing countries should initially carry economic cooperation among member countries, to be followed by the next step of taking a common approach to external economic relations based on the combined bargaining strength as a group, vis-a-vis the rest of the world just as LAFTA or ANCOM had done in the 1960s and 1970s.(27) One of the advantages of regional integration is in the form of collective bargaining power within the international community. But this approach should be accompanied by a uniformly strong economic cooperation among its members, otherwise, the "collective bargaining power" will be diminished. However, ASEAN is following the path in the reverse order. ASEAN's positive approach to external relations is basically subjected to two factors: one being ASEAN's sluggishness as mentioned above, another being the

post-Second World War trend in international economic relations. The former forced ASEAN to consider economic cooperation only after political consolidation, and the latter -- namely, the evolution of Third World regional integrating movements and the seriousness of the North-South differences -- pursuing a joint approach towards external relations.(28) It is just reflecting its position among the international economic community.

Secondly, due to limited time, ASEAN has to push the intra-regional cooperation scheme into materialization in spite of difficulties lying in the way. This is highlighted by two specific areas of economic cooperation, namely, liberalization of intra-regional trade based on AAPTA concluded in 1977 and implemented in January 1978, and adoption of the package-deal approach towards regional industrial projects thereby selecting the first package of five plants to respective countries, both of which should share a close relationship as each plant would also enjoy AAPTA marketing preferences. Nevertheless, both schemes seem to be propelled more by external forces than by internal needs, thereby characterizing ASEAN's immoderateness in the following manner.

The products of the five plants are eligible for trade preference on a negotiated basis, namely, providing safeguards with respect to intra-regional market disruptions. In this regard, regional industrial projects are believed to be directly linked to the development of export-oriented industrialization which would enjoy substantial scale of economies for member countries. In such a case, the new advanced stage of industrialization is likely to be

reached after the learning of import-substitute (and, of course, domestic-market-dependent) industrialization which in form is the development from the import-dependency economy.(29) In this context, the priority of choice of projects for member countries should be based on their levels or stages of economic development. A rational and acceptable pattern of allocation of the regional industrial plants must take into consideration the economic development stages prevalent among member countries. In the case of ASEAN countries, the stages of economic development range from "import-dependency" through "import-substitution" to "export-oriented" with considerable differences, so that one cannot find homogeneity among its members. For convenience, we can take the share of manufactured products in total exports as an indicator of the member countries' economic development level (stage). If we can accept this criterion of measurement, Singapore was the most developed country among members (her manufactured exports shared 46% of total exports in 1976), next in order was the Philippines (24%), then Thailand (19%), Malaysia (16%) and Indonesia (2%). However, ASEAN industrial plants were not chosen according to this order which is like putting the cart before the horse. The first ASEAN plant was allocated to Indonesia (Aceh Fertilizer Project), the next was given to Malaysia (Urea Project), then to the Philippines (Superphosphates Project), Thailand (Rock Salt-Soda Ash Project) and Singapore (Diesel Engines Project) and Singapore (Diesel Engines Project) in that order (see Table 2). In other words, the five ASEAN industrial projects allocated to members were completely in reverse order to their economic development levels as a whole. In fact as Suryo Sediono said, ASEAN regional industrialization was aiming towards industrial development based on

promoting both "import-substitution" and "export-oriented industrial development" at the same time.(30) So far ASEAN's immoderateness reflected strongly the implementation process of its regional industrial projects.

On the other hand, the rationale about ASEAN economic cooperation in liberalizing intra-regional trade has been generally asserted as follows: not only to overcome the limitation of individual domestic markets and the difficulties of penetrating export markets particularly for manufactured goods, but also from a perceived need to gain momentum in order to defend economic interests of its members any means of preferential arrangements in terms favourable towards their respective economies. In fact, recognition of the above problem was revealed in the prologue of AAPTA which said that "noting that the International Community has fully recognized the importance of encouraging the establishment of preferences among developing countries at the international, regional and subregional levels, particularly through the resolutions of the United Nations, UNCTAD, ... (GATT) ... and decisions made in pursurance thereof."(31)

Apart from pressures generated by individual private groups in members, preferential trading agreements within ASEAN undoubtedly have also been influenced by the trend in the international economic community. ASEAN, in this sense, therefore, sought to circumvent a period of speedily establishing preferential trading scheme by slowly moving the trade liberalization process.(32) The LAFTA experience had shown that after a brief period of some activities, trade liberalization tends to come to a grinding halt. That ASEAN's

selective liberalization scheme into similar obstacles without hardly enlarging intra-regional trade may be attributed to its immoderateness.

Incidentally, we could review the present status of ASEAN projects and activities summarized in Table 3, which includes the highlights of ASEAN's progress in regional cooperation in the fields of trade and industry, tourism, energy, food, agriculture and forestry, finance and banking, transport and communications, as well as in the areas of social development, information and cultural exchanges, and science and technology. According to Table 3, in 1983, 36 ASEAN projects had been completed out of the total of 296 projects. In other words, its achievement record posted at about 12 per cent completion which was low.⁽³³⁾ Such a phenomenon may be taken as a dimension of ASEAN's immoderateness, because it was a result of rushing into the many projects without considering the consequences.

3. "Joint Outside-Help"

The third salient feature of the ASEAN integrating movement is its "joint outside-help" reflected in the industrial projects, which is bound together with the two features of sluggishness and immoderateness. ASEAN cannot be separated from its immoderateness stemming from its sluggishness, nor can it break out of its "joint outside-help" forced by its immoderateness. Such as trilateral relationship among sluggishness, immoderateness and "joint

Table 3: Status of ASEAN Projects and Activities (1983)

Committee on	Total	Indicative Status								
		A	B	C1	C2	C3	D	E	F	G
Financial and Banking	26	6	9	2	3	1	1	1	3	0
Food, Agriculture and Forestry	27	0	7	13	2	0	2	0	1	2
Industry, Minerals and Energy	37	8	8	6	8	1	0	0	6	0
Transportation and Communication	87	0	8	13	12	5	25	16	8	0
Culture and Information	43	6	4	8	4	6	0	0	15	0
Science and Technology	32	13	12	1	4	0	2	0	0	0
Social Development	44	16	1	0	13	4	7	0	3	0
Total	296	49	49	43	46	17	37	17	36	2

Source: Summarized from Annual Report of the ASEAN Standing Committee, 1982-1983, (Jakarta: ASEAN Secretariat, 1983), pp. 99-137.

Notes : A - proposal, B - project approved by ASEAN but not implemented, C - on going project, C1 - preparatory stage, C2 - partially implemented, C3 - final stage, D - long-term continuing project, E - abandoned proposal, F - completed project, G - not indicated.

outside-help" is evident both in its internal relations and also in external interactions. In this sense, ASEAN's "joint outside-help" is inevitably a natural consequence of its sluggishness and immoderateness. From this viewpoint, ASEAN's dependency may be described as follows.

"Joint outside-help" is manifested sharply in the form of large scale financial dependence on advanced foreign countries as well as technical support with regard to the five ASEAN industrial projects. Those five projects, in view of ASEAN's sluggishness and its immoderateness, were based on assistance both in financing and technology provided by foreign countries, especially Japan. Originally the package deal for large scale projects, which had been implemented in the Latin American scheme, was not only recommended by the United Nations team whereas "financing" was also sought from the United Nations.(34) Obviously such a "package deal" was characterized by its response to outside initiative.

In terms of financial resources, it can be seen that in the project of the urea plant in Indonesia, the company's shareholders had a paid-up capital as of 31 December 1983 amounting to US\$82,280,000; for which Indonesia's share was US\$49,380,000, Malaysia, the Philippines and Thailand contributed US\$10,695,000 each, with Singapore's share being US\$815,000. This comprised only 22 per cent of the total assets of US\$376,006,413, while about 73 per cent came from long-term debt (US\$274,078,979), all financed by the Japanese Government.(35) Almost the same conditions applied to the second (Malaysian) project.(36) As a result, ASEAN countries ended up contributing only the equity for the paid-up capital.

The heavy dependence on external (third) parties for executing ASEAN projects is shown in Table 4. Out of 296 projects which ASEAN Ministers' (both Foreign and Economic Ministers) Meetings had agreed upon, 179 projects involved third parties (that is, over 60 per cent), of which Australia, EEC and Japan constituted nearly 70 per cent. Among those projects involving third parties only 9 projects (that is 5 per cent) have been finished. How should ASEAN endeavor to fully realize those projects in relation to promoting and strengthening ASEAN "collective self-reliance" has become a vital and urgent problem.

Another aspect of ASEAN's "joint outside-help", could be detected in the structure of foreign trade which exhibited a greater bias towards extra-regional markets -- especially towards advanced countries like the United States and Japan. The share of intra-regional trade which had achieved the highest level of 18.1 per cent in 1965-1967 (average), had since then, declined continually until in 1975 it registered the lowest share of only 12.7 per cent (see Table 5). From 1979 onwards there was some improvement in the trend but it has never recovered to the 1965-1967 level although 19.0 per cent was recorded in 1983.(37) Indeed, there have been great differences in trade structure among members and AAPTA may have led gradually towards greater emphasis on intra-regional trade with effect from 1978. But even if AAPTA becomes effective and is extended to trade liberalization by across-the-board and the proposed five projects are completed, chances for raising the share of intra-regional trade would be rather remote.(38) It is well known

Table 4: ASEAN Projects with Third Countries (1983)

Countries (or Group)	Total	Indicative Status								
		A	B	C1	C2	C3	D	E	F	
Australia	48	26	3	8	3	2	3	1	1	
Canada	19	0	5	11	1	0	0	0	0	
New Zealand	17	6	4	3	0	2	0	0	2	
Japan	36	0	17	5	3	0	4	1	0	
EEC	41	9	11	12	3	1	2	0	2	
USA	18	0	2	7	2	0	2	1	4	
Total	179	41	42	46	12	5	11	3	9	1

Source: Same as for Table 3.

Notes : Same as for Table 3.

Table 5: Trend of ASEAN Intra-regional Trade*

(million US\$)

Period	Total Foreign Trade (A)	Intra-ASEAN Total (B)	(A)/(B) (per cent)
1965-1967 (average)	9,400	1,698	18.1
1968	10,981	1,952	17.8
1969	12,250	2,215	18.1
1970	13,700	2,325	17.0
1971	14,807	2,461	16.6
1972	17,473	2,780	15.9
1973	28,047	4,399	15.7
1974	46,378	6,532	14.1
1975	44,086	5,620	12.7
1976	52,823	7,029	13.3
1977	61,952	8,355	13.5
1978	72,723	9,845	13.5
1979	96,387	14,391	14.9
1980	131,859	24,584	18.6
1981	140,157	21,463	15.3
1982	141,379	25,087	17.7
1983	144,232	27,389	19.0
1981-1983 (average)	141,923	24,646	17.4

Source: International Monetary Fund, Direction of Trade Annual 1968 to 1972, 1970 to 1976, 1971 to 1977, 1977 to 1983.

Notes : *Includes exports and imports but excludes Singapore trade with Indonesia owing to figures being unavailable.

that one of the principal aims of regional integrating movements among developing countries is to promote intra-regional trade and to achieve the highest and most efficient level of collective self-reliance. Thus, heavy dependence on extra-regional trade posed a grave problem for the ASEAN scheme.

Careful observation of the ASEAN trade pattern, in 1982, for instance, showed that 64 per cent of its exports went to the advanced countries of North America, Western Europe and Japan, while 66 per cent of the region's imports were supplied by the same countries. Even more significant than those figures was the composition of such trade. In each of the four primary producing countries (excluding Singapore), more than three quarters of their exports were accounted for by only five major export products. Rubber, tin, copra, oilseeds, kernels and vegetable fats and oils, wood and wood products were important export commodities for ASEAN. In the case of imports, over 70 per cent were manufactured goods; principally machinery and transport equipment, chemicals and iron and steel. One important reason for such a trade pattern is that it has its origins in foreign investments made by foreign firms during the colonial ages and still tied-up to them as a source of raw material supply.(39) Under the export-oriented strategy, ASEAN countries are paradoxically led to greater export dependence.(40)

IV ASEAN and the NIEO

1. ASEAN in a Changing World Economy

ASEAN's involvement in the trend towards the establishment of the New International Economic Order (NIEO), has two different aspects. One is the evolution and growth of economic regionalism or regional economic cooperation, and the other is the serious deterioration of North-South relations. In the former context, the (South) developing countries, based on the ideology of "Joint self-help" and then "Collective self-reliance", promote regional integrating movement aiming to redress the inequalities between South and North and aspiring to develop their national economies independently. In the latter context, the developing countries believed that the existing international economic system is strongly bias in favour of the rich North producing sharp inequalities between the richer North and the poorer South.

Given such perceptions of the world situation, the poor countries of the third World as a group unanimously called for a reshaping of the new world economic system based on principles of both fairness and justice. Accordingly, the essence of "joint self-help" and then "collective self-reliance" would be realized only through the establishment of the NIEO(41) when regional integration among developing countries becomes a concrete achievement.

In the case of the ASEAN movement, it is therefore necessary to take the concept of "collective self-reliance" as the basic premise and set forth regional integration leading to the establishment of the NIEO. This means that if ASEAN has not been persistent in aiming for the establishment of the NIEO, it would lose its raison d'etre for its continued existence. Only with the perspective offered by those two abovementioned contexts, then, would we be able to understand ASEAN's relation with the proposed establishment of the NIEO in terms of its sluggishness, immoderateness and "joint outside-help" (external dependency.)

Before attempting to explain the ASEAN-NIEO nexus, it is necessary to study the effect of the changing international economic framework to ASEAN. There are three important events which could be considered as having significant impact on ASEAN, namely, (i) the Vietnam conflict and its consequences (1965-1975); (ii) the collapse of the IMF (International Monetary Fund) fixed exchange rate system and the advent of the floating rate system (1971-1973 and thereafter); and (iii) the so-called "oil shocks" precipitated by OPEC's raising the export price of crude oil (first in 1973 and second in 1979).

Firstly, the Vietnam conflict directed ASEAN's attention towards collaboration in political and security issues, and its ending has again made ASEAN consider cooperation in the economic field as well. In short, it can be said that the Vietnam conflict highlighted ASEAN's salient features namely sluggishness and immoderateness.

Secondly, the collapse of IMF fixed exchange rate system (Bretton Woods system) had complicated consequences upon ASEAN economies. Here we shall confine the discussion to the topic of exchange rates related to ASEAN's external trade problems, especially focusing on import-export relations with Japan and the United States -- the most important trading partners for ASEAN. It is generally held that favourable export earnings were available to the ASEAN countries during the 1975-1978 period as the Japanese currency was extremely strong with respect to the U.S. dollar, enabling ASEAN to create export surplus to the American market with advantages of relatively strong competition in view of the U.S. dollar's depreciation vis-a-vis the Japanese Yen. ASEAN countries were able to enjoy the so-called "currency premium" as shown in Table 6. In such a situation, ASEAN local export industries faced few if any pressures towards rationalization in their operations as they were beefed-up by "currency premium" advantages. But during the next stage in the period 1979-1981, the Yen-dollar relationship changed in the opposite direction as the U.S. dollar exhibited an appreciating trend again. Under such changing circumstances, ASEAN countries with export industries faced decreasing export earnings and accumulating external debt. In short, owing to the collapse of the IMF fixed exchange rate system since March 1973, ASEAN countries operating under the floating system, had their external vulnerability increased.⁽⁴²⁾ For the purpose of mitigating adverse external impacts and overcoming their increased vulnerability, ASEAN countries had been compelled to engage in possible regional economic cooperation. In this manner, the collapse of the Bretton Woods

Table 6: Index Changing* Between the Five ASEAN Countries' Currency vis-a-vis Japanese Yen in the Foreign Exchange Market (1970-1980)

Year	Japan	Indonesia	Malaysia	Philippines	Singapore	Thailand
1970	100	100	100	100	100	100
1971	100	111	101	112	101	103
1972	100	134	107	133	107	118
1973	100	150	104	150	104	130
1974	100	139	95	140	96	118
1975	100	137	94	148	93	119
1976	100	137	100	152	96	117
1977	100	152	107	167	105	129
1978	100	205	127	212	124	164
1979	100	280	116	205	115	159
1980	100	273	113	202	110	154

Source: International Monetary Fund, International Financial Statistics, Supplement on Exchange Rates, Supplement Series No. 1, 1981, pp. 16-17.

Note : *Figures are calculated in the form of an index of Japanese Yen vis-a-vis U.S. dollar exchange rate (1970 = 100) being a denominator and that of ASEAN members' currencies being a numerator.

system, together with the "oil shock" of 1973, probably pushed ASEAN countries into promoting new regional economic cooperation urgently. This is an important external factor contributing towards immoderateness as a characteristic of ASEAN.

Lastly, the "oil shocks" caused by OPEC's rising crude oil export price retarded the primarily energy intensive "industrialization" strategy which most developing countries proceeded imitating the major advanced industrial countries. In this strategy, heavy and chemical industry are taken as leading sectors for promoting economic development. This strategy resulted not only in increasing deficits in the balance of payments and accumulation of external debts, but also grave consequences in that it leads to increasing dependence on imported energy (commercial energy) while introducing the reduction, breakdown and collapse of indigenous (non-commercial) energy supplies. ASEAN's dependence on external energy supplies drastically changed both the external trade structure and, indeed for ASEAN, reinforced the basic and vital question of external dependency.

2. Towards Establishment of the NIEO

Next a summary view of ASEAN integrating movement is presented in which I have set out my observations and views on the NIEO problem in relation to the abovementioned salient features of sluggishness, immoderateness and "joint outside-help" (external dependency), in the hope that it may contribute towards forming a basis for discussion and exchange of views on this important subject.

Table 7: The Membership of ASEAN Countries in the North-South Relations (1979)

	United Nations		The Non-Aligned Conferences						
	Date of as Developed Five States Joining Countries(1)	Date of 77 Group Joining	Date to be New Member	Belgrade 1961	Cairo 1964	Lusaka 1970	Algiers 1976	Colombo 1979	Havana
Indonesia	1950	Islands Nov 1963	1961	A	A	A	A	A	A
Malaysia	1957	- Nov 1963	1970	N	N	A	A	A	A
Philippines	1945	Islands Nov 1963	-	N	N	N	N	G	O
Singapore	1965	Islands Oct 1967	1970	-	-	A	A	A	A
Thailand	1946	- Nov 1963	-	-	-	-	-	-	-

Source: Peter Willels, The Non-Aligned in Havana, Documents of the Sixth Summit Conference and an Analysis of their Significance for the Global Political System (Frances Pinter, 1981), pp. 64-67, 248-254.

Notes : A = attended and were full participants, N = did not attend, O = observers, G = guests, - = no relations at the time.

(1) Relation with ASEAN's sluggishness

Comparing with other Third World nations, especially Latin American countries, ASEAN countries have fallen behind in committing themselves to the establishment of the NIEO.(43) This is not only because they paid attention to it belatedly, but also due to their lack of unanimity on this matter. In the Sixth Special Session of the United Nations General Assembly held in 1974, for instance, no strong concerted stand as a regional group could be found among their delegates position.(44) Also different approaches among them towards the Non-aligned Nations Movement may be seen as reflecting their different stands and interests. According to Table 7, only Indonesia is an original member in the Non-aligned Nations Movement since 1961. One of the main reasons for such different attitudes toward the Non-aligned Movement may have its roots in ASEAN's political collaboration which is based on regional resilience and stability within the context of the Indochina situation. This is rather different from the Non-aligned Movement's emphasis on a global viewpoint for pursuing world peace.(45) It is clear that ASEAN's sluggishness (priority on political collaboration within the region) prevented it from being fully committed to the NIEO movement. ASEAN's position towards the North-South dialogues is unavoidably

inseparable from its sluggishness although ASEAN countries, in fact, have always echoed the voices of the Third World in their search for a better international economic order, whereby ASEAN as a regional grouping would not seek its separate path towards NIEO's goal.(46)

(2) Relation with ASEAN's Immoderateness

The convening of the Fourth UNCTAD in May 1976 at Manila, Philippines, forced the ASEAN members to examine their stand on the North-South relations. The first ASEAN Summit Meeting was held in the same year, where the issue of regional cooperation in the economic field was taken up, and the primary products integrate programme and its part of Common Fund problem were brought up in the Fourth UNCTAD. ASEAN had been evolving serious interest in the so-called hard-core commodities such as tin and rubber as the main items. Under such circumstances, ASEAN needed to show due consideration to the NIEO issue for the purpose of bargaining for a higher proportion in the international value of their exported primary commodities in spite of the fact that ASEAN had just concluded measures for economic cooperation within the region. Hence ASEAN in the NIEO's context could not help but to cope with the UNCTAD trend taking an attempt for its objective. Subsequently with the Fourth UNCTAD opportunity, ASEAN had been committed to the so-called "international context"(47) of North-South Dialogue and also towards setting up the NIEO. In the Fourteenth ASEAN Foreign Ministers' Meeting of June 1981 at Manila, the agreement that ASEAN, in concert with all its dialogue partners actively support the launching of the global round of negotiation during the Thirty-Sixth

Session of the United Nations General Assembly (UNGA) was first expressed. This is not much a surprise but the ASEAN's belief that the North-South Dialogue towards international development would promote regional resilience and stability should be noted. "They agreed", as was stated in the joint communique, "that ASEAN should strengthen its collective efforts in all international fora and multilateral dialogues to cushion the adverse effects of global economic and political instability on the ASEAN countries. They expressed their belief that greater collective action will make ASEAN a potent force in the global round of negotiations."(48)

In the above statement, ASEAN had indeed echoed the views of the Third World in its search for a better international economic order. This attitude of ASEAN revealed its immoderateness as ASEAN had to match the current trend in the international context in relation to its late introduction of the regional economic cooperation scheme. According to this understanding, it is associated that ASEAN hereafter would be in concert with all its dialogue partners, actively supporting the launching of the global round of negotiations towards a more conducive atmosphere for the establishment of the NIEO.

(3) Relation with ASEAN's "Joint Outside-help" (External Dependency)

Lastly, concerning its "Joint Outside-help", compared with the two features of sluggishness and immoderateness, it is the most severe obstacle against the realization of the regional integrating

objective, because the most basic objective pursued by a regional integrating movement is no other than "collective self-reliance", whereas ASEAN's dependency upon external relations is just the opposite of such a doctrine. If the structure of the ASEAN economies are to be linked to advanced industrial economies rather than their own-regional markets, they are easily affected by external perturbations. So as an example we shall focus our attention to the energy field in order to review ASEAN's "collective (regional) self-reliance" achievements, especially in the commercial energy supply problem.

The demand and supply situations in primary commercial energy for the five countries (excluding Brunei) are summarized in Table 8. The current problem consists of the following two points.

One is how to match the increasing needs for crude oil (primary energy) in the region as a whole. From Table 8, one can find that Indonesia, the most important exporter of crude oil in the region, and Malaysia, which is increasing its oil exports in recent years, both exported more crude oil during 1970-1981 than the combined import of the other three countries (the Philippines, Singapore and Thailand). Numerically, it seems possible to say that, by and large, ASEAN members availed itself "collective self-sufficiency" in oil. However, only a very small proportion (less than 6 per cent) of Indonesian exports was sent to her ASEAN partners. The rest was supplied to the two major consuming nations, namely Japan and the United States. Indonesia's low-sulfur crude oil is rather more expensive than Middle-East crude oil and has greater demand in

Table 8: Supply and Demand Situations in Primary Commercial Energy for the Five Countries of ASEAN (1970-1981)

(Unit: coal equable 100 million M/T, %)

Year	Indonesia			Malaysia			Philippines			Singapore			Thailand			Total (Five Countries)		
	Con- sumption	Primary Produc- tion	Import	Con- sumption	Primary Produc- tion	Import	Con- sumption	Primary Produc- tion	Import	Con- sumption	Primary Produc- tion	Import	Con- sumption	Primary Produc- tion	Import	Con- sumption	Primary Produc- tion	Import
1970	13,848 (100)	63,881 (461)	495 (4)	5,959 (100)	1,498 (25)	15,086 (253)	10,030 (100)	286 (3)	13,296 (133)	2,615 (100)	- (-)	29,420 (1,125)	6,671 (100)	366 (5)	7,335 (110)	39,123 (100)	66,031 (169)	65,632 (168)
1975	22,044 (100)	97,251 (441)	2,876 (13)	8,066 (100)	7,683 (95)	6,758 (84)	12,933 (100)	350 (3)	13,772 (106)	6,599 (100)	- (-)	38,212 (579)	11,148 (100)	579 (5)	11,514 (103)	60,790 (100)	105,863 (174)	73,132 (120)
1980*	33,589 (100)	134,239 (400)	10,564 (31)	13,700 (100)	20,918 (153)	10,954 (80)	17,484 (100)	1,691 (10)	15,912 (91)	7,639 (100)	- (-)	52,667 (689)	15,474 (100)	938 (6)	17,032 (110)	87,886 (100)	157,786 (180)	107,129 (122)
1981	36,375 (100)	137,371 (378)	7,673 (21)	14,225 (100)	21,780 (153)	10,482 (74)	17,500 (100)	1,629 (9)	17,219 (98)	11,029 (100)	- (-)	58,095 (572)	16,045 (100)	1,325 (8)	16,786 (105)	95,174 (100)	162,105 (170)	110,255 (116)

Source: Compiled from United Nations, 1981 Yearbook of World Energy Statistics (ST/ESA/STAT/SER.J/25), New York, 1983, pp. 28-35.

advanced industrial countries with appropriate refinery facilities. Indonesia, as well as Malaysia, is also eager to save foreign exchange by importing cheaper Middle-East oil for domestic consumption. As a consequence, both countries follow a policy of "importing beer and exporting champagne", (49) while the other three ASEAN countries cannot afford to be major consumers of their neighbour's petroleum. Furthermore, Indonesia and Malaysia are concerned about protecting their shares of the Japan and the United States markets against future competition from oil exports of similar quality from China. In such a situation, ASEAN could hardly be said to have attained "self-sufficiency" in oil in the long run. The relationship between the growth of GDP (Gross Domestic Product) and energy consumption (in-put) (so-called "energy coefficient") in the ASEAN members has not been reliably established, (50). But from Table 9 and Table 10, it is evident that ASEAN countries have been experiencing high rates of growth in energy consumption. This does purport that ASEAN members have been following the primary energy intensive "industrialization" course and it is far from being able to resolve this disturbing mismatch.

The second and more important issue is the fact that increasing reliance on commercial energy induced by adopting intensive primary energy "industrialization" strategy had resulted in the breakdown of the mechanism for non-commercial energy production in relation to consumption. Non-commercial energy sources should theoretically include the traditional heat-supplying forces used in traditional societies, including materials such as fuelwood charcoal, wood-waste, agricultural waste and animal waste as well as the mechanical energy sources, such as animal power and human labour. These non-commercial

energy sources have historically been associated with indigenous societies providing renewal supplies by way of a self-sufficient supply mechanism.

Since commercialization has penetrated into traditional societies through the energy intensive "industrialization" process directed towards commercial relation with the world market, the supply mechanisms for the non-commercial energy sources are in danger of ultimate collapse and paralysis. This situation is set out in Table 9 where it can be seen that the share of non-commercial energy consumption (also in the supply side) has declined significantly during 1960-1978, and the pace has been more marked in the case of more "advanced" (high and upper middle-class) countries like Singapore. This phenomenon runs parallel with the annually increasing commercial energy consumption and imports as shown in Table 8. "collective (regional) self-help" and the establishment of the NIEO for ASEAN countries are, in the above mentioned context, significantly related to the reestablishment of the non-commercial energy sources and the recycling mechanism associated with them. In the transition from traditional and colonial societies, what forms of modern and advanced societies will suit the people? Is it not too much to expect that ASEAN countries should simultaneously achieve rapid economic development under truly effective "energy-saving industrialization" strategy?

Table 9: Changing Share of Non-Commercial Energy* Consumption
in the Five ASEAN Countries (1960-1978)
('000 t.o.e.)

Countries	1960			1978		
	non-commercial	commercial	share of non-commercial %	non-commercial	commercial	share of non-commercial %
NET ENERGY EXPORTING						
Indonesia	7,840	4,822	62	19,523	20,708	49
Malaysia	1,030	1,339	43	1,520	6,432	19
LOWER MIDDLE INCOME						
Philippines	3,560	2,969	55	6,357	12,099	34
Thailand	-	1,236	- (30*)**	3,447	11,660	23
HIGH AND UPPER MIDDLE-INCOME						
Singapore	13	414	3	9	3,907	0.2

Source: Compiled from ASEAN Energy Problems, An Asian Development Bank Survey (Praeger, 1982), pp. 281, 291, Annex 2.

Notes : * Only details of fuelwood, chore coal, agricultural and animal waste used are included in computing consumption of non-commercial.
** 1970 figure.
- non-available.

Table 10: Elasticity-Coefficient of Energy-Demand vis-a-vis
Gross Domestic Production (GDP) for the Five ASEAN countries (1960-1975)

Countries	1960/65	1965/70	1970/73	1973/75	1960/75
Indonesia	0.26	1.55	0.35	2.98	1.10
Malaysia	1.42	1.72	0.74	1.00	1.22
Philippines	2.25	1.44	1.08	0.46	1.46
Singapore	3.35	0.86	2.11	1.54	1.80
Thailand	2.54	1.40	2.44	0.34	1.78
Japan	(1.02)	(1.20)	(0.81)	(-5.26)	(0.96)

Source: ESCAP, Proceedings of the Working Group Meeting on Energy Planning and Programming and of the Committee on Natural Resource, Fifth Session, New York, 1979 (ST/ESCAP/84), p. 35.

V Conclusion

Generally speaking, the real problems of ASEAN integrating movements are not the manipulation of trade preference policy, the extension of joint industrial projects, nor the pursuit of a glorious joint vis-a-vis external parties, but the creation of an environment conducive to overcoming the limitation of its sluggishness, immoderateness and "joint outside-help" (external dependency). Priority in ASEAN integration lies in strengthening economic cooperation through collective effort, and the elimination of obstacles stemming from ASEAN's salient features. This is not an easy task but it deserves the attention of many scholars in this region.

Finally, two principal problems faced by ASEAN countries which I have not discussed above would be set out here for the purpose of pursuing additional research in the foreseeable future. One is the issue regarding the problem of reforming the traditional social and economic structures in the region into a modern setting. Another is the problem about increasing authoritarianism in the region. The former is an unavoidable vital step to enable the formation of self-reliant national economies through regional integrating movements, and the latter is a significant factor in the context of the NIEO, including fundamental human rights as well as social justice.(51) Needless to say, reforming the traditional economic and social structures including the agricultural sector is as important as promoting regional economic integration. It should not also be forgotten that restructuring the international order backed up by

fundamental human rights is an indispensable element in forming the NIEO. Authoritarianism cannot be disregarded in setting up the NIEO as well as regional integrating movements. In this field, only a few scholars have paid attention to this complex problem.(52) It is expected that studies in this field will be forthcoming in the foreseeable future.

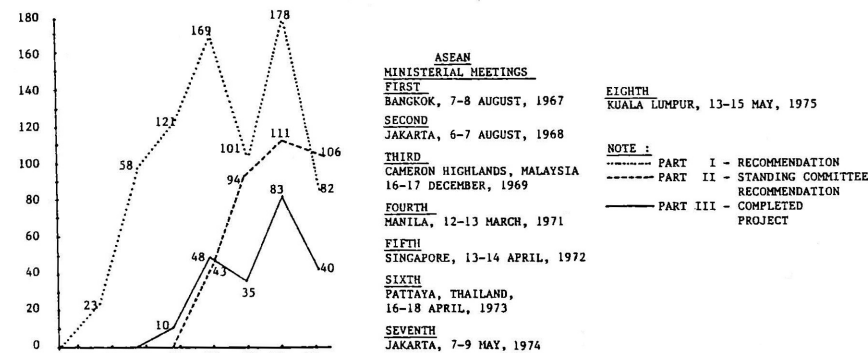
As the special Review Committee on ASEAN Development has pointed out, in order for ASEAN to attain more speedy development in the decade of the 1980s, there is a need to pinpoint the obstacles that have retarded progress. It is more important, however, to recognize ASEAN's historical characteristics in perspective, thereby keeping in mind that regional integrating movements among developing countries should lead to the establishment of the new international economic order and not put the cart before the horse.

It is clear that, strong ties between ASEAN members, including overcoming the weak points stemming from historical conditions of sluggishness, immoderateness and "joint outside-help", and extension of the regional membership, are the priority. They are also the logical basis upon which to construct broader interregional relationships to encompass all of the Third World, and to bring ASEAN into balanced and productive contact with the countries and regions of the industrialized North. In this context, it is rather encouraging that Brunei has recently been incorporated a new ASEAN member country in full since January 1984. Obviously, there is a great need to undertake serious research in this direction by individual scholars and researchers especially in this region, if the concept of regionalism is to grow in this part of the world.(53)

NOTES

1. Joint press release, Tenth Meeting of the ASEAN Economic Ministers in Bangkok, Thailand, 25 October 1980 (Singapore Economic Bulletin, November 1980, p. 22).
2. Review of ASEAN Development: a report of the Special Review Committee of the ASEAN Chambers of Commerce and Industry, 1 November 1981, p.3. This report was presented to the fourteenth council meeting of the ASEAN-CCI on November (see "Report of the Proceedings of the Fourteenth Council Meeting of the ASEAN chambers of Commerce and Industry", mimeograph, 11 December 1980 (Indonesia: Jakarta), Annex XV
3. The task Force, comprising three senior individuals from each ASEAN member country, was formed by the Fifteenth ASEAN (Foreign) Ministerial Meeting (14-16 June 1982, Singapore) to "undertake a comprehensive review and appraisal of ASEAN cooperation". The Task Force was requested to submit its report to the 16th ASEAN Ministerial Meeting but the findings were not made public (see The Asian Wall Street Journal, 20 October 1983 and refer to Appendix 1 in this paper).
4. ASA -- Association of South East Asia, consisted of Malaya (including Singapore), the Philippines and Thailand, initiated in July 1961 and MAPHILINDO (it stands for the Malaya, Philippines, Indonesia) was formed in August 1963. Both schemes' contents are available in Basic Documents of Asian Regional Organizations, edited by Michael Haas (New York: Oceana Publications, 1974), Volume IV, pp. 1229-1267.
5. 10 years ASEAN (Jakarta: ASEAN Secretariat, 1978), pp. 111-117.
6. Ibid., pp. 14-16.
7. John Wong, ASEAN Economies in Perspective (Hong Kong Macmillan, 1979), pp. 101-105.
8. Review of ASEAN Development, op. cit., p. 26.
9. Ibid., p. 2.
10. Agreement on ASEAN Preferential Trading Arrangements in Review of ASEAN Development, op.cit., pp. 119-130
11. See Singapore Economic Bulletin, January 1978, p. 19.
12. Basic Agreement on ASEAN Industrial Projects (draft) approved by the Economic Ministers in June 1978 in the ASEAN Report, Volume II, The Evolution and Programmes edited by Barry Wain (Hong Kong: The Asian Wall Street Journal, 1979), p. 54.
13. Economic Cooperation Among Member Countries of the Association of South East Asian Nations, Report of a United Nations Team, reprinted in Journal of Development Planning, No. 7 (New York: United Nations, 1974). ST/ESA/3. p. 48.
14. Unless 75% of the production is for export outside the ASEAN region, participant countries cannot set up new production facilities or expand existing capacity for the same product as that approved for industrial complementation. Singapore Economic Bulletin, March 1981, p. 21.
15. The ASEAN Report Update (Hong Kong: The Asian Wall Street Journal, 1980), pp. 85 below.
16. Annual Report of the ASEAN Standing Committee 1980-1981 (Jakarta: The ASEAN Secretariat, June 1981), p. 29.
17. "Internationally, ASEAN has been given its due recognition and its views are listened to by the international community". Extract from the Joint Communique of the Thirteenth ASEAN Ministerial Meeting, Kuala Lumpur, Malaysia, 25th and 26th June 1980 in Singapore Economic Bulletin, August 1980 in Singapore Economic Bulletin, August 1980, p. 47.
18. Regarding ASEAN-CCI activities, one may refer to the ASEAN-CCI Hand Book produced by The Investor and others (Bangkok, and others, 1979, 1981, 1982, 1983/84) and "Report on the Proceedings of the Twenty-first Council Meeting of the ASEAN Chambers of Commerce and Industry." Mimeograph. November 1983, Jakarta, Indonesia as well as various previous reports of the proceedings, and also WGIC, Working Group on Industrial Cooperation Handbook 1983, ASEAN-CCI, Singapore, 1984 (?).
19. Amado A. Castro, "Economic Cooperation and the Development of an ASEAN Culture" collected in ASEAN Identity, Development and Culture edited by R.P. Anand and Purificacion V. Quisumbing, University of the Philippines Law Center and East-West Centre Culture Learning Institute (Manila: Sison's Printing Press, 1981), p. 244.
20. Nimo Maritans, A Latin American Economic Community -- History, Policies and Problems (Notre Dame: University of Notre Dame Press, 1970) and also UNCTAD, "Economic Cooperation and Integration among Developing Countries" (mimeograph), TD/B/609, Vols. I and II, and TD/B/609/Add.1, Vols. I, II, III, V, 1976.
21. ECAFE, Regional Economic Cooperation, Report of the Ministerial Conference on Asian Economic Cooperation (New York: United Nations, 1964), pp. 12-13.
22. See Economic cooperation for ASEAN, Report of a United Nations Team, 1974, p. 29 and above note 13 reference, p. 50.

23. UNCTAD, Current Problems of Economic Integration (common title), various research reports, such as TD/B/322/Rev.1, 1971; TD/B/374, 1971; TD/B/394, 1973; TD/B/436, 1973; TD/B/422, 1974; TD/B/435, 1974; TD/B/471, 1974; TD/B/517; TD/B/531, 1975. Also Haas and Schmitter, "Economic and Differential Patterns of Political Integration" in International Organization, Vol. 18, No.4, Autumn, 1964.
24. "Agreement on the Establishment of the ASEAN Secretariat" reprinted in Facts on ASEAN (Malaysia: Ministry of Foreign Affairs, 1977[?]), pp. 30-38. Also, see 10 Years ASEAN, op.cit., p. 22.
25. Jose D. Ingles, "Problems and Progress in Regional Integration; the Case of ASEAN" in ASEAN Identity, Development and Culture, op.cit., p. 224.
26. ASEAN-CCI Hand Book 1979, op.cit., pp. 4, 8.
27. Trade Expansion and Economic Integration among Developing Countries, Report by the Secretariat of UNCTAD (New York: United Nations, 1967), TD/B/85/Rev.1, p. 10.
28. The following document should hereby be noted, A Strategy for Strengthening Economic Cooperation among Developing Countries, Note by the Secretary-General of UNCTAD, document TD/B/557, 25 June 1975 in Official Reports, Agenda Item 6, Annexes Fifteenth Session (First part), TDB, UNCTAD, Geneva, 1975.
29. For instance, in the case of the Philippines, see Transition Toward more Rapid and Labour-Intensive Industrial Development; The Case of the Philippines, World Bank Staff Working Paper No. 424, October 1980, p. 5.
30. Suryo Sekiono, "ASEAN: Kerjasama Bidang Industri" in Prisong (Jakarta: LP3Es, November 1979) (translated to Japanese in Tokyo Ginko Kehho -- Tokyo Bank Monthly Report, March 1981).
31. Agreement on ASEAN Preferential Trading Arrangements in 10 Years ASEAN, op.cit., p. 44.
32. See Ooi Guat Tin, The ASEAN Preferential Trading Arrangements (PTA): An Analysis of Potential Effects on Intra-ASEAN Trade (Singapore: Institute of Southeast Asian Studies, 1981).
33. The status of ASEAN projects and activities from 1967 to 1975 posted as follows:



Source: ASEAN 1967-1975, Sekretariat Nasional ASEAN, Departmen Luar Negeri, Republik Indonesia, Jakarta 1976(?), p. 54.

34. United Nations Memorandum of Understanding on Assistance to the Association of South East Asian Nations on Economic Cooperation, 1969 in Basic Documents of Asian Regional Organizations, Vol., op.cit., pp. 1272-1275.
35. Annual Report 1983, P.T. ASEAN Aceh Fertilizer, General Affairs Department, pp. 22-23, 27.
36. The main contract on ASEAN Urea Project (Malaysia) was awarded to Kobe Steel Ltd. (KSL) of Japan in consortium with Uhde GmbH of Germany on 9 July 1982 and on 18 January 1983 KSL took over the Project site. Annual Report of the ASEAN Standing Committee 1982-1983 (ASEAN Secretariat, 1983), p. 30.
37. ASEAN countries achieved the highest level of "intra-regional" trade at 22.0 per cent in 1961 and the next highest level of 21.6 per cent in 1964 before ASEAN was formed. See Trade and Development Board, UNCTAD, Economic Co-operation and Integration Among Developing Countries, Volume II, 20 May 1976, TD/B/609 Vol. II), Annex V.
38. In the case of the first project of the urea plant in Indonesia (P.T. ASEAN Aceh Fertilizer), for instance, which has an annual production capacity of 570,000 tonnes, Indonesia will consume the bulk of 250,000 tonnes each year, Malaysia is set to take 100,000 tonnes, the Philippines 50,000 tonnes and Thailand 30,000 tonnes. On the other hand, exports to external markets, Japan is set to take 90,000 tonnes annually and Indonesia is believed to have secured a long-term commitment from Korea to buy 2,000,000 tonnes of fertilizer over a 20-year period from 1986. See The New Straits Times, 25 January 1984.

39. One may get a summary outline of foreign investment situation in ASEAN from the following article, Friedrich von Kirchbach, "Transnational Corporations in the ASEAN Region: A Survey of Major Issues" in Economic Bulletin for Asia and the Pacific, Vol. XXXIII, No. 1, June 1982.
40. See also Arnfinn Jorgensen-Dahl, Regional Organization and Order in Southeast Asia (Macmillan, 1982), pp. 151-152.
41. See above note 27 and Ervin Laszlo with Joel Kurtzman, A.K. Bhattacharya, RCDC (Regional Cooperation among Developing Countries): The New Imperative of Development in the 1980s (Pergamon Press, 1981) and UNCTAD, "Economic Cooperation among Developing Countries", report by the UNCTAD Secretariat (TD/192), 22 December 1975, pp. 1-23, reprinted in The New International Economic Order edited by Karl P. Sauvant and Hajo Hasenpflu (London: Wilton House Publications, 1977), pp. 437-456.
42. Some of these experiences were examined by Pradumna B. Rana, ASEAN Exchange Rates: Policies and Trade Effects (Singapore: Institute of Southeast Asian Studies, 1981).
43. This understanding could also be found in ESCAP report, see ESCAP, Economic and Social Survey of Asia and the Pacific 1978 (Bangkok: United Nations, 1979), pp. 86-87, para 242.
44. United Nations General Assembly, Sixth Special Session, Official Record, 2214th plenary meeting, 15 April 1964, para 114-156, ditto, 18 April 1974, para 208-242, ditto, 19 April 1974, para 48-68.
45. "ASEAN is of the Future" in Singapore Economic Bulletin, July 1978, pp. 19-20.
46. Mohamad Ariff, "The New International Economic Order -- ASEAN at the Crossroads" in ASEAN Economic Cooperation and the New International Economic Order edited by B.A.R. Mokhzani, Khong Kim Hoong, R.J.G. Wells (Kuala Lumpur: Malaysian Economic Association, 1980), p. 75.
47. ESCAP, Economic and Social Survey of Asia and the Pacific (Bangkok, 1976), p. 103.
48. Joint Communique of the Fourteenth ASEAN Ministerial Meeting, Manila, 17-18 June 1981 in Singapore Economic Bulletin, July 1981, p. 22.
49. Guy J. Pauker, "The ASEAN Energy Scene in Global Perspective" in ASEAN Business Quarterly, Third Quarter, 1979, p. 10.
50. ASEAN Energy Problems, An Asian Development Bank Survey (Praeger, 1982), p. 12.
51. See 3201 (S-VI) Declaration on the Establishment of a New International Economic Order, United Nations, 1974.
52. See inter alia, Jose V. Abueva, "Alternative Perspective in Development in ASEAN Countries" in Contemporary Southeast Asia, Vol. 1, No. 2, September 1979, pp. 141-163.
53. This point was also stated in A. Kintanar, Jr., "Long-term Perspectives on ASEAN" presented at the FAEA Ninth Annual Conference in Kuala Lumpur, 12-14 November 1984, p. 15.

Appendix 1: Summary of Outcomes of the ASEAN Economic Ministers' Meetings (1975-1984)

	(1) Basic Commodities (Food, Energy)	(2) Industrial Cooperation (Package Deal)	(3) Cooperation in Trade (Preferential Trading Agreement)	(4) Joint Approach (External Relations)	(5) Others (Machinery, etc.)
(1) First Meeting November 1975 (Jakarta)	--- (non) ---	--- (non) ---	--- (non) ---	--- (non) ---	(a) Identified ASEAN member countries could cooperate to strengthen the economic resilience of the individual and of ASEAN and according agreed on various specific recommendations to be submitted to their respective Governments for eventual consideration of the ASEAN Heads of Governments at their forthcoming Summit Meeting.
(2) Second Meeting March 1976 (Kuala Lumpur)	(a) Identified rice and crude oil as the first two basic commodities in food and energy respectively for the ASEAN countries to accord preferential trading arrangement. priority of supply and priority of purchase in critical circumstances in times of shortage and of over supply, respectively.	(a) agreed to establish an Experts Group to examine the feasibility of establishing the Five ASEAN industrial plants (Indonesia & Malaysia; Urea, Philippines; Superphosphates, Singapore; Diesel Engines, Thailand; Soda Ash).	(a) agreed the following measures as reference points of trade cooperation; long-term quantity contracts; purchase finance support; preferential extension of tariff preferences; other measures agreed upon.	(a) agreed to establish ASEAN machinery for dialogue with third countries, or groups of countries.	(a) reviewed the existing ASEAN Machinery for Economic Cooperation
(3) Third Meeting January 1977 (Manila)	(a) approved the work program of the Committee on Food and Agriculture.	(a) agreed to establish a Group of Experts to evaluate the feasibility studies of each ASEAN industrial project.	(a) Singapore and the Philippines agreed on a mutual across-the-board tariff reduction of 10% of existing tariffs on all products of the	(a) welcomed the forthcoming conference of industrial and financial leaders of ASEAN and the EEC in Brussels on April 1977.	(a) adopted the reports of the four committees of ASEAN Economic Committees as well as recommendations of these committees.
(4) Fourth Meeting June 1977 (Singapore)	(a) review the progress and agreed to expedite the work programme of the Committees on Food, Agriculture and Forestry.	(a) reviewed the progress of work on the first five ASEAN industrial projects.	(a) exchanged for a list of 71 products under APTA (ASEAN Agreement on Preferential Trading Arrangements).	(a) discussed various measures to develop and strengthen cooperative economic relationships with Japan, EEC, U.S., Australia, Canada and New Zealand.	(a) adopted the reports on the four committees governed and agreed to the recommendations therein.
(5) Fifth Meeting September 1977 (Petrae, Thailand)	(a) decided on the establishment of a working group to study food security reserve for ASEAN.	(a) approved the principles governing the investment in, and costing and pricing formula for, the ASEAN Ammonia-Urea Project in Indonesia.	(a) agreed at each round of negotiations on trade preferences, respective countries would make offers of trade preferences on at least 50 items.	(a) adopted a joint ASEAN approach on major commodity issues including the UNCTAD Integrated Programme for Commodities and Its Common Fund.	(a) adopted the reports of the preparatory meeting of the senior economic officials and reports of two meetings of the committees governed.

<p>Cooperation for their efforts to formulate measures for regional energy cooperation and energy security.</p> <p>(c) agreed that the relevant committees should examine the possibility of ASEAN cooperation in the development and sharing of electric power and coal and hydropower sources.</p>	<p>(b) approved the allocation of the first package on automotive complementation as follows:</p> <p>Indonesia: Diesel engines (80-135 HP), Malaysia: Spokes nipples, drive chains for motorcycles and timing chains for motor vehicles, Philippines: Ford body panels for passenger cars, Singapore: Universal joints, Thailand: Body panels for motor vehicles of one ton and above.</p> <p>(c) approved the allocation of ASEAN countries of the new ASEAN Industrial complementation products for the second package, as follows:</p> <p>Indonesia: steering systems, Malaysia: headlights for motor vehicles, Philippines: heavy duty rear axles for commercial vehicles.</p> <p>Singapore: fuel injection pumps, Thailand: carburetors.</p> <p>(d) instructed the COMTE to select additional existing automotive components from an indicative offer-list submitted by the ASEAN member countries.</p>	<p>(b) decided that sea areas and approaches be explored to further strengthen cooperation in trade and investment.</p> <p>(c) agreed the acceleration of trade expansion under the APTA on the following:</p> <p>a. In respect of items, a deeper tariff cut of 20% or 25% margin of preference be applied.</p> <p>b. In respect of present tariff concession of 20% be extended to items where the import value was less than US\$50,000 based on the 1978 trade statistics. COTT (Committee on Trade and Tourism) is to consider the implications if the import value be raised to US\$100,000/200,000/500,000 with an exclusion list of sensitive items.</p> <p>(c) approved tariff preferences on 750 items exchanged under APTA so that new amounts total 6,281 items.</p> <p>(b) noted that pursuant to the decision to grant a 20% margin of preference on items with import values of less than US\$50,000 in 1978, a total of 4,508 items will be accorded preferences under the scheme.</p> <p>(c) decided five further to promote expansion of trade, including tariff concessions with a 20-25% preference be extended to items where the import value was equal to or less than US\$50,000 (cif) based on 1978 statistics, with an exclusion list of sensitive items.</p>	<p>should be made to further promote ASEAN cooperation in shipping, and directed the relevant committee to seek financial assistance to conduct a study of the problems faced by ASEAN in terms of sea communications.</p>
<p>(11) Eleventh Meeting May 1981 (Jakarta)</p>	<p>--- (non) ---</p>	<p>(a) expressed concern of the implementation of the integrated programme for commodities, and agreed negotiation of the international agreement to be taken up as a test case.</p> <p>(c) expressed concern of the implementation of the integrated programme for commodities, and agreed negotiation of the international agreement to be taken up as a test case.</p>	<p>(a) adopted the reports of the five committees governed.</p> <p>(b) reaffirmed the resolution on shipping and trade, and directed the COTAC (Committee of Transportation and Communications) to study the feasibility of setting up a regular ASEAN liner service.</p> <p>(c) noted the recommendations made by the 2nd meeting of the AHEC (ASEAN Economic Ministers on Energy Cooperation).</p> <p>(d) agreed ASEAN-CCI be invited to report to the AED meeting</p>
<p>(12) Twelfth Meeting January 1982 (Kuala Lumpur)</p>	<p>--- (non) ---</p>	<p>(a) approved tariff preferences on 1,948 items exchanged and noted that the items now totalled 8,529 (items) under the APTA.</p> <p>(b) agreed to grant a 20-25% margin of preference on items of import value equal to or less than US\$1,000,000 as recorded in the import statistics of 1948 of member states, also to be applied to the above 1,948 items.</p> <p>(c) decided that the implementation of the national projects similar to an approved AIP, ASEAN should adhere to the basic agreement on AIPs.</p> <p>(d) adopted and approved policies related to the implementation of the AIPs where a two-year time frame for the implementation of subsequent sets of AIPs based on agreed procedures.</p> <p>(e) approved 1 June 1982 as the effective date of the initial 50% across-the-board tariff cut for products in the first package of automotive complementation, and also agreed on a two-year implementation period up to 1 January 1984 for the second package of new automotive complementation.</p>	<p>and expectations in respect to the progress of ASEAN economic cooperation for mutual understanding between ASEAN ministers and the private sector.</p> <p>(a) adopted the reports of the committees governed.</p> <p>(b) adopted the integrated work programme in shipping (IWS) for 1982-1986 and agreed that the feasibility study for setting up an ASEAN liner service be expedited.</p> <p>(c) agreed that the potentials for technical cooperation among developing countries (TCDC) could be further developed in ASEAN, and a meeting to be convened to identify possible areas of TCDC, as well as the mechanism for coordinating ASEAN TCDC activities.</p>
<p>(13) Thirteenth Meeting May 1982 (Manila)</p>	<p>--- (non) ---</p>	<p>(a) agreed new approaches to trade expansion should be adopted, and COTT conduct an in-depth study in the possibility and desirability of establishing an ASEAN trade regime.</p> <p>(b) approved in principle the granting of a substantial margin of preference to products of AIPs within a specific period, subject to a review thereafter.</p> <p>(c) agreed to finalize the basic</p>	<p>(a) adopted the reports of the committees governed.</p> <p>(b) endorsed the GCPAF projects for third-country funding: 1. project on upgrading of national animal quarantine centres; 2. programme for eradication of foot and mouth disease in ASEAN.</p> <p>(c) agreed on the value of the AEM's updating each other on</p>

agreement on ASEAN Industrial Joint venture as soon as possible and has set 10 June 1982 for each country to indicate its final position on this agreement.

Industrial development plans in their respective countries, as a result item in the course of their regular meetings in the effort to achieve greater coherence in overall ASEAN economic and industrial growth.

(d) noted ANRPC (Association of Natural Rubber Producing Countries) to discuss the erosion of the rubber market, and also noted with great concern the U.S. Caribbean Basin Initiative which would clearly discriminate against ASEAN exports of sugar to the U.S. in view of the resulting disparity in tariff agreement.

(d) agreed that member countries participate in a system of exchanging information on unfair business practices of suppliers and contractors, disputes on contract and equipment performance and other related disputes and further agreed that specific cases will be brought up to the ASM meeting.

(e) agreed to request Japan for deeper tariff cuts on tropical fruits and for the elimination of differential tariff treatment of bananas and other tropical fruits packed in Japanese cartons relative to those packed in ASEAN cartons.

(e) agreed to strengthen the overall capability of the ASEAN Secretariat to serve subsequent programmes of ASEAN economic cooperation.

(14) Fourteenth Meeting November 1982 (Singapore)

(a) noted the considerable progress achieved on cooperation in forestry, crops, and livestock and fisheries, particularly in regard to the ASEAN Quarantine Ring and ASEAN Food Security Reserve, and the ASEAN Quarantine Ring and Food Handling.

(a) approved and initialled the Basic Agreement on ASEAN Industrial Joint Ventures (BIJIV).

(b) initialled the supplement Agreement on the ASEAN Copper Fabrication Project (Philippines).

(a) agreed that ASEAN should seek to convene an economic ministerial meeting with Japan as soon as possible, with regard to market access to the Japan market, especially in tropical products.

(b) emphasized that the launching of global negotiation during the 37th U.N. General Assembly, to which need for developed countries to show their political will.

(c) agreed to take a firm stand against any discriminatory attempts in civil aviation matters to harass or divide ASEAN airlines.

(f) adopted the reports of the various ASEAN economic committees.

(g) agreed to a system of exchange on information on unfair business practices of suppliers and contractors, disputes on contracts and equipment performance and other related disputes.

(h) approved the study on Mobilization of Domestic Resources in ASEAN, the continuation and expansion of the cooperation programmes with the EEC in the field of finance, and the selection of Thammasat University to undertake the study on the ASEAN financial system.

(15) Fifteenth Meeting October 1983 (Bangkok)

(a) endorsed the decision to incorporate a supplementary scheme into the existing ASEAN emergency petroleum sharing scheme and agreed to have it formulated into an ASEAN agreement on energy security.

(a) finalized the list of products in the first package of the AIC, as follows:
Indonesia: Diesel engine (80-135 HP), motorcycle axles, wheel cranes for motorcycle, Malaysia: Spokes and nipples, drive chains & timing chains, crown and wheels and pinions, belts. Philippines: Body panels for passenger cars, transmissions transaxles (for front wheel drives), rear axles (LCC) and below. Singapore: Universal joints, oil seals, V-belts. Thailand: Body panels for commercial vehicles of one ton and above, brake drums for trucks, heavy duty shock absorbers, stabilizers, bumpers and trunklin brackets.

(b) agreed that a margin of preference for ASEAN industrial project (AIP) products be set at 50%.

(a) endorsed COTT's decision to deepen their MOPs (Margin of Preferences) gradually to a maximum of 50% for implementation by 19 March 1984.

(b) approved the trade preferences granted on bilaterally negotiated items on 15th and 15th COTI meetings.

(a) expressed its deep disappointment of FEFC (Far Eastern Freight Conference) to announce implementation of a general freight increase of 12% and urged the FEFC not to implement the increase.

(b) urged the developed consuming countries, in particular the U.S. and the Eastern bloc countries to ratify the Common Fund agreement.

(c) called on the EEC not to impose the new tax on the consumption of ASEAN vegetable oils in the EEC.

(d) the ASEAN Washington Committee and the U.S. administration would proceed to implement the terms of the memorandum of understanding on the release of surplus tin by the U.S. GSA.

(e) urged developed countries to cooperate constructively in the efforts to launch the global negotiations at the current U.N. General Assembly session.

(f) agreed that ASEAN should strengthen its multi-pronged approach to resolve international commodity problems.

(g) expressed hope that the prolonged issue of the unilateral fare reduction on the West Germany-Hong Kong sector by Lufthansa/Cathay Pacific Airline, be resolved as soon as possible.

(h) urged the U.S. Congress to be more forthcoming in their consideration of the U.S. GPR Renewal Bill, and express grave concern over the possible move to impose higher tariff measures against import of canned tuna by the U.S.

(a) agreed to request the secretary-general of the ASEAN Secretariat to convene a special meeting of the senior economic officials to look into the recommendation of the ASEAN Task Force and to submit its views to the AEN.

(b) agreed that the Joint Ad Hoc Working Group on Shipping (JAHWS) study measure to facilitate private sector initiatives in this area.

(i) recommended that each member countries should establish an effective data collecting system on other ASEAN member countries through the ASEAN secretariat.

(j) with regard to the ASEAN Task Force recommendation on economic cooperation, ASEAN machinery and funding of ASEAN projects, agreed six items including:
1. ASEAN should closely monitor the economic development of member countries;

(16) Sixteenth Meeting May 1984 (Jakarta)

(a) noted that the ASEAN Ministerial understanding on fisheries cooperation which was signed on October 1983 would further enhance ASEAN cooperation in this field.

(a) approved the first list of AIOV products consisting of four items as follows:
1. constant velocity joints (finished, plunging types) and/or finished, semi-finished parts and sub-assemblies thereof;
2. mechanical and power rack and pinion steering including tie-rods, ball joints and linkages and/or sub-assemblies thereof;
3. tire; and
4. motorcycle electrical parts (composed of main switch assy, speedometer assy, tachometer assy, pilot lamp assy, stop

(a) approved the application on 20-25% across-the-board tariff cut on all items with import value beyond US\$10 million with provision of new exclusive lists.

(b) approved the additional trade preferences exchanged bilaterally, so that the tariff concessions have been granted to 18,431 items.

(a) expressed hope that the U.S. Congress to be more forthcoming in their consideration of the U.S. GPR Renewal Bill, and express grave concern over the possible move to impose higher tariff measures against import of canned tuna by the U.S.

(b) with regard to the ASEAN Task Force recommendation on economic cooperation, ASEAN machinery and funding of ASEAN projects, agreed six items including:
1. ASEAN should closely monitor the economic development of member countries;

switch, headlight assy, flasher relay assy, audio pilot assy, fuel gauge assy, ignition coil assy, rectifier, regulator assy, rectifier assy, condenser discharge ignition unit, level holder assy, switch handle assy).

(b) Initialed the supplementary agreement to the basic agreement on ASEAN Industrial Project (BIAIP) -- ASEAN Vaccine Project (Singapore).

(c) urged the EC to refrain from suggesting or taking any measures which may adversely affect tin consumption.

(d) concerned over the EC intention to change the classification of tobacco, also the move to reclassify tobacco products, and further agreed continuing to pursue in respect of the proposed imposition of a consumption tax on vegetable oils by the EC.

(e) agreed to convey to the relevant ministers, the Malaysian Government's request that the member of the ITC acknowledge the KLTH (Kuala Lumpur Tin Market) as a recognized market in which buffer stock operations can be undertaken by the ITC.

(f) agreed that ASEAN continue to work for the conclusion of a new International Sugar Agreement (ISA) and to continue to urge the EC to accede to the ISA.

(g) noted that ASEAN places focus on EDC and TDC in the context of ASEAN's active involvement with the rest of the global community, and in particular with the Group of 77, in the common effort to achieve a new international economic order.

(h) commitments undertaken in the Tokyo round should be implemented, the progress of the present GATT work programme should not be impeded, and the introduction of new or additional protectionist measures should be halted.

(i) agreed that ASEAN should intensify its joint approach in cooperation with UNIDO.

ii, tariff preferences exchanged under the PTA should continue on the basis of non-discrimination via MFN principle;

iii, the first set of AIPS should be continued and the procedures governing its implementation be streamlined; iv, cooperation in the area of transportation and communication should be further enhanced;

v, the ASEAN Secretariat be provided with adequate staff and funds should be carried out through its budgetary system;

vi, the existing ASEAN Fund should be more fully and efficiently utilized for ASEAN projects.