

REGIONAL ECONOMIC COOPERATION
IN SOUTHEAST ASIA: 1945-1969

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This is to certify that the

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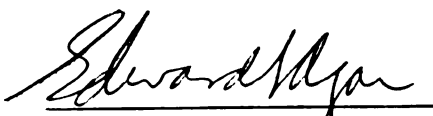
IN SOUTHEAST ASIA: 1945-1969

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ABSTRACT

REGIONAL ECONOMIC COOPERATION IN SOUTHEAST ASIA: 1945-1969

by William T. Bucklin

An economic union, The Association of South East Asian Nations, was formed in 1967 with a membership composed of Indonesia, Malaysia, the Philippines, Singapore, and Thailand. ASEAN is the latest of numerous attempts by Southeast Asians to cooperate on a regional basis, usually with little success. This study utilizes attribute and behavioral data for ASEAN members in a longitudinal study to ascertain if the amount of participation in regional organizations is related to four conditions believed by political and economic theorists to be conducive to economic integration.

The extent and forms of regional cooperation in Southeast Asia since 1945 are reviewed and factors promoting and hindering cooperation are noted. Transactional, functional, and decisionmaking theories of integration are critically reviewed and a new theory of economic integration is offered. This theory posits that economic integration is a process that may progress through five stages: (1) Readiness for Cooperation; (2) Consolidation of the Union; (3) Maintenance and Expansion; (4) Emergence of Community and; (5) Political Unification. Progress within and between stages is operationally measurable and demarcated by definite thresholds; formal agreement, three-year existence, broad social acceptance, and transfer of governmental functions.

The four widely agreed upon conditions favoring integrative success are; presence of economic growth, presence or potential for significant mutual trade, amiable relations between members and, willingness of major foreign policymakers to engage in cooperation. These conditions are represented in a statistical analysis by the variables, per capita income index, percentage of regional/total trade, level of cooperation in official government interaction, and content analysis of policymaker statements about the efficacy of regional cooperation. Seven hypotheses are tested within the mediated stimulus-response model(S-O-R) to find out if actual memberships in regional groupings are related to the selected variables.

Findings include: (1) the presence of economic growth is highly correlated to favorable perceptions of and participation in regional organizations; (2) favorable perceptions and participation are negatively correlated with the level of mutual trade, although causation is rejected; (3) a moderate correlation exists between favorable perceptions and actual participation; (4) the level of cooperative interaction is weakly correlated with favorable perceptions and actual participation. Five hypotheses are substantiated to varying degrees and with reservations while the two relating to mutual trade are fully rejected.

Indonesia is a persistent exception throughout the study, participating widely in regional organizations despite stagnant per capita income, unfriendly relations with neighbors,

and occasionally unfavorable statements toward cooperation with other ASEAN members.

Among the conclusions arrived at are that regional cooperation is increasing among ASEAN members and appears to be based upon reasonably sound foundations. The variables selected (mutual trade excepted) are useful indicators of integrative progress within the first and second stages of the theory. Other conclusions are tenuous due to the paucity of data available, a dearth of comparative empirical evidence from other integrations, and the effects of other intervening variables not analyzed in this study.

REGIONAL ECONOMIC COOPERATION
IN SOUTHEAST ASIA: 1945-1969

By
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CHAPTER I

INTRODUCTION

The Problem

In August 1967, Indonesia, Malaysia, the Philippines, Singapore, and Thailand formally agreed to create the Association of South East Asian Nations (ASEAN) to promote regional economic cooperation among its members. This nascent economic union is the latest of several attempts by some Southeast Asian nations since 1945 to cooperate economically on a regional level.¹ Earlier attempts were ineffectual because few nations were interested or because they elicited only a narrow scope of cooperation. ASEAN presently encompasses the nations in the region that are economically most developed and contain the largest populations (Singapore population excepted), and it is a broad but loose functional approach to cooperation anticipating expansion of its membership and deepening of members' involvement.

Of the other forms of regional economic cooperation that have been attempted by Southeast Asians since World War II, some have failed, others continue to exist but are relatively unproductive and a few have produced limited benefits for their

¹The term, "economic union," is used in a general sense to describe any multilateral agreement among nations that permits some degree of coordination upon specified economic matters.

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members. It is posited by this study that failure or success in these ventures is related to these nations' capabilities to cooperate and these nations' readiness for cooperation of various types is operationally measurable by indicators of political and economic conditions within and among the five nations.

For the purposes of this study it is assumed that the formation of ASEAN constitutes an example of regional economic cooperation that may involve economic integration and the processes that led to its formation are those which have promoted other economic integrations, past and present. It is suggested that ASEAN is the second step in an economic integrative process that may deepen by closer association along a continuum that includes: (1) price stabilization agreement, (2) coordination arrangement, (3) free trade area, (4) customs union, (5) common market and, (6) unification.²

Successful integration ventures seem to depend upon the existence of favorable social, economic, and political conditions which have been identified by theoretical and empirical studies.³

²An expanded discussion of this continuum and integration theory is found in Chapter IV of this dissertation.

³Karl Deutsch, et al., Political Community and the North Atlantic Area, (Princeton, 1957); Ernst B. Haas, The Uniting of Europe, (Stanford, 1958); Philip E. Jacob and James V. Toscano, eds., The Integration of Political Communities, (New York, 1964); Amitai Etzioni, Political Unification, (New York, 1965); Leon N. Lindberg and Stuart A. Scheingold, Europe's Would-Be Polity, (Englewood Cliffs, 1970); Bela Balassa, Theory of Economic Integration, (Homewood, 1961); James Meade, Problems of Economic Union, (Chicago, 1953); Tibor Scitovsky, Economic Theory and West European Integration, (Stanford, 1958); Holf Sannwald and Jacques Stohler, Economic Integration, (Princeton, 1959).

This study attempts to partially assess these nations' capabilities to cooperate regionally by examining the extent to which they fulfill some of the conditions believed conducive to economic integration. The study asks: To what extent is cooperation among these five nations related to specific factors that promote integration? Have these nations since 1950 experienced growth in the factors that have accompanied other successful integrations? If so, has growth in the relevant factors actually been accompanied by increased participation in regional organizations? Which of the examined factors accounts most for the existing levels of cooperation among these nations during 1950 through 1969?

A few of the conditions believed by political integration theorists and economists to be conducive to regional economic integration include:

1. similar basic social and economic conditions;
2. similar political programs and favorable opinions by major foreign policymakers;
3. a multiplicity of friendly transactions and interactions among member governments;
4. past association in previous cooperation with the members.

Even a cursory knowledge of Southeast Asia leads one to conclude that these nations do not possess many of these attributes. Nor do they possess common and intersecting histories, common religions or languages or political programs; their economies are not diversified, nor are trading levels high.

This study selects four factors that are widely agreed upon among political integration theorists and economists⁴ as promoting integration: (1) increasing economic growth rates; (2) substantial amount of mutual trade; (3) amiable interactions between members, and; (4) favorable perceptions of cooperation among major foreign policymakers. Measurable indices of these four factors have been selected and development levels on these indices are subjected to a correlational analysis with the actual levels of participation in regional cooperation for each of the five nations over the twenty-year period.⁵ An earlier study by the author found these factors relevant for Southeast Asia and suggested that motivations of major foreign policymakers are probably the crucial element in determining "willingness" to integrate.⁶ The present study is elaborative in that it utilizes new and better sources of data, more sophisticated methodology, and a twenty-year time span. Thus, the conclusions should be more concrete and useful.

This study postulates that economic growth, trade relations, international contacts, and policymaker opinions of regionalism are all related to the success of regional cooperation among Indonesia, Malaysia, the Philippines, Singapore, and Thailand, but the existence of favorable perceptions of major foreign policymakers is the most accurate indicator of

⁴See footnote 3.

⁵The indices and rationale for their selection are set out in Chapter IV of this dissertation.

⁶"An Analysis of Southeast Asian Nations with Regard to Their Possession of Some Pre-Conditions for Membership in an Economic Union," Unpublished Masters Thesis, Department of Political Science, Michigan State University, 1962.

the actual amounts of regional cooperation between 1950 and 1969.

The Region

Geographic considerations are important in determining the membership of a regional economic union⁷ and there has been some confusion among scholars and policymakers over boundary definitions of Southeast Asia. The region has been variously defined to include or exclude particular nations to suit the purposes of the writers. Southeast Asia is generally understood to be composed of Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand, North Vietnam, and South Vietnam.⁸ Some scholars would also include Australia, New Zealand, and Taiwan though geographical considerations would hardly warrant this. In other definitions, all but the mainland nations and Indonesia are excluded.⁹ Most conceptions of memberships in economic associations have relied on geographic propinquity¹⁰ even though Bruce Russett, when attempting to identify the boundaries of world regions in operational or measurable terms, found that the geographic variable did not hold

⁷James Lawler and Jerome Laulicht, "International Integration in Developing Regions," Peace Research Reviews, 3(1969)31.

⁸Malaya became Malaysia in 1963 with the inclusion of the British protectorates of Singapore, Sarawak, and Sabah; Singapore seceded from the Federation in 1965. Brunei remains a British protectorate.

⁹For definitions of the region, see: Francis G. Carnell, "Southeast Asia and the Modern World," India Quarterly, 13(April-June 1957)101-120; Charles A. Fisher, "The Concept of South East Asia," Eastern World, 7(March 1953)12; Robert Fluker, "Regionalism and the Modernization of Southeast Asia," Review of Politics, 31(April 1969)189-209; Milton Meyer, "Regional Cooperation in Southeast Asia," Journal of International Affairs, 3(Spring 1949)68; Vu Van Thai, "A Regional Solution for Viet Nam," Foreign Affairs, 46(January 1968)347-361. Vu Van Thai even defines Indonesia outside the region while including the Philippines.

¹⁰Lawler, above, p. 31.

up well and concluded, ". . . there is no sharply identifiable Asian or Southeast Asian system either, even less than could be found for other areas."¹¹

Despite the lack of common agreement on the boundaries of the region, Southeast Asians have some feelings of commonality; they and others have sometimes acted as if the region were a fact and this has affected policymaking within and between nations. This study considers the region as a whole only in a peripheral way and analyzes only the five members of ASEAN. The choice of these nations is based upon: (1) their present membership in an economic union; (2) their history of past efforts to cooperate together, and; (3) their comparatively high level of economic development within the region. The remaining nations are excluded from the analysis because of: (1) their peripheral geographic locations; (2) their small amount of interaction with other nations in ASEAN; (3) the practical difficulties of obtaining data, and; (4) their indications that they do not desire further regional economic cooperation at the present time.¹²

Importance of Economic Union to Southeast Asia

The formation of a viable economic union embracing most, if not all, of the nations in Southeast Asia could have several beneficial consequences. An economic union would probably

¹¹Bruce M. Russett, International Regions and the International System, (Chicago, 1967), p. 181.

¹²Due to its brief existence, Singapore is not included in all the correlational analyses; the limited data available will be used for comparative and explanatory purposes.

contribute to better political and economic relations among members as well as between members and other nations. In this way it might strengthen the security of the region and be a deterrent to wars, both world-wide and local, for nations with economies intertwined would find it difficult to arm against each other. A union could assist in further stabilization and expansion of the members' economies by increasing inter and intra-regional trade. More stable economies could improve the ability of the members to attract private or public investment and aid, thus making development programs in these nations more secure. More trading could reduce members' dependence upon imports and permit a reduction of balance of payments deficits. And finally, it could be the beginning of broader functional relationships among these nations and with their neighbors. For example, the inclusion of a suggested common defense arrangement among ASEAN members¹³ could alleviate subversive and aggressive action within and toward the region. In view of these important possibilities, a study assessing the foundations of cooperation in ASEAN is a topic worthy of attention.

Importance of the Study to Political Science

A major objective of this study is to amplify knowledge about the integrative process in underdeveloped nations. Quite obviously the nations studied here do not fulfill many of the conditions for integration posited by Deutsch, Haas,

¹³Asian Almanac, (5-8 August 1967)2271.

Lindberg and other scholars who have analyzed the process.¹⁴ Yet these nations are undertaking a measure of regional integration by forming ASEAN. And this situation needs to be explained. Since decisions to create formal intergovernmental organizations for cooperation are essentially political decisions, economic regionalism is a valid and pertinent topic for political inquiry. This study will have value for political science on the theoretical, empirical, and policy levels.

The study has theoretical value because it utilizes established theories of integration as a framework for collecting information that will add to the growing body of knowledge about integration. It relates several of the most agreed upon findings in these theories to the actual level of participation in cooperative ventures by ASEAN members.

It is valuable empirically because data are organized and analyzed in a systematic way to provide objective measurement of the selected variables. The quantitative methodology employed also has potential for use in a broader study embracing more nations and it is applicable to other world regions. The study provides an opportunity to examine the strengths and weaknesses of this methodology for future studies of regional cooperation.

The study has value for policymaking because it assists politicians in understanding the foundations of an existing economic union that is expected by some observers to endure, grow, and affect Southeast Asian politics in a major way similar

¹⁴See footnote 3.

to the effect of the European Economic Community on Europe. So future decisions of ASEAN, Southeast Asian, and other policy-makers concerned with progress in integration may benefit from the additional knowledge and conclusions evolving from this work.

Plan of Procedure for the Study

Chapter II offers a review of regional cooperation in Southeast Asia since 1945 and evaluates some of the motivations for undertaking these schemes as well as the underlying reasons for success or failure. This review is pertinent to the study because it portrays the types and amounts of actual cooperation to which the variables used in the study are compared.

Chapter III reviews the literature on regional integration that is relevant to understanding the theoretical framework and model of analysis adopted in this study. Distinctions are made between theoretical approaches; critiques of the theories are offered; and, recent methodological refinements are summarized.

Chapter IV presents a new theory of integration and a model for analysis. The theory draws upon the literature reviewed, presenting a continuum of integration divisible into five stages whose boundaries and dimensions are defined in operational terms. The mediated Stimulus-Observation-Response model and the refinement of it used in this study are also explained.

Chapter V explains the statistical methods used to analyze the chosen variables and includes the data for each index along with error computations and other reservations of the data.

The hypotheses of the study are tested in Chapter VI utilizing statistical correlational techniques and descriptive analysis. Conclusions and limitations of the study are contained in Chapter VII.

CHAPTER II

REGIONALISM IN SOUTHEAST ASIA SINCE WORLD WAR II

Introduction

Southeast Asians have engaged in various forms of regionalism since 1945 and a review of these endeavors is important to understanding the motivations behind them, the conditions under which they were precipitated, and the success or failure of each venture. Regionalism in Southeast Asia has varied over time with respect to membership, types of contacts, levels of agreement, and motivations for attempting cooperation. Some expressions have been Pan-Asian, a few include only Southeast Asians, and others have been sub-regional in membership. Regional contacts have involved proposals, conferences, information exchanges, consultations on a continuing basis, and creation of ministerial level regional organizations. Levels of agreement have ranged from simple agreements to consult on mutual problems to attempts to harmonize national industry and resource development plans. Motivations have emerged from cultural, security, political, or economic interests and have been externally as well as internally inspired.

Prior to 1945 several conceptions of Southeast Asia gave impetus to the sentiment that these nations constitute a region. These included the Japanese concept of the Greater East Asia

Co-Prosperity Sphere, the Allies' designation of Southeast Asia as a separate Command area, the existence of price stabilization agreements having Southeast Asian members, and a few proposals for cooperation based on presumptions of cultural or ethnic unity.

During World War II, the Japanese began uniting these nations in the Greater East Asia Co-Prosperity Sphere that would have created a union somewhat analagous to an Asian common market but, because of pressing war commitments, there was little progress in cooperative behavior.¹ The Allies' Southeast Asian Command area designation, though based on only geographical and administrative convenience, contributed to sentiment inside and outside the region that these nations comprise an identifiable unit. Price stabilization boards are the oldest form of economic cooperation involving some of the nations within the region. Rubber and tin agreements were concluded before World War II² and agreements on wheat, tea, and sugar have also been in force at various times. These agreements have not been very successful in controlling prices of primary products,³ but they have added to a sense of common interest on some economic matters. A few proposals for cooperation or unification were put forth even before 1945, but they were mostly utopian schemes based on ethnic or religious affinities and elicited little response

¹Russell H. Fifield, The Diplomacy of Southeast Asia: 1945-1958, (New York, 1958), p. 27.

²Klaus E. Knorr, Tin Under Control, and World Rubber and its Regulation, both published at Stanford in 1945.

³Charles P. Kindleberger, Economic Development, (New York, 1965), pp. 349-350.

from colonial governments.⁴

Southeast Asian manifestations of regionalism since 1945 can be separated, without much exactness, into four time periods during each of which dominant themes spurred regional consciousness. The periods are categorized as: 1945-1953 during which cultural themes predominated; 1954-1960, dominated by security considerations; 1961-1966; and 1967 to the present, both exemplified by economic motives and demarcated by the formation of ASEAN. These categories are especially arbitrary because underlying motivations were seldom unidimensional and because dominant themes were not exclusively confined within each period.

Regionalism 1945-1953

The first period of regional consciousness was marked by Asian and Southeast Asian conferences, proposals for cooperation, and promulgation of formal organizations. At the close of World War II, the first real attempts were made to deal with Southeast Asian problems on a regional level. At that time a Special Commission was created by the British to deal with critical food shortages in their colonial possessions.⁵ This Commission formed a Liaison Conference that soon included most of the nations and dependent territories of Southeast Asia and held several special conferences on food production and distribution, nutrition, fisheries, and social welfare. No votes were

⁴Milton W. Meyer, "Regional Cooperation in Southeast Asia," Journal of International Affairs, 3(Spring 1949)68-77; K. M. Panikkar, "Regional Organization for the Indian Ocean Area," Pacific Affairs, 18(September 1945)246-251; Amry Vandenbosch and Richard Butwell, The Changing Face of Southeast Asia, (Lexington, 1966), pp. 339-341.

⁵Meyer, pp. 74-77.

taken during these conferences and political issues were avoided but, in 1949, the Commission was the most tangible form of regionalism in Southeast Asia.⁶ Functions of the Liaison Conference were gradually taken over by agencies of the United Nations and Commission responsibilities were delegated to other agencies.

The Asian Relations Conference held in 1947 was an unofficial meeting of representatives from twenty-eight nations promoted by India to publicize the plight of Asian nations and their desires for independence. Of ASEAN members, only the Philippines and Thailand were independent at the time, but representatives of each of the other soon to be independent Southeast Asian nations were present, including Malaysia and Indonesia. During the 11-day meeting, roundtable groups discussed economic, cultural, racial, or labor topics as well as national freedom movements; controversial topics were avoided.⁷ Agreement was reached regarding many common problems, but only one resolution was passed and an attempt, supported by a few delegates, to form a permanent Asian Union failed; plans to hold another conference in 1949 did not materialize.⁸

The New Delhi Conference on Indonesia was convened by Prime Minister Nehru in January 1949 to marshal support against Dutch attacks on territory claimed by the Republic of Indonesia forces.⁹ The Conference was official; only representatives of

⁶Meyer, p. 74.

⁷Fifield, pp. 449-450.

⁸Fifield, p. 451.

⁹Fifield, p. 456.

recognized governments could participate. Burma and the Philippines sent delegates and unofficial observers were present from Thailand, Indochina, and Indonesia. All delegates united in condemning the Dutch actions and the Conference ultimately influenced settlement of the problem,¹⁰ but another move to set up regional machinery, particularly for promoting cooperation in the United Nations, failed.¹¹

Perhaps realizing that interests in all-Asian conferences were too varied to allow consensus on solutions to common problems, Southeast Asian leaders convened and attended conferences of their own, the most notable of which was the Baguio Conference in 1950.¹² After several false starts, President Quirino of the Philippines succeeded in holding the Conference with Indonesia, Thailand, and the Philippines and four nations from outside the region in attendance. Although originally conceived by Quirino as a prelude to the conclusion of a security pact, military matters were not discussed at the Conference.¹³ In fact, questions discussed were primarily economic ones. The agenda followed a Philippine resolution stressing rationalization of economic development, increases of agricultural and industrial production, expansion of trade among nations of the region, and possibilities for a multilateral clearing arrange-

¹⁰Fifield, p. 457.

¹¹William Henderson, "The Development of Regionalism in Southeast Asia," International Organization, 9(November 1955)467.

¹²Henderson, pp. 454-458.

¹³Henderson, p. 474; Werner Levi, "Union in Asia," Far Eastern Survey, 19(August 1950)145.

ment.¹⁴ Nevertheless, despite General Romulo's plea that

This task is too big for any single nation to accomplish by itself. The need for consultation, understanding, joint planning and action by the countries concerned is imperative.¹⁵

the Conference ended with the observation that

. . . internal economic development is a matter of national concern for each government; that each individual country cannot brook interference from the outside, no matter how well-meaning, with its development plans and their execution.¹⁶

It was apparent that least the nations attending this Conference were, in 1950, not yet envisioning any type of economic cooperation that would bind their policymaking in any way.

The first Southeast Asian integration proposals were primarily concerned with political union. In 1947, the French suggested a Pan-Southeast Asian Union joining the Indochinese states with Thailand. Thailand initially agreed to the Union to promote cooperation in irrigation, fisheries, communication, and other resources but the plan was abandoned following the 1948 Thai coup when Thailand insisted on complete independence for the Indochinese states.¹⁷ During the same year, leftist Thai leaders formed a Southeast Asia League composed of unofficial representatives from several Asian nations. Enthusiasm for this project quickly waned when it became apparent to other leaders

¹⁴Amando M. Dalisay, "Economic Aspects of the Baguio Conference of 1950," a paper prepared for the 11th Conference of the Institute of Pacific Relations, (Manila, 1950), p. 2.

¹⁵Dalisay, p. 1.

¹⁶Dalisay, p. 5.

¹⁷Meyer, p. 70.

that the organization was a Communist front to assist Ho Chi Minh in Vietnam.¹⁸ Various other proposals, none of which materialized, concerning Pan-Malay, Pan-Asian, and Southeast Asian unions were made by national leaders including Thailand's former Premier Thamrong Nawasawat, Indonesia's Socialist Party President Soetan Sjahrir, Philippines President Quirino, and Malaya's Prime Minister Tunku Abdul Rahman.¹⁹

Two formal organizations for regional economic cooperation, the United Nations Economic Commission for Asia and the Far East and the Colombo Plan, were formed during this period. These organizations did survive and attract new members, but did not begin to have a significant effect on the region until the second period and are discussed below.

In summary, initiatives for cooperation during the first period came primarily from Southeast Asians (and sometimes Asians); they were anti-colonial and anti-Western in content, and most were sponsored by leaders or groups having left-wing political orientations.²⁰ These initiatives served mainly to identify common economic and social problems and reinforce sentiment for cooperation. They failed, however, in their intent when organization based on common spiritual feelings, economic needs, or security problems was attempted. And the conditions examined in this study do not appear conducive enough to support a viable union during this period.

¹⁸Amry Vandenbosch and Richard A. Butwell, Southeast Asia Among the World Powers, (Lexington, 1957), p. 249.

¹⁹Vandenbosch and Butwell, above, p. 250.

²⁰Maruyama Shizuo, "Asian Regionalism," Japan Quarterly, 15 (January-March 1968) 57.

Efforts of Asians and Southeast Asians failed, as Richard Butwell sees it, because, ". . . none of the proposals filled any need of which most of the Southeast Asian countries were aware."²¹ In the immediate post-war period everybody had their own plan, but no one was for anyone else's; they were too occupied with problems of independence and nationhood.²²

Regionalism 1954-1960

During the second period, initiative shifted away from indigenous proposals toward Western-sponsored organizations concerned more with security and defense matters while Southeast Asians struggled with irredentist movements and other impediments to national unity. Cooperative efforts initiated by Southeast Asians generally failed although a few Western-sponsored organizations were successful in eliciting limited cooperation.

In April 1955, the Colombo Powers (Burma, Ceylon, India, Indonesia, and Pakistan) attempted to capitalize on Asian feelings of unity by sponsoring the Asian-African Conference that brought together leading statesmen from twenty-nine nations in Bandung, Indonesia. Of ASEAN members, only Malaya, not yet independent, was absent. A variety of questions was discussed, including economic and cultural cooperation, human rights and self-determination of peoples, colonialism, membership in the United Nations, and disarmament.²³ Although much agreement was

²¹Richard Butwell, "The Patterns of Regional Relations in Southeast Asia," Studies in Asia, (1963)173.

²²Vandenbosch and Butwell, 1966, p. 348.

²³Henderson, p. 467.

reached on problems confronting these nations, there was too little mutuality of interests to undertake any solutions to these problems. The final communique appeared to recognize a need for regional cooperation in stabilizing commodity prices, increasing trade, establishing regional banks, sharing atomic resources, and forming common economic policies, but the communique ended with the observation, "It is, however, not intended to form a regional bloc."²⁴ Lasting cooperation within a framework provided by Asian or Asian-African conferences was impossible because of the heterogeneity of interests involved and the negative rationale--opposition to colonialism--underlying the meetings. In characterizing these broad conferences, William Henderson perceives their main weakness in saying, ". . . they arose out of an ill-defined sense of Asian solidarity springing from a shared colonial past and common resentment against the west."²⁵ And he continues, "In a sense, the most significant thing about the three pan-Asian Conferences was the fact that they were held."²⁶

Security pacts operating within the region include the British Commonwealth, the Philippine Pact, and the Southeast Asia Treaty Organization(SEATO). The Commonwealth's mutual security aspects have declined in importance since World War II and particularly so since the British withdrawal of forces east

²⁴George McT. Kahin, The Asian-African Conference, Bandung, Indonesia, April 1955, (Ithaca, 1956), pp. 10-12.

²⁵Henderson, p. 468.

²⁶Henderson, p. 468.

of the Suez; protection from attack for many Commonwealth members is assured by their coverage under other alliances and the association exists primarily for consultation on economic matters.²⁷ The Philippine Pact, signed with the United States in 1951, includes no other Southeast Asian nations.

SEATO, the most comprehensive security grouping within the region, includes only Thailand and the Philippines as full members while Malaysia has been indirectly tied in through a mutual assistance agreement with Britain, a SEATO signatory.²⁸ The organization was originally conceived not only as a defense alliance against aggression or internal subversion, but also as an instrument ". . . to promote economic progress and social well-being and to further the individual and collective efforts of governments toward these ends."²⁹

Its value as a defensive alliance has been questioned by many authorities because: (1) its strength depends upon United States policy; (2) it represents only one-fifth of the people it is designed to protect, and; (3) it is increasingly resented by non-members in Asia.³⁰ Although its creation was

²⁷Susan Strange, "The Commonwealth and the Sterling Area," Yearbook of World Affairs, 18(1959)25; John D. B. Miller, The Commonwealth in the World, (London, 1958). pp. 80-81.

²⁸Laos, Cambodia, and South Vietnam are "designated" territories under the Treaty for which members assume responsibility in the event of aggression or external subversion. However, Cambodia consistently declared itself outside the scope of the Treaty and SEATO members agreed in 1962 to comply with Laotian desires to be excluded from protection. Detroit Free Press, (6 July 1962).

²⁹Treaty, Article III and Pacific Charter of the Treaty, in Collective Defence in South East Asia, (New York, 1956). pp. 170-174.

³⁰William Ball, "A Political Re-examination of SEATO," International Organization, 12(1958)7-25; Collective Defence, above, pp. 125-127 and 162-163.

partially an overreaction to Thailand's exaggerated feelings of threat by Communist insurgents, even Thailand has found its protective umbrella so undependable in time of crisis that they concluded a separate agreement with the United States to come to their aid despite the outcome of any vote on SEATO action.³¹ SEATO's effectiveness as an organ to protect local security is also impaired because it does not concern itself with guerrilla activity or subversion; these are considered political rather than security matters. This inability to deal with internal affairs has led one critic to conclude:

Where guerrilla warfare is the threat, alliances in this form [SEATO] merely give the guerrilla freedom to act with impunity up until that stage where the ponderous international machinery is activated into inescapable reflex action; and this is a lot of freedom.³²

SEATO's attempts to deal with economic matters have been similarly disappointing. By 1956, it was decided to utilize existing organs to promote general economic development and confine aid under the Treaty to compensation for military expenses.³³ Desires of Thailand, Pakistan, and the Philippines to expand general economic aid under the Treaty were vetoed by the non-Asian powers³⁴ and led William Ball to conclude in his critical study that SEATO ". . . is not a suitable vehicle for economic or technical aid."³⁵ Since 1959, SEATO economic

³¹George Modelski, SEATO: Six Studies, (Melbourne, 1962). p. 88. Ronald C. Nairn, "SEATO: A Critique," Pacific Affairs, 41(Spring 1968)16.

³²Nairn, p. 8.

³³Collective Defence, p. 130.

³⁴New York Times, (5 June 1960).

³⁵Ball, p. 25.

assistance has increased slightly due to continued pressures from regional members and the organization now sponsors a Graduate College of Engineering in Bangkok, a Cholera Research Project in Dacca, some skilled labor projects, and Regional Community Development Centers in northeast Thailand.³⁶ SEATO, in 1969, was still ineffective by any measurement,³⁷ but it has provided limited experience in regional cooperation for the two ASEAN members.

The Colombo Plan, inaugurated by British Commonwealth members in 1950, has grown to include all South and Southeast Asian nations; it has been extended beyond the original six years and is expected to continue indefinitely.³⁸ The Plan is actually not a plan at all but, through the Consultative Committee composed of national Ministers meeting annually, members are provided an opportunity to talk over and coordinate national development. Members are subject to no formal rules and the Committee has no direct control over national plans; even efforts to form a permanent Secretariat have been unsuccessful.³⁹ Nevertheless, the informal format has allowed frank discussion of progress, problems, and future tasks.⁴⁰ The Plan offers

³⁶Lalita Prasad Singh, The Politics of Economic Cooperation in Asia, (Columbia, Missouri, 1966). p. 214. Modelski, pp. 150-156.

³⁷Robert Fluker, "Regionalism and the Modernization of Southeast Asia," Review of Politics, 31(April 1969)189-209; P. Lyon, "Substitutes for SEATO," International Journal, 24(Winter 1968-1969)35-46.

³⁸Creighton L. Burns, "The Colombo Plan," Yearbook of World Affairs, 14(1960)198.

³⁹Antonin Basch, "The Colombo Plan, A Case of Regional Economic Cooperation," International Organization, 9(1959)2-6.

⁴⁰Eugene R. Black, Alternative in Southeast Asia, (New York, 1969). p. 7.

development capital and technical assistance without discrimination and, though most aid is bilateral,⁴¹ it has increased the amount of aid for smaller or less important nations.⁴² The plan has also achieved some success in channeling technical and economic aid to members and in coordinating their development programs, but to accomplish more would require a comprehensive program with more central direction than members have been willing to grant. The Plan, however, has usually been credited with having eased international tensions between leaders of Western and Asian nations and among Asians themselves.⁴³

During this period and the one following, Southeast Asian nations have utilized both bilateral aid agreements and multilateral development funds to provide capital for economic development. The International Bank of Reconstruction and Development and the International Monetary Fund have provided capital for specific projects (usually government sponsored) but require little or no cooperation between recipients.⁴⁴ A cooperative economic development fund to be administered by recipient Asian nations was suggested by the United States in 1955. Twenty million dollars was made available to Asian nations and the Simla Conference was convened in May that year to decide how to administer and utilize the fund; only Burma in Southeast Asia was

⁴¹Singh, p. 188.

⁴²Singh, p. 211.

⁴³Burns, p. 198; Lennox A. Mills, Southeast Asia: Illusion and Reality in Politics and Economics, (Minneapolis, 1964). p. 333. Not all tension has disappeared as is evident from Pakistan's disassociation from the final communique of the 1969 Consultative Committee meeting. New York Times, (22 May 1969).

⁴⁴Fifield, p. 492.

absent from this meeting.⁴⁵ No agreement was reached on implementation of the fund, so the United States retracted the offer.⁴⁶

A Special United Nations Fund for Economic Development (SUNFED) was proposed in 1953 (actually established at a later date) and has been furnishing Southeast Asian and other nations with limited development funds. Full implementation of SUNFED, tailored to meet the needs of lesser developed nations better than IMF or IBRD, was blocked by the United States and other Western nations for policy reasons⁴⁷ and its functions are now being displaced by the Asian Development Bank, chartered in 1965.⁴⁸

The period was also marked by an increasing number of Southeast Asian ad hoc conferences involving various nations who discussed specific economic and social problems. These included conferences on education, irrigation, industry, and smuggling.⁴⁹ Some of these interests are now formalized and meet as yearly or periodic Ministerial conferences.⁵⁰

More concrete forms of cooperation seem to have been hampered during this period by sentiments toward neutralism (or nonalignment), civil disorders, external aggressions, detrimental policies of outside powers, and inadequate development of similarity in the conditions promoting integration.

⁴⁵Henderson, p. 473.

⁴⁶Henderson, p. 473.

⁴⁷Fifield, p. 492.

⁴⁸See following pages for a discussion of the Bank.

⁴⁹Fifield, pp. 461-462.

⁵⁰Fluker, pp. 189-209.

Although, of the nations under study here, only Indonesia formally adhered to a neutralist policy, Burma and Cambodia pursued similar stances, thus limiting the number of nations willing to cooperate in any form of regional organization.⁵¹ Malaysia was, until 1956, plagued with Communist insurgents; the Philippines experienced disorder from the Hukbalahaps;⁵² Thailand was troubled by Laotian rebels as well as her relations with Cambodia;⁵³ and Indonesia, under an uneasy detente between the military and indigenous Communists, experienced increasing fragmentation of national purpose.⁵⁴ Outside interference included insurgency promoted by mainland China and the Soviet Union, preferential trade policies for former colonies, exploitation by foreign investors, and unequal granting of development aid with strings attached. Even though the United States in this period became committed to regional development, the nations concerned remained necessarily preoccupied and firmly committed to national development.

An overview of regional cooperation during the second period reveals that the period was marked by concerns with national integration on the part of Southeast Asians, regional

⁵¹Robert A. Scalapino, "Neutralism in Asia," APSR, 48(March 1954)51; Hamilton Fish Armstrong, "Neutrality: Varying Tunes," Foreign Affairs, 35(October 1956)61; John S. Thomson, "Burmese Neutralism," Political Science Quarterly, 72(June 1957)279.

⁵²Richard Butwell, Southeast Asia Today--And Tomorrow, (New York, 1961). pp. 99-101.

⁵³Fifield, pp. 257-260.

⁵⁴Guy J. Pauker, "The Soviet Challenge in Indonesia," Foreign Affairs, 40(July 1962)612-626; Thomas P. Thornton, "Peking, Moscow, and the Underdeveloped Areas," World Politics, 13(July 1961)491-504.

security on the part of Western nations, neutralism by leftist interests, creation of a few successful Western-directed formal organizations, and limited Southeast Asian cooperation in conferences on special economic and social problems.

Regionalism 1961-1966

During this period, the focus of regional activity shifted dramatically, with the impetus for cooperation coming from Southeast Asians and directed toward economic matters while outside powers concerned themselves with sponsoring conferences on special economic problems. The period is also distinguished by several tangible examples of economic cooperation on a sub-regional basis and by maturation of Asian associations for cooperation.

The United Nations Economic Commission for Asia and the Far East(ECAFE) has become a major instrument for investigating regional economic cooperation and several cooperative projects--Asian, regional, and sub-regional--have benefitted from the efforts of this organization. ECAFE has been active in planning reconstruction, attempting to raise the level of Asian economic activity, and broadening of Asian economic relations. It sponsors investigations and studies as well as collects, evaluates, and disseminates economic, technological, and statistical information.⁵⁵ The Commission, meeting in Conference, is empowered to make non-binding recommendations by a majority of members present and voting, but it cannot initiate action

⁵⁵Fiffield, p. 466.

within a nation without that nation's consent.⁵⁶

Although the Commission was established in 1947 and Southeast Asian nations became members shortly after gaining independence, ECAFE has become a motivating force for regionalism only during the last ten years. Its initial lack of influence was due to overcentralization of authority in United Nations headquarters and to an aversion to dealing with political problems, especially those suggesting integration. Until after 1958, ECAFE concentrated on promoting projects within individual nations, eschewed even informal discussions on intra-regional trade, and considered regional cooperation a taboo subject.⁵⁷ In 1958, ECAFE adopted a Japanese proposal to promote intra-regional trade and convened its first trade talks in January 1959. The talks uncovered a wealth of ignorance on the potentialities of trade and were held annually after that, but in the face of declining mutual trade, action was left to "interested Asian countries."⁵⁸ A proposal by Dr. Lokanathan urging regional economic cooperation in 1955 was not allowed to be publicly discussed at that time since it was opposed by too many members and the report still remains confidential.⁵⁹

A change of attitude became evident in ECAFE activities following the Bangkok Resolution⁶⁰ which allowed the Commission to discuss all avenues of regional cooperation. Since then,

⁵⁶A. M. James, "The U.N. Economic Commission for Asia and the Far East," Yearbook of World Affairs, 13(1959)164.

⁵⁷Singh, pp. 144-145.

⁵⁸Singh, pp. 120-124.

⁵⁹Singh, pp. 144-145.

⁶⁰Singh, pp. 144-145.

several thoughtful studies have been produced that shifted ECAFE emphasis toward promoting regional harmonization of development plans.⁶¹

In July 1966, ECAFE created a Working Group of Planning Experts on Regional Harmonization of Development Plans and charged it with:

- (1) reviewing the present situation in regional economic planning;
- (2) discussing the precise scope of harmonizing development plans;
- (3) identifying and exploring preliminary ways that regional planning could be advantageous;
- (4) suggesting organization and procedures to carry on study, consultation and action in the ECAFE region.⁶²

The Working Group

. . . recognized that, if the scarce resources of the countries could be pooled and the narrow domestic markets combined, many of the obstacles impeding economic growth would be overcome. As a way to deal with the problem of economic growth, the Working Group accepted the strategy of plan harmonization.⁶³

The Group recommended that plan harmonization begin on a sub-regional level with a limited number of countries and listed several beneficial consequences that could be expected. It suggested that harmonization could permit more efficient utilization of resources, higher division of labor, and effective use of economies of scale through widened markets; it could

⁶¹See especially, "Regional Co-operation," Interim Report by the Executive Secretary, ECAFE, (New Delhi, 31 January 1961; and the Economic Survey for Asia and the Far East, 1959, 1961, 1963, and 1967.

⁶²Economic Bulletin for Asia and the Far East, ECAFE, (New York, 1967). pp. 1-2.

⁶³Economic Bulletin, 1967, p. 4.

eliminate duplication of investment and production efforts and lead to new creative productive capacity and complementary patterns.⁶⁴

Although "ECAFE's integrative output has been low"⁶⁵ in its own activities to date, it has sponsored the Mekong Project and assisted with the Asian Development Bank, the Asian Highway, and numerous conferences on economic cooperation.

The United Nations, through ECAFE, has been instrumental in promoting the Lower Mekong River Basin Development Project to plan and construct a series of multi-purpose projects to control floods, provide irrigation and hydroelectric power, and to improve navigation on the Lower Mekong river separating Thailand, Cambodia, South Vietnam, and Laos.

When a preliminary ECAFE report in 1955 noted the Mekong's tremendous resources and suggested investigation, the United States and the United Nations disapproved of having ECAFE assess its potential.⁶⁶ The United States wished to develop the Basin itself and in 1956 sent in a Bureau of Reclamation team to begin studies. ECAFE outflanked this opposition and that of UN headquarters by creating an autonomous Committee for Coordination of Investigation of the Lower Mekong Basin and this Committee, strengthened in 1959 by an Executive Agent, has since conducted

⁶⁴Economic Bulletin, 1967, p. 4.

⁶⁵Singh, pp. 144-145.

⁶⁶Singh, pp. 127-129.

the Project.⁶⁷ The United States agreed to pool its resources with the Committee and, in 1958, allotted two million dollars to initiate a team of international experts, led by Lt. General Wheeler of the United States, to cooperate with representatives of the four nations.⁶⁸ This mission submitted a set of detailed proposals in 1962.

In the beginning there was so little cooperation by these nations that, even after preliminary surveys and studies had been completed, work could not begin. In 1961, although cooperation appeared on a more adequate foundation,⁶⁹ civil strife and political unrest prevented the start of construction.⁷⁰ By 1962, however, political conditions seemed more favorable and resources were sufficient enough to launch the data-collection programs, begin planning of ten multi-purpose projects, and make a start on construction.⁷¹

In 1965, President Johnson strengthened the Project by earmarking \$500 million of a one billion dollar grant to Asia for Mekong development.⁷² And, by 1969, the Project had established meteorological stations, flood warning stations, channel markings for navigation, three dams well under way, two more started on tributaries, began construction of three dams on the mainstream, completed a power line from Thailand to Laos, built

⁶⁷Singh, p. 133.

⁶⁸New York Times, (7 March 1958).

⁶⁹Willard A. Hanna, "The State of the States of Indo-China," American Universities Field Staff Report, (New York, 1960). Part I, p. 5.

⁷⁰Tran Van Dinh, "Territorial Planning and Equipping in Asia," Asian Culture, 3(April-June 1961)14-16.

⁷¹C. Hart Schaaf and Russell H. Fifield, The Lower Mekong, (Princeton, 1963). p. 121.

⁷²Christian Science Monitor, (10 April 1965).

a bridge at Nongkhai and branched out its activities into transportation planning, communication planning, and fisheries.⁷³ Financing over the twenty-five years expected to finish the Project is now coming from the four riparians plus twenty-six other countries, eleven UN agencies, four foundations, and a number of private companies.⁷⁴

To date the Mekong Project is the most concrete and far reaching example of economic cooperation in Southeast Asia. Although it includes only Thailand of the five nations studied here, it gives evidence that Southeast Asians are politically mature enough to cooperate despite great difficulties⁷⁵ and provides a continuing example of the rewards that might be expected by additional or other forms of cooperation.

A major step toward regional economic integration was taken by Malaya, the Philippines, and Thailand in 1961 with the creation of the Association of Southeast Asian States (ASA). This Association was the fruition of a persistent campaign for regional cooperation conducted by Prime Minister Tunku Abdul Rahman of Malaya (now Malaysia). Since 1958 he has officially advocated cooperation among these nations in economic, cultural, spiritual, technical, and artistic endeavors.⁷⁶ In 1960,

⁷³New York Times, (17 January 1969); W. R. Derrick Sewell and Gilbert F. White, "The Lower Mekong: An Experiment in International River Development," International Conciliation, 558 (May 1966) 53; Christian Science Monitor, (10 April 1965).

⁷⁴Black, p. 134; Singh, p. 138.

⁷⁵Members continued to attend meetings and plan projects despite breakdowns of diplomatic relations. See: Singh, p. 139.

⁷⁶Letter to the Author from Manuel A. Viray, First Secretary, Embassy of the Philippines, Washington, D. C., dated 8 August 1961.

Prime Minister Rahman told the National Press Club in Washington, D. C.:

We consider that there is so much affinity and identity between the countries of the region that we must cooperate more closely in the common interest. What we have in mind, and what is slowly beginning to emerge, is known in our area as ASAS--The Association of Southeast Asian States. I am convinced that the day must come when such an association develops as a working arrangement on lines similar to those which have emerged as regional economic associations in Europe and in this hemisphere.⁷⁷

The heads of the member governments emphasized that ASA would be non-political in character, independent of any power blocs, and open to other nations of the region.⁷⁸ The Declaration of Bangkok in July 1961 established the Association with aims including the following:

1. To establish an effective machinery for friendly consultations, collaboration, and mutual assistance in the economic, social, cultural, scientific and administrative fields;
2. To provide educational, professional, technical and administrative training and research facilities in their respective countries for nations and officials of the associated countries; . . .
- . . . 5. To provide a machinery for fruitful collaboration in the utilisation of their respective natural resources, the development of agriculture and industry, the expansion of their trade, the improvement of their transport and communication facilities, and generally raising the living standards of their peoples; . . .⁷⁹

⁷⁷Speech before the National Press Club, (27 October 1960), p. 6.

⁷⁸Paper presented by the Permanent Representative of the Federation of Malaya at an informal meeting of Pacific Area Permanent Representatives to the United Nations on 13 March 1961; see also: New York Times, (14 February 1961).

⁷⁹Letter to the Author from Kok-Swee Choong, First Secretary, Embassy of Malaya, Washington, D. C., 11 August 1961.

ASA provided for yearly Foreign Minister Conferences that met in 1961, 1963, 1963, and 1966 and established a Standing Committee, Joint Working Party, Expert Committees, and a National Secretariat in each member government. Administrative organs and records were headquartered in Thailand, no verbatim minutes were kept, and records were kept to a minimum.⁸⁰ Meetings of ASA were suspended in 1964 with the onset of the Indonesia-Malaysia confrontation⁸¹ and held only once more in 1966 before ASA was absorbed into ASEAN.

Despite its short existence, ASA succeeded in the minor accomplishments of simplifying travel procedures and documents, joint communications and transportation schedules and hookups, and exchanges of cultural groups.⁸² Perhaps its greater benefits were more general and included investigation of: (1) a larger variety of subjects for joint ventures in cooperation; (2) difficult areas for cooperation so hard study could begin; and, (3) fields where benefits may be achieved by future priority planning.⁸³ The prior existence of ASA was a prime factor in the ease of establishing ASEAN and Bernard Gordon concludes that

⁸⁰Bernard Gordon, The Dimensions of Conflict in Southeast Asia, (Englewood Cliffs, 1966). pp. 168-169.

⁸¹For an excellent discussion of the confrontation, see: Gordon, pp. 68-119; or, R. S. Milne, Government and Politics in Malaysia, (Boston, 1967). pp. 185-196.

⁸²Willard A. Hanna, "Lower Mekong Cooperation," American Universities Field Staff Report, (New York, 1963). p. 4.

⁸³Gordon, p. 183.

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. . . the greatest impact of ASA's formal establishment and the intensified communications it produced, has probably been in the new ways of thinking that were generated. One area in particular has been notably affected: economic cooperation.⁸⁴

One effort was made during this period to capitalize on feelings of ethnic solidarity and, by doing so, infuse security issues into regional cooperation. In 1963, President Macapagal of the Philippines proposed a Pan Malayan Confederation to include the Philippines, Indonesia, Malaya and the Borneo territories. The proposal had grown out of a University of the Philippines study and was rechristened Maphilindo by President Soekarno of Indonesia.⁸⁵

Maphilindo was formally established in July that year following a consultative meeting in June to facilitate "a joint approach to regional security," and common efforts to resist "subversion in any form or manifestation."⁸⁶ Although the organization had ". . . no blueprint, no timetable, no agenda:"⁸⁷ Macapagal spoke of its future in glowing terms:

In Maphilindo and through Maphilindo, nourished constantly by their vision and enterprise, the Malay peoples shall be borne upon the true, the vast, the irresistible wave of the future.⁸⁸

And further, ". . . it can mark the beginning of a new golden age for the peoples of Malay stock."⁸⁹

⁸⁴Gordon, p. 173.

⁸⁵Hanna, 1963, p. 5; Gordon, pp. 26-28.

⁸⁶Justus Van Der Kroef, "The New Malaysia and its Neighbors," United Asia, 15(October 1963)685.

⁸⁷Hanna, 1963, p. 5.

⁸⁸Gordon, p. 23.

⁸⁹Gordon, p. 23.

Maphilindo's vagueness of purpose made it possible for everyone to endorse it, but "on the basis of experience to date with regional cooperation, it would seem that the better results come from the more modest starts, and also that the big schemes prejudice the little ones."⁹⁰ Philippine motivation rested in large part on pressing claims to Sabah, favored as early as 1946 by Macapagal⁹¹ and rejected by the British in 1962.⁹² Soekarno favored it as a way of dismembering the Malaysia Federation and helping Southeast Asian attention to gravitate to the larger and more populous Indonesia. Although the organization died the following year because of the antagonisms engendered by the Indonesia-Malaysia confrontation, Maphilindo did provide the Philippines increased identification with and leadership in Southeast Asia and also provided an impetus for Indonesia's later participation in ASEAN.

Participation of ASEAN members in economic cooperation with non-regional nations also quickened during the last decade. Several formal organizations not exclusively Southeast Asian were established with either sponsorship or membership of outside powers and these organs provided additional experience in cooperation for ASEAN members. These included the Asian Productivity Organization, the Asian and Pacific Council, the Asian Development Bank, several United Nations agencies, and numerous ministerial conferences.

⁹⁰Hanna, 1963, p. 2.

⁹¹Gordon, p. 18, footnote.

⁹²Albert Ravenholt, "Maphilindo: Dream or Achievable Reality?", American Universities Field Staff Report, (New York, 1964). p. 5. For a discussion of the Sabah claim, see: Gordon, pp. 9-41.

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The Asian Productivity Organization met first in 1959 and was formally established in 1961 as a non-official organization with some government support. It seeks to promote intra-regional cooperation in improving productivity in non-Communist Asian countries. It operates through yearly meetings and a permanent secretariat; meetings are attended by private delegations and official representatives of most Asian nations.

The Asian and Pacific Council(ASPAC) for cooperation was a joint effort by South Korea and Thailand first convened in Seoul during 1966 to explore avenues of cooperation, especially "against Communist militarism and expansion."⁹³ ASPAC includes all ASEAN members except Indonesia and Singapore; it has shifted its original intent toward economic matters, establishing a technician training cooperation scheme and a cultural information exchange center. It is presently studying the potential for food and fertilizer banks, customs union, and a common market. Future effectiveness of ASPAC is uncertain since disputes over security and military matters marred the 1969 meeting and overshadowed economic issues.⁹⁴ James Lawler feels that, due to the heterogeneity of its members, ". . . goodwill, some trade liberalization and other forms of co-operation are the most that can be expected of the group."⁹⁵

⁹³Werner Levi, The Challenge of World Politics in South and Southeast Asia, (Englewood Cliffs, 1968). p. 61.

⁹⁴Asian Almanac, (20 August 1969), p. 9093.

⁹⁵James Lawler and Jerome Laulicht, "International Integration in Developing Regions," Peace Research Reviews, 3(1969)63.

The United Nations has contributed to cooperation in ways other than through ECAFE. The Conferences on Trade and Development (UNCTAD) have explored extensively alternative ways of increasing trade among Asians and, although the first UNCTAD efforts were judged a failure,⁹⁶ the 1968 Conference did agree to establish a system of non-discriminatory tariffs which are highly complex, controversial, and yet to be implemented. ECAFE has cooperated with the Economic Commission of Africa in promoting the Asian Highway project to complete an all-weather highway from Istanbul to Saigon. Completion of this route is symbolically important and is expected to increase trade throughout Asia.⁹⁷ Although the Highway has evoked much willingness to cooperate, few funds are as yet available for construction.⁹⁸ The Asian Regional Council of the International Labor Organization provides technical training and technical cooperation assistance to its members; other UN-sponsored activities within the region include the Conference of Asian Planners, Ministerial Conference on Asian Economic Cooperation, Asian Coconut Community, Committee for Coordination of Prospecting for Mineral Resources in Asian Off-shore Areas, Meeting of Government Experts on Trade Expansion, and the Asian Development Bank.⁹⁹

⁹⁶Andrew W. Green, Political Integration by Jurisprudence, (Leyden, Netherlands, 1969). pp. 243-267.

⁹⁷Christian Science Monitor, (10 April 1965).

⁹⁸Singh, pp. 124-126.

⁹⁹Black, p. 95.

The idea of an Asian Development Bank(ADB) originated in 1954 and was finally promulgated in 1965¹⁰⁰ with a pledged capitalization of one billion dollars contributed by Western and developed Asian nations.¹⁰¹ It includes eighteen Asian and twelve non-Asian members and concentrates on providing capital for projects neglected by private investment or too expensive for public funds.¹⁰² It attempts to foster and stimulate regional cooperation, but also funds some national projects. ADB has consistently been hampered by the problem of deciding whether project funding or plan assistance is more valuable for long-run development.¹⁰³

Japan is taking a larger role in regional economic affairs and has convened a yearly Ministerial Conference for the Development of Southeast Asia to discuss problems of development and the Japanese role in the region. Out of these conferences have come the Southeast Asia Agricultural Development Fund and the Southeast Asia Fisheries Development Center. A Japanese Central Union of Agricultural Cooperatives also gives some assistance in establishing cooperatives throughout Asia. The pattern in these organizations appears to be encouragement of individual nation development rather than inter-nation cooperation.

¹⁰⁰Black, p. 8.

¹⁰¹Christian Science Monitor, (10 April 1965).

¹⁰²P. E. Stonham, "The Asian Development Bank and Economic Cooperation in South-East Asia," Australian Quarterly, 39(March 1967)79.

¹⁰³Stonham, p. 83; Black, pp. 96-105; J. White, "The Asian Development Bank: A Question of Style," International Affairs, 44(October 1968)677-690.

Regionalism 1967 to the Present

In 1967, the initiative for regional cooperation was sparked by the creation of the Association of South East Asian Nations (ASEAN). The aims and purposes as set out in the charter signed in August that year are:

1. To accelerate the economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian nations;
2. To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
4. To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
5. To collaborate more effectively for the greater utilisation of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communication facilities and the raising of the living standards of their people;
6. To promote Southeast Asian studies;
7. To maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves.¹⁰⁴

To accomplish these ambitious tasks, ASEAN established an Annual Meeting of Foreign Ministers, a Standing Committee, Permanent and Ad Hoc Committees of specialists, and a National Secretariat in each member country.¹⁰⁵ Initial pronouncements that a

¹⁰⁴Asian Almanac, (5-8 August 1967). p. 2269.

¹⁰⁵Asian Almanac, (5-8 August 1967). p. 2270.

defense arrangement and expansion of membership by five nations that had indicated a desire to join¹⁰⁶ have not been realized. It is now generally conceded that ASEAN would be an inadequate vehicle for providing regional security and suspicions that defense was an underlying motive for its formation have so far limited its membership.¹⁰⁷ Progress in cooperation has not been dramatic, and during 1968 there were no ASEAN meetings held. Suspension of activity was caused by an atmosphere of suspicion and distrust between Malaysia and the Philippines resulting from a rekindling of the dispute over Sabah.¹⁰⁸

By 1969, however, relations had improved and ASEAN meetings began to reflect cautious progress. Permanent Committees were created for finance, commerce and industry, tourism, and transportation and communication. The Conference established an ASEAN Fund of approximately five million dollars, and ECAFE appointed a team to carry out an economic study of possible ASEAN projects.¹⁰⁹ To date the brightest area of cooperation has been in harmonizing civil aviation policies; lack of other substantial gains led the Singapore Foreign Minister to remark "that there was a lot of circus at the cost of less and less bread,"¹¹⁰ because effort had been directed toward impressing the world rather than toward real cooperation. Nevertheless,

¹⁰⁶Asian Almanac, (5-8 August 1967). p. 2271.

¹⁰⁷D. E. Nuechterlein, "Prospects for Regional Security in Southeast Asia," Asian Survey, 8(September 1968)806-816; P. Lyon, pp. 35-46.

¹⁰⁸Asian Almanac, (19 October 1968). pp. 2974-2980.

¹⁰⁹Asian Almanac, (17 January 1970). pp. 3758-3760.

¹¹⁰Asian Almanac, (24 January 1970). p. 3770.

cooperative discussions are continuing on specific matters: Burma, Cambodia, and Laos have been invited to join; South Vietnam has indicated willingness if invited; invitation to North Vietnam is under consideration;¹¹¹ and some United States industries are ready to participate in regional businesses.¹¹²

Southeast Asians have, during this period, buttressed their cooperation by establishing formal ministerial conferences for discussing specific economic problems. They have formed SEAMEC, SEAMIT, SEADEV, and a Central Bankers Group to bring together the Southeast Asian government ministers of education, transportation, development, and finance for consultation on common problems.¹¹³ Robert Fluker feels that these types of cooperation are realistic in that they focus on specific projects rather than upon broad charters and principles, and the multiplicity of organizations is not harmful because the organs are, for the most part, complementary rather than competitive.¹¹⁴

Summary of Regional Cooperation 1945-1969

In reviewing attempts at cooperation which might be conducive to economic integration, it is evident that ASEAN members have a long, impressive record of attending regional conferences, maintaining memberships in regional and international organizations, and establishing formal associations through which cooperation could take place. They have discussed

¹¹¹Asian Almanac, (17 January 1970). p. 3757.

¹¹²Fluker, p. 206.

¹¹³Fluker, pp. 200-201; Black, pp. 105-117.

¹¹⁴Fluker, p. 205.

cooperation, studied its various forms, and planned cooperative projects; but they have as yet accomplished very little in the way of actual harmonization or integration in cultural, security, political, or economic endeavors. ECAFE, ASA, ASEAN and other organizations have all done extensive studies of regional economic cooperation, but have studiously avoided addressing themselves to political problems or theoretical analyses of factors promoting or hindering integration. These nations have not yet faced the questions of permanent supra-national institutions, of defense and security, of the proper government role in the economy, or of the linkages between national and regional development. Nor have they yet been willing to take the initial sacrifice that is necessary for meaningful cooperation to become a reality; that is, no organization has succeeded in eliciting cooperation to the point of jeopardizing any sovereignty of any nation.¹¹⁵ In speaking of Southeast Asian policymakers, Bernard Gordon finds that "What often exists, sometimes even in the statements and thoughts of the same individual, is a striking ambivalence toward the whole subject."¹¹⁶

Resurgence of interest in regionalism since 1960 has been due to such factors as external pressures, positive and negative, including Western inducements, desires for national economic stability, threats posed by Communist China, indigenous Communism, British military withdrawal, and United States statements casting doubts about continued U.S. presence in the region.¹¹⁷

¹¹⁵Singh, p. 236.

¹¹⁶Gordon, p. 174.

¹¹⁷Levi, 1968, pp. 68-69; Singh, p. 165; Shizuo, p. 57.

Still, some evolution in expressions of regionalism has taken place since World War II. Interests have moved from tenuous cultural affinities and impossible security alliances to pointed consideration of regional resource and industry development plans, tariff reductions, and trade promotion focused on a sub-regional rather than upon a Southeast Asia or Asia-wide base.

Obstacles to Cooperation

Southeast Asian nations do not score high on those conditions believed conducive to integration by theorists and, in addition, these nations face other problems peculiar to underdeveloped nations that appear to inhibit more extensive manifestations of regionalism. Southeast Asian regionalism has been inhibited by a broad array of political, economic, and cultural factors about which there is still so much controversy among writers that accurate assessment of the effects of these factors is difficult. Political factors include nationalism, competing ideologies, conflicts and animosities, government instability, and concerns for security.

Early feelings of unity within the region were based on common attitudes toward newly granted independence and anti-colonialism¹¹⁸ and these nations, rather than drawing closer together, may have become increasingly differentiated and separated, not only in their attitudes toward each other, but also in their approaches to larger world problems.¹¹⁹ Asians

¹¹⁸John H. Kautsky, "Nationalism in Underdeveloped Countries," in Robert L. Pfaltzgraff, Jr., ed., Politics and the International System, (New York, 1969). p. 39.

¹¹⁹This is, at least, the position of Vandenbosch and Butwell, 1957. p. 255.

found they mistook unity focused on a common enemy--imperialism--
for a broad general feeling of brotherhood¹²⁰ and, as Mills
notes:

Almost the only common interests of the peoples of South-east Asia are that they live in the same part of the continent and that they all want to be independent. There are¹²¹ more factors that make for disunity than for cooperation.

And Gordon echoes this statement, adding that

Regionalism has not taken root in Southeast Asia, first, because of the many political conflicts among the nations there, and second, because there is so little agreement, even among its advocates, on what "cooperation" would mean in practice.¹²²

Even Europe's example of the feasibility of economic regionalism has produced frustration by coming just when Asian barriers to regionalism were rising.¹²³ And the concept of economic regionalism, rather than suggesting common progress, ". . . continues to attract supporters because the concept, vaguely defined, seems to promise different benefits to different national leaders."¹²⁴ Even the forms of nationalism and their diverse foundations may serve to separate rather than support common outlooks across the borders.¹²⁵

Nationalism has given rise to conflicts and probably hampered progress in cooperation, but among the ASEAN leaders (and others) there is, at the same time, a widespread attitude

¹²⁰Levi, 1968, p. 66.

¹²¹Mills, pp. 163-164.

¹²²Bernard K. Gordon, "Regionalism and Instability in Southeast Asia," Orbis, 10(Summer 1966)438.

¹²³Levi, 1968, p. 51.

¹²⁴Gordon, Orbis, p. 438.

¹²⁵See my Thesis, pp. 133-134.

favorable to regional cooperation.¹²⁶ Richard Butwell, writing in 1963, stated tentatively,

. . . the evidence to date suggests that the character of nationalism in at least some of the Southeast Asian countries is not such as to prevent the early and effective union of the peoples of these lands.¹²⁷

Today it is even more evident that parallel to the awakening of nationalism there has grown up feelings favorable to regional solidarity.¹²⁸

Mutual suspicion and distrust exists among ASEAN members as a result of differing political ideologies, personal rivalries among leaders, and traditional or contemporary animosities. Dominant political ideologies are certainly not so compatible as were those in Europe when the European Coal and Steel Community was formed or in Latin America when the free trade associations were created.¹²⁹ Ideologies range from that of the right-wing military clique governing Thailand which has given little attention to socio-economic planning or goals¹³⁰ to that of Indonesia, again under military dominance, but pursuing an avowedly socialist policy attempting to provide some measure of social welfare. Between these extremes fall the middle-of-the-road policies of the Philippines and Malaysia under constitutional democracies and those of Singapore, now emphasizing

¹²⁶Bernard K. Gordon, "Problems of Regional Cooperation in Southeast Asia," *World Politics*, 16(January 1964)263; *Asian Almanac*, (14 September 1968), pp. 2917-2920; (19 October 1968), pp. 2974-2980; (24 January 1970), pp. 3770-3771.

¹²⁷Butwell, 1963, p. 182.

¹²⁸Vu Van Thai, p. 359.

¹²⁹See my Thesis, pp. 116-128.

¹³⁰Gunnar Myrdal, *Asian Drama: An Inquiry into the Poverty of Nations*, (New York, 1968). p. 394.

welfare policies to a greater degree under a socialist majority.

Cooperation has suffered from a lack of contact among leaders,¹³¹ competition for leadership in regional groupings,¹³² and degrees of personalism in effecting foreign policymaking.¹³³ In addition, changes in leadership by coups d' etat and elections have disrupted policy continuity and personal relationships. But it is also important to point out that leaders in these nations, anxious to demonstrate their capabilities to run a nation, may see regional cooperation as a means of mutual support strengthening their prestige and support among their citizens.¹³⁴ And, since the populations are not fully active in the political process, leaders may have freedom to move closer regionally without sacrificing popularity among their people.¹³⁵ Finally, these nations are fortunate to have schemes of cooperation designed by experts who have been isolated from political pressures up to this point.¹³⁶

Animosities and conflicts among ASEAN members and other Southeast Asian nations are also detrimental to cooperation. Thailand has continuing border problems with Laos and Cambodia

¹³¹Singh, p. 229.

¹³²Gordon, 1964, p. 223; Levi, 1968, p. 59.

¹³³Gordon, Dimensions of Conflict, pp. 135-140. See his model of personality importance to policymaking in Southeast Asia.

¹³⁴Fisher, pp. 361-362. Levi, 1968, p. 51.

¹³⁵Butwell, 1963, p. 183.

¹³⁶Gordon, Dimensions of Conflict, p. 165.

that have disrupted cooperation on the Mekong Project.¹³⁷ The Philippines claim to Sabah has damaged trust and willingness to cooperate with Indonesia and Malaysia¹³⁸ and the Indonesian confrontation over Malaysia, though settled, may not have ended the former's desires to dominate parts of Malaysia.¹³⁹ Indonesians are still attracted toward Islamic brethren in the Philippine island of Mindinao and differences still exist between Malaysia and Thailand over minorities in the border provinces¹⁴⁰ where neither nation has been able to maintain order. Cambodia, under Prince Sihanouk, was particularly accusatory toward its neighbors; besides arguments over disputed territories,¹⁴¹ there are periodic problems involving border crossings, smuggling, oppression of minorities, complaints of trade obstruction, and intrusion by foreign troops.¹⁴² Although not all conflicts mentioned are among ASEAN members, all are relevant because they sap resources and energies that might otherwise be directed toward expanding cooperation within ASEAN.

It is possible, however, that the historical importance of differences between these nations has been blown up out of proportion and the disputes are employed only to serve immediate ends in these nations. The existence of occasional

¹³⁷Sewell, pp. 7-8.

¹³⁸Gordon, Dimensions of Conflict, pp. 40-41.

¹³⁹Gordon, Orbis, p. 445.

¹⁴⁰Fifield, pp. 257-260; Vandenbosch and Butwell, 1957, p. 308.

¹⁴¹The Prah Viham Temple was awarded to Cambodia by the World Court in 1962.

¹⁴²Hanna, 1960, pp. 6-7; Vandenbosch and Butwell, 1957, pp. 232-237. These authors give informative accounts of these quarrels among neighboring countries throughout their book.

conflicts, for example, may be less serious to regional cooperation than often supposed for these conflicts are not primarily ancient and enduring ones, but few in number and of short duration. Furthermore, Bruce Russett reminds us that it is not the absence of conflict but the ability to work out conflict with a minimum of violence that marks the condition of successful integration.¹⁴³ He notes further that large flows of information make it possible to reduce chances of blundering into these conflicts.¹⁴⁴ And in Southeast Asia, the level of violence between nations has never been high even during the Indonesia-Malaysia confrontation. Although there is an element of distrust between leaders and within populations, extensive communications do exist and have generally continued even during hostilities.¹⁴⁵ Thailand and Cambodia continue cooperating in the Mekong Project even though they have no diplomatic relations.¹⁴⁶ The Philippines reactivated ASA in 1966 following the confrontation and a Joint Working Party held meetings even before diplomatic relations were reestablished between the Philippines, Indonesia, and Malaysia.¹⁴⁷

Political instability and Cold War alignments have also kept ASEAN members apart. Internal political instability is evidenced by coups d' etat, irredentist movements, a shortage of trained administrators, and widespread corruption within some of these governments. Military coups have occurred in

¹⁴³International Regions and the International System, (Chicago, 1967). p. 96.

¹⁴⁴Russett, p. 97.

¹⁴⁵Gordon, Dimensions of Conflict, p. 141.

¹⁴⁶Fluker, p. 199.

¹⁴⁷Nareiso Ramos, "Association of Southeast Asia and the Philippines," United Asia, 18(November-December 1966)297.

Indonesia and Thailand and other ASEAN members have experienced abortive revolts by dissident ethnic minorities, Communists, or military factions.¹⁴⁸ All ASEAN members suffer from a shortage of trained administrators; those that are available cannot be spared from existing administrative priorities to take on new problems posed by any comprehensive regional agreement that would require a great deal of information-gathering, research, coordination, and administrative expense. In addition, corruption is often present and caused by ". . . the prevalence of official misconduct among politicians and administrators, and the concomitant spread of unlawful practices among businessmen and the general public,"¹⁴⁹ and this affects the stability and resources of these governments.

Cold War alignments or nonalignments with the resultant tendering or withholding of economic and military assistance by major powers have also divided ASEAN members. The Philippines, Thailand, and Malaysia have been firmly in the Western camp while other Southeast Asians have hovered from neutrality of sorts toward one camp or the other at various times.¹⁵⁰ SEATO has been consistently resented by all except its regional members and South Vietnam; the presence of foreign military bases in Malaysia and Singapore served to alienate Indonesia and Burma just as the presence of U. S. bases in the Philippines, Thailand, and South Vietnam has done.¹⁵¹ Cooperation has also been

¹⁴⁸Gordon, Dimensions of Conflict, throughout; Vandenbosch and Butwell, 1966, throughout.

¹⁴⁹Myrdal, pp. 937-958, on the causes and effects of official corruption.

¹⁵⁰Black, throughout.

¹⁵¹Asian Almanac, (17 January 1970)3756-3760; (24 January 1970)3770-3771.

retarded somewhat by small nation fears of being dominated by the larger or more powerful neighbors while larger nations fear diminution of their power in accepting an equal relationship with smaller powers.¹⁵²

But political concerns for national security may also militate for greater cooperation among at least some Southeast Asians.¹⁵³ Earlier writers in both Southeast Asia and the U.S. saw regionalism as a way to fill the "power vacuum" left by the departing colonial powers and as a counterforce to the rising power of mainland China.¹⁵⁴ And the regional concept is still supported as a viable foundation for a system of collective security to strengthen individual nations.¹⁵⁵ Malaysia and Thailand, of the ASEAN members, feel especially vulnerable militarily. This is why they so badly want Indonesia with its large population, natural resources, and large military establishment associated with them.¹⁵⁶ The Philippines, too, feels a need to buttress its security by closer Asian ties.¹⁵⁷ Fear of a common enemy has served to unite much of the rest of the world into regional blocs and may well assist in the task for Southeast Asia, assuming that agreement on a common enemy is

¹⁵²Levi, 1968, p. 59.

¹⁵³Nuechterlein, pp. 806-816.

¹⁵⁴William Henderson, Southeast Asia: Problems of United States Policy, (Cambridge, Massachusetts). pp. 250-252.

¹⁵⁵Vu Van Thai, p. 355.

¹⁵⁶Asian Almanac, (5 August 1967)2268-2272. .

¹⁵⁷Black, p. 64.

possible.¹⁵⁸ But so far, ASEAN is viewed by nonaligned and Communist nations as a disguised SEATO and this stigma limits its attractiveness to other Southeast Asians.¹⁵⁹

Sustaining economic growth is another problem that plagues these nations. Growth has been slowed by population increases, income inequalities, inflation, and dependence upon exports. Population increases resulting from high birth rates and declining death rates have been consuming much of the increase in output that occurs and this contributes to economic stagnation or an extremely slow rise in standards of living.¹⁶⁰

The existence of broad income inequalities with most of the populations existing slightly above subsistence level also hampers economic regionalism.¹⁶¹ Absence of monetization (primarily in rural areas) results in small markets for most goods and high risk for investors who, having capital, might otherwise invest and stimulate development.¹⁶² Currency instability with frequent or continuing inflation also inhibits

¹⁵⁸Barrera, Haas, and Schmitter note that in underdeveloped nations, ". . . shared fear of the industrial world" might replace the positive expectations of Western elites in promoting integration. Mario Barrera and Ernst B. Haas, "The Operationalization of Some Variables Related to Regional Integration," International Organization, 23(Winter 1969)150-160; Philippe C. Schmitter, "Further Notes on Operationalizing Some Variables Related to Regional Integration," International Organization, 23(Spring 1969)327-336.

¹⁵⁹Lawler, p. 64.

¹⁶⁰Mills, pp. 338-345, contains an excellent discussion of the causes of population growth and its effects on the economy; see also, Myrdal, pp. 621-644 on the theoretical aspects of population growth.

¹⁶¹Myrdal, p. 338 and pp. 600-602.

¹⁶²Myrdal, p. 624; Lawler, p. 30; S. C. Taluqdar, "South-East Asian Common Market," AICC Economic Review, 20(15 February 1969)12-13.

investment and generates insecurity and unrest throughout the region.¹⁶³ Rampant inflation robs these governments of needed development funds. In addition, high and increasing administrative costs leave little of the government budgets for development projects. Foreign aid has not been sufficient nor reliable enough to guarantee development; the flow of economic aid has been declining since the mid-1960's. Of necessity, when funds are constricted by these factors, regional development projects normally receive much lower priorities than other projects judged essential to national interests.

Underdeveloped nations usually have "thin" economies dependent upon the production of one or two raw materials for the bulk of their foreign exchange¹⁶⁴ and this affects both internal economic growth and the potential benefits to be realized from economic integration. All ASEAN members have experienced a chronic deficit of payments as prices of these raw materials fluctuate and decline and as their peoples' demands for imports increase.¹⁶⁵ ASEAN members, being primarily agricultural economies producing similar goods, have little complementarity and actually do little intra-regional trading. And the amount of mutual trade since 1952 has been declining rather than increasing.¹⁶⁶ These nations are still dependent

¹⁶³Black, p. 47, notes that Indonesian inflation in 1966 was 639% and another 200% in 1967 and 1968.

¹⁶⁴Myrdal, p. 586.

¹⁶⁵Myrdal, pp. 600-602; Mills, Chapter 8; Economic Bulletin for Asia and the Far East, ECAFE, (New York, 1967), p. 4.

¹⁶⁶Economic Bulletin, 1963, 1965, 1967; C. L. Gheevala, "Prospects of Regional Cooperation in Asia," United Asia, 17(May-June 1965)166.

upon markets in developed nations for trade and these trade ties are in some cases still reinforced by preferential tariff policies of former colonial powers.¹⁶⁷ Also, there still remains a significant dearth of knowledge about each other's production of goods available for potential exchange.

Artificial trade barriers further reduce the level of intra-regional trade. These nations have relied on customs duties for the bulk of government revenue¹⁶⁸ and, although this reliance is now decreasing, quotas on both imports and exports are still imposed to regulate foreign exchange.¹⁶⁹ In analyzing the relationship between tariffs and trade, Cooper and Massell find that rationalization of tariffs to increase trade has value only under special conditions which include: (1) regional trade in proportion to total trade is relatively high, (2) the countries now competitive have potential complementarity, and (3) the ratio of foreign to domestic commerce is low.¹⁷⁰ And most underdeveloped nations, ASEAN members included, do not qualify under these conditions. Another economist finds few unions suitable for underdeveloped nations; Kindleberger is of the opinion that regional planning is of little benefit except for river utilization; price stabilization agreements are not strictly regional in character; and technical cooperation,

¹⁶⁷Economic Bulletin for Asia and the Far East, ECAFE, (New York, 1969). pp. 63-64.

¹⁶⁸My Thesis, p. 81; Economic Bulletin, 1969, pp. 60-66.

¹⁶⁹Gheevala, p. 167; Economic Bulletin, 1967, p. 4; Bernard Gordon feels that the barriers to regional trade have not been artificial government policies (tariffs) but the "present stage of development of Southeast Asia's economies.", Dimensions of Conflict, p. 155.

¹⁷⁰Richard Cooper and Benton Massell, "A New Look at Customs Union Theory," Economic Journal, 75(December 1965)461-476.

though suitable, is not very important in the total economic picture.¹⁷¹

Another economic problem to which these nations have not addressed themselves is the appropriate role of the government in their economies. Economic policies of ASEAN members range from minimum interference in Singapore and the Philippines to a major reliance on government direction in Indonesia. All of these governments have accepted some responsibility for improving social and economic welfare and this responsibility has been translated into development plans that, in order to be carried out effectively, would require governmental control or supervision of most economic sectors. Yet, Myrdal describes these governments as "soft states requiring extraordinarily little of their citizens; there is little social discipline and even the few existing obligations are inadequately enforced."¹⁷² Levi agrees that regionalism in Asia is difficult because it requires an extremely complex and high degree of coordination and subordination of policies¹⁷³ and the greater the state role in economic life, the larger the problem of integration would be.

Despite this bleak picture, there are some economic conditions that may stimulate continued economic cooperation if not integration. The commitment of all ASEAN members to

¹⁷¹Chapter 18; Russett agrees that underdeveloped nations' similarity of economic needs and goals brings them into competition and close identification "seems remote."; see his: Trends in World Politics, (New York, 1965). p. 162.

¹⁷²Myrdal, pp. 895-896.

¹⁷³Levi, 1968, p. 52.

economic development provides a common interest. All of these nations now have a socio-economic plan and this brings about the possibility of coordinating planning to increase trade and regional complementarity.¹⁷⁴ Since the stimulus of foreign demand for the region's goods is diminishing as substitutes and new competitive markets appear, impetus for development must become internally based and nurtured.¹⁷⁵ In fact, the decline of world demand for primary commodities impels the smaller nations dependent upon trade toward regionalism for economic survival.¹⁷⁶

Exchange of accumulated information from the several economic and trade commodity studies done on the region has pointed up numerous areas where complementarity is either present or possible. Thailand and Malaysia already have a respectable amount of complementarity, Singapore trades well with Indonesia, and the Philippines and Malaysian economies could be complementary ". . . to a surprising degree."¹⁷⁷

Even existing artificial trade barriers can be overcome. These nations have for some time been reducing their reliance on customs duties¹⁷⁸ and Myrdal found that the types of controls in existence are mostly positive ones that encourage and stim-

¹⁷⁴Taluqdar, pp. 10-11.

¹⁷⁵Myrdal, pp. 582-583.

¹⁷⁶Roger D. Hansen, "Regional Integration: Reflections on a Decade of Theoretical Efforts," World Politics, 21(January 1969)264.

¹⁷⁷Ravenholt, p. 4; Donald B. Keesing, "Thailand and Malaysia: A Case for a Common Market:", Malayan Economic Review, 10(October 1965)108-112.

¹⁷⁸My Thesis, p. 87.

ulate production, investment, and consumption, usually in a specific sector.¹⁷⁹ Negative controls such as rationing, administrative restrictions, denying exchange, and bullying are not widespread, being employed primarily against minorities (especially Chinese) and foreigners.¹⁸⁰

Gordon concluded in 1966 that the three necessary elements for economic regionalism may now be present in Southeast Asia. The most prosperous nations are committed to regionalism and are members of ASA (now ASEAN); some of the uncommitted are interested in participating; and the United States and Japan have concretely demonstrated their backing for regionalism by earmarking funds for cooperative development. And in some ways the region is better off than Africa or South Asia. ASEAN nations have smaller populations, fewer boundary disputes, fewer poor, higher literacy, less malnutrition, and more plentiful natural resources.¹⁸² It is also the case that when modernization is equated with industrialization in underdeveloped nations, the latter becomes a goal that transcends cost-benefit analysis so, when growth is not possible alone, these nations are "impelled" to attempt regional economic cooperation schemes.¹⁸³

All ASEAN nations are fragmented culturally due to geography, pre-colonial, colonial, and post-colonial influences

¹⁷⁹Myrdal, p. 903.

¹⁸⁰Myrdal, p. 922.

¹⁸¹Gordon, Dimensions of Conflict, p. 193.

¹⁸²Myrdal, pp. 360-361.

¹⁸³Hansen, p. 268.

that may not be conducive to integration.¹⁸⁴ These nations contain significant ethnic minorities, multiple spoken languages, and religious affiliations that illustrate the existence of many value systems whose ideologies or goals do not always coincide; the exclusiveness and tenacious adherence to these values may constitute a barrier to both national and regional integration.

The single most important minority in the region is composed of alien Chinese who make up at least ten percent of the total Southeast Asian population. These Overseas Chinese, distinct from other Southeast Asians ethnically, linguistically, and in some cases by race and religion, have an importance within the region far greater than their numbers would indicate.¹⁸⁵ They control most of the merchandising in these nations; they constitute a majority of the wholesalers and internal marketers; and they are significant as regional traders.¹⁸⁶ Chinese also control much of the production of rubber, tin, and rice in the region.

Their commercial dominance is usually resented by indigenous populations who have attempted to deal with the problem by assimilation policies, exclusion laws, and physical liquidation. Thailand has relied on assimilation,¹⁸⁷ the Phil-

¹⁸⁴Charles A. Fisher, "Southeast Asia: The Balkans of the Orient?", Geography, 47(November 1962)347 and 366.

¹⁸⁵Mills, pp. 110-135. See also: G. William Skinner, "Overseas Chinese in Southeast Asia," The Annals, 321(January 1959)136-147.

¹⁸⁶Justus Van Der Kroef, "Chinese in Southeast Asia," Current History, 33(December 1957)367; My Thesis, p. 96.

¹⁸⁷G. William Skinner, Chinese Society in Thailand, (Ithaca, 1957). pp. 322-382.

ppines has passed laws forbidding Chinese to own businesses,¹⁸⁸ while Indonesia has on at least two occasions engaged in violent reprisals against Chinese businesses and residents.¹⁸⁹ The Chinese in Malaysia constitute nearly forty percent of the population and are a special problem. It was Chinese leftism in Singapore that led Prime Minister Rahman of Malaya to propose federation with the more conservative colonies of Sarawak, Sabah, and Brunei in 1961. The incompatibility of Malaysians and Chinese led to the breakup of the Federation as "Malaya aimed at independence from Singapore's facilities and vice versa."¹⁹⁰

The Overseas Chinese do not, however, form a cohesive community even within a nation but are fragmented linguistically, by ancestral origin, and by political loyalties, national and international.¹⁹¹ Nevertheless, because of their predominant economic influence, their good will or neutral acquiescence in the formation of an economic union is desirable.

Southeast Asians are also fragmented by the existence of many exclusive languages. Some ASEAN nations have only recently adopted a national language and where these languages were not those of an indigenous group, national integration has probably been strengthened.¹⁹² Where, however, the language of a single ethnic group was adopted as in the Philippines and Malaysia, assimilation of some minorities has been slowed. In any case,

¹⁸⁸New York Times, (11 December 1959). Thailand also requires citizenship, but it is more freely given.

¹⁸⁹Gordon, Orbis, pp. 438-444.

¹⁹⁰Levi, 1968, p. 63.

¹⁹¹Richard J. Coughlin, Double Identity: The Chinese in Modern Thailand, (Hong Kong, 1960). pp. 6-8; Mills, pp. 110-120.

¹⁹²My Thesis, p. 100.

these newly adopted languages have not been assimilated by the large majority of citizens and even when understood, they are often not the media of spoken communication.¹⁹³ Still, elites in Malaysia, Singapore, and the Philippines communicate easily in English while Indonesia and Malaysia have achieved rudimentary coordination between their national languages with the ultimate aim of fusing the two.¹⁹⁴

Religions, because they often transcend minority divisions, are a unifying force within ASEAN nations; but the same cannot be claimed for the effect of religion on regional cooperation. Buddhism is the state religion in Thailand, Islam shares the same favor in Indonesia and Malaysia, while in the Philippines, overwhelmingly Roman Catholic, church-state separation is maintained. With the exception of the Darul Islams in Indonesia,¹⁹⁵ religious have seldom been militant in any but anti-foreign pronouncements,¹⁹⁶ but no religion with strong commitments to tradition can countenance regional integration if it would decrease political and economic influence now enjoyed within a nation.

The above political, economic, and cultural obstacles, though not prohibitive of regional cooperation, certainly foment controversy over what form cooperation should take. Disagreement exists over whether cooperation should be on a regional or sub-regional basis;¹⁹⁷ Pan-Asianism is also a partially viable

¹⁹³My Thesis, p. 100.

¹⁹⁴Fifield, p. 156.

¹⁹⁵Vandenbosch and Butwell, 1966, p. 362.

¹⁹⁶George McT. Kahin, ed., Governments and Politics of Southeast Asia, (Ithaca, 1956). pp. 348-349.

¹⁹⁷Singh, p. 235.

concept, and President Soekarno even had some success with Afro-Asian sentiments. In summary, the diverse political systems, inequalities in economic development, and cultural fragmentation do not augur well for creation of a common market similar to that in Europe, but perhaps enough unifying factors are present to support future regional cooperation on some specific economic matters.

Aspirations for Expanded Cooperation

Despite the many utopian pronouncements about extensive cooperation that fly in the face of the many obstacles to cooperation, there is evidence suggesting that Southeast Asian aspirations for regional economic cooperation are becoming more realistic and hence attainable than at any time in the past. Gordon feels that Southeast Asia now has the potential for economic regionalism on a practical and pragmatic base because the contributions of regionalism to rapid economic development and growth have linked the idea to nationalist goals and feelings.¹⁹⁸ More specifically, he states:

For example, a regional or subregional association that combined the dramatic nature of Maphilindo with the concreteness of ASA could bring major advantages--both for the stability of the region and for the internal well-being of Indonesia. Such a body. . . would include Indonesia, the ASA members, and perhaps even Burma and Cambodia.¹⁹⁹

The conclusions reached by Levi are more guarded; he feels that only the most general kinds of union can be discussed as Asians

¹⁹⁸Gordon, Dimensions of Conflict, pp. 145-146.

¹⁹⁹Gordon, Dimensions of Conflict, p. 191.

have not sufficiently developed the capability for cooperation since it requires specific and political actions.²⁰⁰ Still, he finds that motivations and international conversations about potential Southeast Asian economic organizations are continuing,

. . . stimulated in part by the progress of many enterprises assisted from the outside, such as the Colombo Plan, the Lower Mekong Basin development project, the Asian Development Bank, the Asian Productivity Organization, and United Nations sponsored projects.²⁰¹

Interest is also stimulated by an obvious and growing need for cooperation and by Japan's increasing desire for economic involvement in the area.²⁰²

Benefits anticipated from further cooperation include increased stability and security within the region and trade expansion resulting from greater complementarity and elimination of barriers. Prospects along these lines appear brightest for a sub-regional grouping concentrating its efforts in the tasks of reducing customs duties and harmonizing national development plans. Bela Balassa sees the greatest benefits coming from a customs union as does Wionczek²⁰³ while Myrdal notes that complementarity will be best promoted through cooperation on development planning.²⁰⁴ Although prospects for trade in raw materials are not bright and competition in manufactures is

²⁰⁰Levi, 1968, p. 60.

²⁰¹Levi, 1968, p. 61.

²⁰²Levi, 1968, p. 61; Fluker, pp. 189-209.

²⁰³Theory of Economic Integration, (Homewood, 1961). pp. 35-36; Miguel S. Wionczek, "Requisites for Viable Economic Integration," in J. S. Nye, International Regionalism, (Boston, 1968). p. 296.

²⁰⁴Myrdal, p. 658.

high from developed countries, regional development planning can improve the situation by promoting increased processing of raw materials, expansion of service occupations, and diversification of production.²⁰⁵

The UN Economic Commissions support this path and urge that harmonization of national plans begin before nations set the direction of national development that becomes harder to change as time goes by.²⁰⁶ ECAFE urges that Planning Councils be established at the sub-regional level and Ministerial Councils be created at the regional level to reduce possibilities of conflicts of interests between sub-regional plans. It also recommends establishment of economic sectoral committees in agriculture, industry, transportation, education, or other sectors on the sub-regional level.²⁰⁷

A major roadblock to expansion of formal cooperation has been the Indo-Chinese war. On the one hand, the two Vietnams would be desirable partners in an economic union, but cannot be included until an amicable settlement is reached. On the other hand, their membership within a cooperative organization could be beneficial in bringing about a settlement of the conflict.²⁰⁸ Inclusion of Burma and Cambodia might also be desirable and both nations have given some indications that they are interested.²⁰⁹

²⁰⁵Myrdal, p. 645.

²⁰⁶Albert O. Hirschman, Development Projects Observed, (Washington, D.C., 1967). p. 1-32.

²⁰⁷Economic Bulletin, 1967, pp. 7-11.

²⁰⁸Vu Van Thai describes this situation as a vicious circle. pp. 350-358.

²⁰⁹Asian Almanac, (17 January 1970)3757-3760. Burma's Ne Win visited Singapore and Malaysia in April, 1968 and discussed regional cooperation. See: Levi, p. 181(footnote).

Some observers feel that the inclusion of additional nations might not strengthen a union much and the effort might not be worth the problems it would create.²¹⁰

One might also take a more extremely negative view and suggest that Southeast Asia may even now be expending more time, money, and other resources on studies than the limited benefits from cooperation would warrant if these expenditures could not be recouped. The increasing amount of knowledge gained of each other, if there are no prospects of additional benefits, does not suffice to justify other than inquiries of an academic nature unrelated to government programs and policymaking. Perhaps these energies might better be applied to developing new industrial and marketing techniques within each nation or to strengthening already existing non-regional trade links.

This position, however, appears to be unrealistic when considering the long-run welfare of the region caught up in a world becoming more economically and politically interdependent. To date, most of the financial and technical resources for cooperation have been provided by international organizations and by Western aid commitments so demands on Southeast Asian national resources have not been excessive. And even if the costs of cooperation were high, the costs of isolation might be even higher. Even though economic benefits from regional economic integration may be slight for many years, the attendant improvement in political stability that might come about could

²¹⁰Keesing, p. 107. He even feels that only Thailand and Malaysia are capable of cooperating without political problems; the Philippines and others are either not suited or not worth the trouble.

make the whole effort worthwhile.

In summarizing aspirations for future cooperation, we find that some of these nations are presently cooperating, motivations for regionalism are high, and there are hopes for more concrete cooperative ventures in the future. If these hopes for future cooperation are to be realized through viable forms of cooperation, decisions need to be based upon a realistic appraisal of these nations capabilities to work together. It is pertinent, then, to examine cooperative performance of ASEAN members since World War II to assess past and present performance with respect to some conditions believed by integration theorists to be conducive to successful union.

CHAPTER III

REVIEW OF REGIONAL INTEGRATION LITERATURE

Introduction

Substantial variation in theoretical approaches, concept definitions, and methods of analysis is evident in a review of relevant regional integration literature. Some of these variations are being narrowed or resolved as knowledge about integration accumulates and as more sophisticated methodology is applied to the accumulated knowledge.

Variations of theoretical approach can be roughly categorized and titled according to the elements deemed most important to integration analysis by various writers. The approaches might be characterized as: (1) Transactional models; (2) Functional models; and (3) Decisionmaking models. This classificatory scheme is not intended to be either mutually inclusive or exclusive since differences in approach are mostly a matter of degree and are being modified in new writings of the major proponents of each model.

Variation in the use of concepts and their definition is also apparent. Disagreement exists, for example, on what constitutes a political community and whether integration is a state(condition) marking the existence of a political community or whether integration is a process that deepens until a poli-

tical community is formed. There is also confusion over whether or not some threshold exists beyond which regional cooperation becomes integration. Even the dimensions of integration are hazy with some writers making no distinction between political and economic integration and even assuming at times that social integration and national or local integration patterns are identical to international patterns. Broad disagreement over the relevance of particular elements that promote or hinder integration is also present--that is, which elements are conducive to successful integration? Are these elements essential or merely helpful and to what degree is each either? Does cooperation or integration in one economic or political task spill over to impel or encourage a deepening of the integrative relationship?

A final area of diversity in these studies regards the most appropriate methods of analyzing integration. Are the relevant elements only those that are relational among union members or are domestic conditions also pertinent and, if so, to what degree and in what manner? And once the relevant elements are decided upon, how can they be operationally measured? Then, too, if some variables do not lend themselves to quantification, how can they be meaningfully related to other elements that are quantifiable?

Transactional Models of Integration

Karl Deutsch and others, in a pioneering study, published a useful analysis of ten historical integrations that occurred in Europe between the Middle Ages and the early Twentieth Century.¹ These authors were concerned with identifying social, economic, and political factors that contributed to the successful formation of security-communities. They differentiate between two types of integrated security-communities, amalgamated and pluralistic. Amalgamation involved the merger of two or more independent units and the creation of a supranational body while pluralistic integration coordinated activities between members continuously over a period of time, but retained the national decision-making centers. The following conditions were identified in the study as being "essential" in most amalgamated integrations:

- (1) mutual compatibility of main values; (2) a distinctive way of life; (3) expectations of stronger economic ties or gains; (4) a marked increase in political and administrative capabilities of at least some participating units; (5) superior economic growth on the part of at least some participating units; (6) unbroken links of social communication, both geographically and sociologically between different social strata; (7) a broadening of the political elite; (8) mobility of persons, at least among the politically relevant strata; and, (9) a multiplicity of ranges of communication and transaction.²

Amalgamated integration probably required cooperation by members in associations and organizations performing a fairly wide range of different common functions and services. Helpful conditions included "previous administrative and/or dynastic union; ethnic or linguistic assimilation; strong economic ties; and foreign

¹Karl Deutsch et al., Political Community and the North Atlantic Area, (Princeton, 1957).

²Deutsch, 1957, p. 2.

military threats."³ Although this study was primarily concerned with amalgamation, later studies by Deutsch have focused on pluralistic integration⁴ and it is the latter that is most pertinent for regional economic integration in Southeast Asia. Conditions for achieving pluralistic integration were not clearly specified in the original study, though Deutsch spelled them out in a later study as being:

1. Compatibility of major political values
2. Capacity of the governments and politically relevant strata of the participating countries to respond to one another's messages, needs, and actions quickly, adequately, and without resort to violence
3. Mutual predictability of the relevant aspects of one another's political, economic, and social behavior (but these relevant aspects are fewer in the case of a pluralistic security community than they would be in its much more tightly-knit amalgamated counterpart).⁵

The level of attainment on the essential and helpful variables must be high enough in both types to result in a "sense of community."⁶ Such a community is created by a condition of integration reached by a process of fulfilling the pre-conditions; a process completed by few amalgamations.⁷ Integration has been achieved when the units no longer anticipate violence to settle conflicts between each other.⁸ This is a relatively low level of integration and the type of community created may

³Deutsch, 1957, p.44 and p. 54.

⁴"Integration and Arms Control in the European Political Environment: A Summary Report," APSR, 60(June 1966)354-365; Karl Deutsch, Lewis J. Edinger, Roy C. Macridis, and Richard L. Merritt, France, Germany and the Western Alliance, (New York, 1967); Arms Control and the Atlantic Alliance, (New York, 1967).

⁵The Analysis of International Relations, (Englewood Cliffs, 1968). p. 196.

⁶Deutsch, 1957, p. 5.

⁷Deutsch, 1957, p. 30.

⁸Deutsch, 1957, p. 31.

not be adequate enough to support a viable economic union.

Deutsch does not distinguish between social, economic, or political integration and his interpretation of community has been found

interesting and suggestive, but it ignores too much that is politically relevant. His is a theory of social or moral community and not of political community as I would define the term. Social community is, of course, relevant to the development of a political community, but it is not the same thing. The relationship must be specified and this Deutsch does not do.⁹

Further, Deutsch's requirements for integration are not fully operational. After attempting to use Deutsch's methodology, Peter Rohn concluded that the concepts are too general and unobjective; reinterpretation and simplification are needed to analyze other integration situations.¹⁰ Data are unavailable, for example, to indicate fully the degree of social communication or the amount of interaction among selected elites.¹¹ Deutsch has by implication admitted that some of the conditions are unwieldly and in later studies concentrates on measurable transaction flows, public opinion surveys, and elite attitude interviews.¹² William Fisher also criticizes Deutsch's works, finding that Deutsch's major assumption that a process of social assimilation leads to or causes a process of political develop-

⁹Leon N. Lindberg, "The European Community as a Political System: Notes Toward the Construction of a Model," Journal of Common Market Studies, 5(June 1967)344-387.

¹⁰"Testing Deutsch's Indices of Community," Political Research: Organization and Design, 2(September 1959)77-9.

¹¹Rohn, p. 9.

¹²See footnote 4 of this chapter.

ment to occur is a relationship not tested by empirical data.¹³ Fisher utilizes symbolic mathematical logic to test the assumption on which Deutsch rests his conclusion that since social assimilation in Western Europe (by measuring transactions), political development or integration has stopped.¹⁴ Fisher finds the assumption logically untenable and rejects the socio-causal paradigm as "probably of limited value in studying political integration in any setting."¹⁵ A study by Ronald Inglehart also disputes Deutsch's conclusion on European integrative progress; Inglehart surveys the attitudes of youth and adults and finds that commitment to European integration is probably increasing.¹⁶

Philip Jacob and James Toscano edit a volume of interdisciplinary approaches addressed to the emergence of political communities on local, national, and international levels.¹⁷ These authors utilize a sociological concept of community, do not distinguish between political and other types of integration,¹⁸ and conclude:

On balance, it appears that the differences between relationships within communities and those among communities are not so great as to indicate that political integration is a different phenomenon in the two types of situation.¹⁹

¹³"An Analysis of the Deutsch Sociocausal Paradigm of Political Integration," International Organization, 23(Spring 1969)257.

¹⁴Fisher, p. 257.

¹⁵Fisher, pp. 259-286.

¹⁶"An End to European Integration?", APSR, 61(March 1967)91-105.

¹⁷The Integration of Political Communities, (New York, 1964).

¹⁸Claude Ake also follows this approach in his book, A Theory of Political Integration, (Homewood, 1967).

¹⁹Jacob and Toscano, p. 9.

Integration is perceived by these authors as a process which is the function of both the level and the degree of cohesion in the political community.²⁰ And previous research indicates ten factors that may exert integrative influence upon people. These factors rely heavily on Deutsch's 1957 study and are:

(1) geographical proximity; (2) homogeneity; (3) transactions, or interactions, among persons or groups; (4) knowledge of each other; (5) shared functional interests; (6) the "character" or "motive" pattern of a group; (7) the structural frame or system of power and decision-making; (8) the sovereignty-dependency status of the community; (9) governmental effectiveness; (10) previous integrative experiences.²¹

The authors attempt to assess the relative importance of each variable by proposing a "costing model." In this model, each of the variables could be evaluated and assigned a weight in terms of costs or benefits represented by the degree to which people are willing to expend effort to accomplish integrative work.²² Weighting would certainly eliminate a major criticism leveled at the Transactionalists; namely, that they treat all variables as equally important to the integrative process. However, the authors admit that ". . . we are asking for data which at the moment it is impossible to supply with any degree of assurance that it represents the real situation in any political community."²³ Two later studies have added significantly to the utility of the costing model by elucidating the kinds of costs that are both significant and

²⁰Jacob and Toscano, p. 4-11.

²¹Jacob and Toscano, pp. 11-12.

²²Jacob and Toscano, p. 15.

²³Jacob and Toscano, p. 16.

measurable.²⁴

Amitai Etzioni, in Political Unification,²⁵ also utilized a sociological approach in evaluating the effects of elite distributions and power compositions on four integration attempts--two that failed, one stable example, and a growing union. He concluded that union is most likely to succeed if: the elite units are few in number, initiating elites command sufficient utilitarian power; political communication channels are open and responsive; and integrative effort is "mature" or "overdue" rather than "premature." The elites should also be identifiable as committed to the union and capable of employing a measured amount of coercion at propitious times.²⁶

Etzioni distinguishes political integration from religious, economic, or general integration, addresses himself to the former, and maintains that a political community has been formed only after passing the relatively high threshold of unification. A political community: (a) has an effective control over the use of the means of violence(though it may "delegate" some of this control to member-units); (b) has a center of decisionmaking that is able to affect significantly the allocation of resources and rewards throughout the community; and (c) is the dominant focus of political identification for the large majority of politically aware citizens.²⁷ He identifies

²⁴Edward E. Azar, "Analysis of International Events," Peace Research Reviews, 4(November 1970)76-105; Ralph M. Goldman, "A Transactional Theory of Political Integration and Arms Control," APSR, 63(September 1969)719-733.

²⁵(New York, 1965).

²⁶Etzioni, pp. 285-315.

²⁷Etzioni, p. 4.

three stages of the unification process--take-off, expansion, and termination--during any one of which formation of a union may fail²⁸ and successful completion of which results in a condition of integration. He agrees with the Functionalists that a spill-over effect (he calls it secondary priming) may operate during the take-off period and, following W. W. Rostow,²⁹ is necessary to impel the process into the expansion stage.³⁰

Although Etzioni's concept of political community is too rigorous to fit the level of cooperation extant in Southeast Asia, his criteria for union are instructive for delineating parameters for successful cooperation. The level of economic cooperation among ASEAN members falls under Etzioni's concept of harmonization wherein the "units maintain their autonomy but work together."³¹ The members seek to bring about coordination through interaction between the power centers of the member units. And this concept is very close to Deutsch's pluralistic community. It is interesting that Etzioni's example of both stable and growing unions (Nordic and European Economic Community) have experienced successful harmonization but are less than integrated, while integrative failures (West Indies and the United Arab Republic) were once at the point of integration but had not experienced long-term efforts to systematically harmonize their conditions.

²⁸Etzioni, pp. 51-62.

²⁹Stages of Economic Growth, (Cambridge, England, 1960).

³⁰Etzioni, pp. 53-54.

³¹Etzioni, p. 300.

As with Deutsch, Etzioni has difficulty operationalizing his concepts so that they might be directly measurable, comparable, and replicable by others. It is particularly difficult to obtain precise measures of threshold levels between stages and of such concepts as "secondary priming" or "measured amount of coercion at propitious times." Political Unification, though included here with the Transactionalists (partially based on earlier studies by the author), perhaps strikes a reasonable balance among the three types of models.

Functional Models of Integration

Functionalists postulate that when political units agree to coordinate certain organizational tasks or functions (primarily economic ones) and voluntarily create an organization to carry out the task, the concern of each unit for the welfare of its inhabitants will lead to an integrated community of interest with respect to that function. And cooperation in one or more tasks will lead (automatically for some writers) to cooperation in other tasks.

Ernst Haas is a major proponent of the functional approach and his writings on regionalism, although somewhat less empirical than those of Deutsch or Etzioni and derived primarily from recent European experience, have focused more on the politically relevant variables than some other studies.³²

The Uniting of Europe examined the attitudes and expectations

³²The Uniting of Europe, (Stanford, 1958); "Regionalism, Functionalism, and Universal International Organization," World Politics, 8 (January 1956) 238-263; "The Challenge of Regionalism," International Organization, 12 (Autumn 1958) 440-448; Beyond the Nation-State, (Stanford, 1964).

of groups and elites before and after the European Coal and Steel Community was founded and was especially concerned with ECSC's importance as a "pilot project" leading, by a process of "function spill-over," to the political integration of Europe. Some conditions Haas found important to integration were: similar cultural, legal, and economic backgrounds; fragmentation of ideological and social opinion; mutuality of interests in selected elites; basically identical political institutions and practices; similar political programs; and a lack of controversial political issues between members.³³ Acceptance of ECSC was also eased by a tradition among industrial, political, and labor groups "of mutual consultation and rudimentary value sharing through past associations of members;" another helpful condition was the existence of a real or imagined external threat.³⁴

Haas subscribes to the tenet that there is need to form a community and a community exists when members have formed an organization with supranational powers in which to participate voluntarily in matters of common interest.³⁵ Where Deutsch seemed to feel that a political community is a condition for integration, Haas perceives the emergence of a community as a consequence of integration. His concept of community is not so comprehensive as that of Etzioni or of Deutsch's amalgamated security-community, but requires more organizational formality

³³Uniting, p. 290.

³⁴Uniting, p. xiii.

³⁵Uniting, p. 5.

than a pluralistic one or harmonization. He envisions political and economic integration as a single process that deepens gradually by inclusion of new functions until unification in a federal type of government occurs. According to Haas, successful integration comes "automatically" through the spill-over process as non-controversial areas are unionized. This spill-over effect

. . . proceeds most rapidly and drastically when it responds to socio-economic demands emanating from an industrial-urban environment, when it is an adaptation to cries for increasing welfare benefits and security born by the growth of a new type of society.³⁶

Movement toward unification by taking cooperative welfare-oriented action is most readily achieved by leaving the work to experts and/or voluntary groups³⁷ until later "politicization" creates demands for further deepening of the union. In Beyond the Nation-State, Haas applies the concept of spill-over to plead for international organizations that, in a world of increasingly interdependent nations, would purposely address themselves to social and economic welfare decisions having spill-over effect, thereby promoting international integration with a consequent reduction of violent conflict.³⁸

Economists, most of whom accept the functionalist approach and the validity of the spill-over effect,³⁹ have also

³⁶Beyond the Nation-State, p. 105.

³⁷Beyond the Nation-State, p. 48.

³⁸Beyond the Nation-State, chapters one through five.

³⁹Exceptions to this generality include: Gunnar Myrdal, Asian Drama: An Inquiry Into the Poverty of Nations, (New York, 1968); Albert O. Hirschman, Development Projects Observed, (Washington, D. C., 1967); Hans O. Schmitt, "Capital Markets and the Unification of Europe," World Politics, 20(January 1968)228-244.

contributed to the literature on economic integration.⁴⁰

Earlier works stressed the expected largess that could emanate from cooperation and freer trade, while more recent studies have tended to be more analytical in recognizing the roadblocks to union.⁴¹ These writers have focused both on the conditions desirable for nations attempting integration and on the benefits expected from union, often seeing certain factors as both conditions for union and the result of union, thus introducing a measure of circularity in their reasoning. Economic theorists have generally failed to distinguish between an integrative process and a state of integration and usually make no mention of "community" other than when referring to supranational institutions or organizations, i.e., European Economic Community. Economists have also been guilty of ignoring the politics of integration or, even when recognizing that these decisions are political, failing to ascribe sufficient weight to political phenomena. Although economic factors such as similarity of economic infrastructures, free movement of factors of production, maintaining balance of payments, and other variables are more amenable to measurement than some political variables, there seems to have been no attempt by economists to determine what, if any, operational threshold level is indicative of a viable economic union.

⁴⁰Bela Balassa, Theory of Economic Integration, (Homewood, 1961); James Meade, Problems of Economic Union, (Chicago, 1963); Rolf Sannwald and Jacques Stohler, Economic Integration, (Princeton, 1959); Tibor Scitovsky, Economic Theory and West European Integration, (Stanford, 1958).

⁴¹Myrdal, 1968; Charles P. Kindleberger, Economic Development, (New York, 1965).

Most criticism of the functionalist approach has been directed at Ernst Haas whose writings have been attacked for failing to operationalize the variables, for general inapplicability of the model to non-European environments, for ignoring external influences on union formation, and for assuming the spill-over effect to be automatic.

Haas admits to the narrowness of his initial model, saying, "I would hesitate to claim validity for it in the study of regional political integration in Latin America, the Middle East, or South-East Asia."⁴² In a later study following research on Latin American integration, Barrera and Haas modify some of the conditions to be more applicable to underdeveloped nations; they also add variables to account for external influences and suggest quantitative indices to measure a few of their conditions.⁴³ Philippe Schmitter, in a following article, objects to some of these indices as being insufficient to measure all dimensions of the broad conditions posited in earlier studies. He suggests that: (1) additional fixed and relative measures of power be used; (2) measures of pluralism be more discriminating; and (3) change indicators also be employed.⁴⁴

The spill-over effect on integration has come in for close scrutiny during the last few years due to its perceived

⁴²Uniting, xv-xvi.

⁴³Mario Barrera and Ernst B. Haas, "The Operationalization of Some Variables Related to Regional Integration," International Organization, 23(Winter 1969)150-160.

⁴⁴"Further Notes on Operationalizing Some Variables Related to Regional Integration," International Organization, 23(Spring 1969)327-336.

inability to explain the stagnating integrative process in Europe and the relative absence of cooperative progress in Latin America. The weight of the evidence now affirms that spill-over is not automatic; it may or may not operate, dependent upon the presence or absence of several intervening factors. Schmitt feels that spill-over probably operates unless or until a proposed measure threatens the sovereignty of a member and causes it to insist "on the integrity of the nation-state" and reject integration.⁴⁵ Stanley Hoffman lends credence to this view in his distinction between low and high politics, noting that welfare politics is low and agreement is easier while high politics involves national security, an area where the units do not want to be constricted.⁴⁶ Edward Azar,⁴⁷ basing his position on the observations of Hirschman,⁴⁸ agrees that some projects have spill-over side effects while others do not and investment in those projects that do have spill-over effect is a conscious choice of the decisionmakers.⁴⁹

Joseph Nye attacks the concept from another direction, pointing out that external factors as well as internal ones make for spill-over; outside forces are catalysts that either

⁴⁵Schmitt, p. 228.

⁴⁶Gulliver's Troubles, or the Setting of American Foreign Policy, (New York, 1968). pp.403-406.

⁴⁷Hirschman, pp. 159-160.

⁴⁸"International Political Integration: The Case of the United Arab Republic," Unpublished Ph.D. Dissertation, Stanford University, Stanford, California, 1969.

⁴⁹Azar, above, chapter four.

promote or inhibit increased integration.⁵⁰ This view is supported for underdeveloped regions where non-regional powers and organizations have been instrumental influences upon regionalism.⁵¹ Hansen observes that underdeveloped nations have a real problem in regionalism of distributing costs and benefits equally. Problems of cost and benefit distribution led to breakups of regional organizations because they resulted in pre-politicization of the issues involved and raised welfare politics to "high" politics affecting national security.⁵²

Decisionmaking Models of Integration

Proponents of this approach have analyzed foreign affairs as actions emanating from a governmental process or official, resulting from external and internal influences upon decision-makers, and designed to bring about a desired state of affairs for the decisionmaking unit. The decisionmaking approach to foreign policymaking follows roughly the paradigm set out by Richard Snyder, et al.,⁵³ and purports to examine the structural factors, communication patterns, and motivational influences underlying the roles and positions of international actors. Most studies have been deductive in nature, confined to partial

⁵⁰International Regionalism, (Boston, 1968). pp. 333-349.

⁵¹James Lawler and Jerome Laulicht, "International Integration in Developing Regions," Peace Research Reviews, 3(1969); Roger D. Hansen, "Regional Integration: Reflections on a Decade of Theoretical Efforts," World Politics, 21(January 1969)242-271.

⁵²Hansen, pp. 257-261.

⁵³Richard C. Snyder, H. W. Bruck, and Burton M. Sapin, eds., Foreign Policy Decision-making: An Approach to the Study Of International Politics, (New York, 1962.

tests by the case study method, and most often concerned with conflict situations.⁵⁴ The major advocate of this approach as applied to regional economic integration has been Leon Lindberg.⁵⁵

Lindberg examines the European Economic Community as a political system to determine the extent to which policy outputs reflect integration or commitment to common action within the union. Integration is a process related to the inputs governing decisions of national actors and its crucial dimension is:

How nations forego the desire and ability to conduct foreign and key domestic policies independently of each other, seeking instead to make joint decisions or to delegate the decisionmaking process; and how, in response, political actors in several distinct settings are persuaded to shift their expectations and political activities to a new center.⁵⁶

For Lindberg, there is no necessary relationship between progress in economic integration and the formation of a political community; and ". . . indeed, the success of economic

⁵⁴For a representative sample of these studies, see: Graham T. Allison, "Conceptual Models and the Cuban Missile Crisis," in William D. Coplin and Charles Kegley, eds., A Multi-Method Introduction to International Politics, (Chicago, 1971); Herbert C. Kelman, ed., International Behavior, (New York, 1965); James N. Rosenau, National Leadership and Foreign Policy, (Princeton, 1963); James N. Rosenau, Public Opinion and Foreign Policy, (New York, 1965); J. David Singer, ed., Quantitative International Politics, (New York, 1968).

⁵⁵The Political Dynamics of European Integration, (Stanford, 1963); "Decision-Making and Integration in the European Community," International Organization, 20(1965)56-80; "The European Community as a Political System," Journal of Common Market Studies, 5(June 1967)344-388; "Integration as a Source of Stress on the European Community System," International Organization, 20(Spring 1966); with Stuart A. Scheingold, Europe's Would-Be Polity, (Englewood Cliffs, 1970). See also: Bernard Gordon, Dimensions of Conflict in Southeast Asia, (Englewood Cliffs, 1966); George Modelski, SEATO: Six Studies, (Vancouver, 1962).

⁵⁶Lindberg, 1965, p. 202.

integration can be a cause of political disagreement"⁵⁷ that can thwart the formation of a community which is as yet not present among the Six.⁵⁸ He writes that commitment to EEC has so far been to a pattern of negotiation and bargaining over economic benefits by a network of interested groupsp commitment has not been to its institutions, its rules, or its policies when EEC activities are likely to spill over into foreign and military fields.⁵⁹ Another writer clarifies this in noting that in Europe, integration was a means of strengthening members so they could afford to act more autonomously⁶⁰ and the "uniting of Europe" was never accepted as an end by policymakers. Lindberg sees a community emerging only when the participants develop a commitment to common action at the expense of national autonomy⁶¹ and integration will produce continual stress as national decisionmakers weigh the economic and political advantages of keeping the system intact against any incentives they might have for bringing about its collapse to free national policymaking.⁶²

Criticisms of the decisionmaking model have been leveled against the lack of operationalization of the concepts, difficulties of replication, and lack of explanatory power for

⁵⁷Lindberg, 1965, p. 80.

⁵⁸Lindberg in Joseph S. Nye, Jr., ed., International Regionalism, (Boston, 1968), p. 234.

⁵⁹Lindberg, in Nye, pp. 234-235.

⁶⁰Hansen, pp. 249-250.

⁶¹Lindberg, 1963, p. 218.

⁶²Lindberg, in Nye, pp. 267-268.

prediction. Confinement of studies under this model to post hoc explanations has been partially true, as Snyder has acknowledged,⁶³ but a systematic historical analysis can provide a strong foundation for other predictive theories. Problems of replication result from the complexity of concept combinations, the lack of quantifiable indicators, and direction of most studies to one-of-a-kind crisis situations--partially because information is more readily available for crises. The model, however, does have the distinct advantage of presenting a rich conceptualization scheme offering fertile ground for numerous hypotheses amenable to quantitative analysis.⁶⁴

An overview of the Transactionalist, Functionalist, and Decisionmaking literature during the 1960's indicates that there has been an increasing overlap or fusion of the three approaches presented here. This eclecticism or flexibility in approach is desirable and has been facilitated both by a broad acceptance of systems theory in political science and by the application of new quantitative methodology fitting most models and useful in analyzing regional economic integration.

⁶³Snyder, 1962, p. 2.

⁶⁴Michael Haas and Henry S. Kariel, Approaches to the Study of Political Science, (Scranton, 1970). pp. 455-456.

⁶⁵Haas and Kariel, chapters seven and eight.

Quantitative Methods for Integration Analysis

Because attention in the numerous recent publications on integration seems to have receded from attempts to construct grand theories toward a more modest goal of uncovering and validating specific variables that operate in the integrative milieu, methodology is treated independently of the above distinctions between approaches. Quantitative research, in fact, has proliferated to such an extent that only selected examples of these methodologies can be presented here.

The use of aggregate social and economic indicators to rank nations was stimulated by the works of Almond and Coleman, Deutsch, Merritt and Rokkan, and Russett, among others.⁶⁶ Whereas earlier studies utilized aggregate data mostly to rank nations according to some criteria of development and categorized the results into general typologies, more recent studies concentrate on relationships between nations. The trends have been to operationalize more of the relevant variables, test the validity of these variables as indicators of interaction, and reduce the number of statistically reliable indicators. Some of these studies have narrowed their focus from world-wide to regional interactions and some have eschewed point-in-time analyses for longitudinal studies portraying (and hopefully predicting) trends in relations. New variables have been

⁶⁶Gabriel A. Almond and James S. Coleman, eds., The Politics of the Developing Areas, (Princeton, 1960); Karl W. Deutsch, The Nerves of Government, (New York, 1963); Richard L. Merritt and Stein Rokkan, eds., Comparing Nations: Use of Quantitative Data in Cross-National Research, (New Haven, 1966); Bruce M. Russett, et al., World Handbook of Political and Social Indicators, (New Haven, 1964).

introduced into the study of international relations and scholars have combined several kinds of data(attribute, transaction, perception, inter-nation events) with scaling techniques that permit comparison of qualitative data not previously comparable.

Karl Deutsch, in recent works,⁶⁷ draws upon his earlier studies, but relies more on measurable transactions as indicators of trends toward or away from an integrated condition. In predicting what amount of integration in arms control would be acceptable to Europeans in 1966, 1971, and 1976, Deutsch employed five types of measures: interviews with elite leaders, public opinion polls, a survey of arms control and disarmament proposals, content analysis of newspapers and periodicals, and transaction data on inter-nation behavior.⁶⁸ Transaction indices employed were trade, travel, postal correspondence, and exchange of students. He concludes that for the next decade national political issues will predominate over supranational ones in France and West Germany and not until after 1975 will there be much possibility of progress toward European unification.⁶⁹

Bruce Russett compiled and correlated some 89 separate indices for 130 nations in a comprehensive study of the patterns of regionalism.⁷⁰ He employed factor analysis to select 54 of

⁶⁷Deutsch, 1966 and 1967.

⁶⁸Deutsch, 1966.

⁶⁹Deutsch, 1966, p. 365.

⁷⁰International Regions and the International System, (Chicago, 1967).

these indices that were statistically significant enough to measure the cohesiveness of world regions; the five indicators of integrative tendencies that these indices measured include: (1) social and cultural homogeneity, (2) similarity of political attitudes or external behavior, (3) shared supranational memberships, (4) economic interdependence, and (5) geographical proximity.⁷¹ His measures for the first four indicators turned out to be excellent predictors of regional ties, but geographical proximity did not explain much about affinities among nations.⁷² Russett concludes very tentatively that there is some progression toward larger regional units, but little tendency toward more integration is evident on either the regional or world-wide levels.⁷³

R. J. Rummel, utilizing factor analysis and separating attribute indicators from behavioral indicators, correlated nation-patterns and isolated those indices with the highest validity.⁷⁴ He also ran his variables against those of other studies and found a highly significant level of congruence among the studies. His most significant attribute indicators were: energy consumption/population, population, bloc membership, killed in foreign violence, Roman Catholics/population, and population/area.⁷⁵ The most significant behavioral pattern

⁷¹Russett, 1967, p. 11.

⁷²Russett, 1967, pp. 212-214.

⁷³Russett, 1967, p. 222.

⁷⁴"Indicators of Cross-National and International Patterns," APSR, 63(March 1969)127-147.

⁷⁵Rummel, APSR, p. 134.

indicators included: tourism, emigrants/population, weighted UN voting distance, exchange of students, exports/GNP, and intergovernmental memberships.⁷⁶ In this study, Rummel also contributes a valuable method of overcoming the problem of missing data on statistical indices. He finds that other indices of a variable can be utilized without significant error if a coefficient of determination between basic indicators has been computed and employed as a correction factor.⁷⁷ The study is part of an ongoing project to map the dimensions of nations and their patterns of interaction. The project is now collecting data and mapping the dyadic behavior of nations along the dimensions of: salience, emigration and communication, UN voting, exports, foreign students, international organizations, official conflict behavior, and diplomatic representation.⁷⁸

A 1966 study by Steven J. Brams also utilized transaction data in a factor analysis program to determine patterns of relationships among nations.⁷⁹ He correlated flows of diplomatic exchanges, trade, and shared memberships in intergovernmental organizations to illuminate nation subgroups in the international system. Although this study could probably have profited by using more reliable indicators, among the major

⁷⁶Rummel, APSR, p. 142.

⁷⁷Rummel, APSR, p. 145

⁷⁸R. J. Rummel, "Some Empirical Findings on Nations and Their Behavior," World Politics, 21(January 1969)226-241.

⁷⁹"Transaction Flows in the International System," APSR, 60(December 1966)880-898.

conclusions reached were that geographic proximity explained most of the subgroup ties while trade data were most erratic over time and, therefore, probably a better indicator of changes or disturbances in relations than other indicators employed.⁸⁰

Attribute data and behavioral data have been combined with data on the perceptions of significant elites to provide increasingly sophisticated analyses of inter-nation relationships. Policymaker perceptions have been measured by content analysis of documents, newspapers, memoirs, etc., and scaled by Q-sort⁸¹ and other methods according to degrees of hostility,⁸² trust,⁸³ or cognition.⁸⁴ And during the last five years, a fourth dimension of analysis--inter-nation events data--has come in for increasing attention. Events differ from perceptions in that the former are official government actions taken rather than affective statements made by policymakers. Interest in perception and events analysis was stimulated by Robert North and Charles McClelland of the Hoover Institute and has broadened in an ever-widening circle of scholars emanating from the

⁸⁰Brams, p. 898.

⁸¹Lincoln E. Moses, Richard A. Brody, Ole R. Holsti, Joseph B. Kadane, and Jeffrey S. Milstein, "Scaling Data on Inter-Nation Action," Science, 156(May 1967)1054-1059.

⁸²Ole R. Holsti, Robert C. North, and Richard A. Brody, "Perception and Action in the 1914 Crisis," in Singer, pp. 123-158.

⁸³Azar, Dissertation, chapter six.

⁸⁴Murray Adelman, "Cognitive Balance and International Crisis: An Application of Perception Scaling," Paper presented at the Michigan State University Events Data Conference, (February 1969).

Stanford group.⁸⁵ These dimensions of analysis are especially valuable because they allow quantitative measurement of the qualitative meaning of communication rather than simply the volume of communication among nations. Although earlier studies used perception and events data primarily to study conflict situations and levels of violent interaction preceding war, their use has now been extended to compare cooperative ventures such as alliances and integrative efforts.

A major criticism of these studies has been their failure to develop and operate from within a particular theoretical framework. It seems clear that the bulk of effort has gone toward data collection and methodology refinements⁸⁶ within one or more of the theoretical approaches described earlier.

And, as James Lawler notes:

In the search for precision, it is tempting to seize upon figures which are readily available, and to accept models which give prominence to readily quantifiable variables--especially the socio-causal paradigms of Deutsch and Russett.⁸⁷

Nevertheless, though much of the energy in this developing endeavor has been directed in this manner, the movement is not devoid of theoretical foundations and recently some promising

⁸⁵For a representative sample of these studies, see: Singer, 1968; James N. Rosenau, ed., International Politics and Foreign Policy, (New York, 1969); Morton Kaplan, ed., New Approaches to International Relations, (New York, 1968).

⁸⁶Michael K. O'Leary, "Needs and Prospects in the Analysis of International Events," Remarks at a roundtable of the 1971 Michigan State University Events Data Conference, (April, 1971). p. 1.

⁸⁷Lawler and Laulicht, p. 27.

theoretical constructs have been offered.⁸⁸

Another criticism leveled at studies using perception and/or event data is the preoccupation with crisis situations, and particularly those situations involving violence or war. This fascination with conflict behavior is understandable since the import of conflict in human interaction is well grounded in theory and reality⁸⁹ and since cooperation often results from prior conflict; also, the potential harm of unchecked conflict is greater for humanity than the presence of consensus or cooperation. Paul Smoker notes that

. . . conflict research and revolution research have considerable popularity both among those anxious to understand the present international system or to improve its operation and amongst those who hope to overthrow existing elites and transform present day political institutions into revolutionary government forms.⁹⁰

The popularity of conflict as a research topic leads to the adoption of frameworks that will amplify knowledge about it and

. . . the acceptance of such frameworks continues to self-fulfill the aggression, conflict, power political, tooth and claw images of mankind and thereby assists in solidifying conceptual foundations for future exploitation, injustice, violence and war.⁹¹

Furthermore, as Smoker concludes,

It should come as no surprise that an information environment steeped in conflict and violence is susceptible to generation and support of so many conflicting conflict theories and so few peace theories. It should also come as no surprise that peace is popularly defined as the absence of war or conflict.⁹²

⁸⁸Azar, Peace Research Reviews; Rosenau, 1969.

⁸⁹Lewis Coser, The Functions of Social Conflict, (Glencoe, 1956); Ralf Dahrendorf, Class and Class Conflict in Industrial Society, (Stanford, 1959); Elton McNeill, ed., The Nature of Human Conflict, (Englewood Cliffs, 1965).

⁹⁰"Anarchism, Peace and Control: Some Ideas for Future Experiment," Paper presented at the Michigan State University Events Data Conference, (April, 1971). p. 2.

⁹¹Smoker, p. 2.

⁹²Smoker, p. 3.

The same bias, of course, is detectable in other theories and models of international relations and, for that matter, in much of the political science literature. Still, attention to conflictual relations constitutes a definite bias and this bias has been allowed to influence the orientations of the analysts in the problems they select to study, the methodologies they construct, and the conclusions that they find interesting.

Since conflict is the "interesting" phenomenon, it is evidence of conflict that is sought after and finding it is given the highest value. Absence of conflict and the reasons for its absence or decline are frequently overlooked or under-evaluated. Evidence of this bias toward conflict can be found in the subject matter of the studies, in the analytical procedures employed, and in the data sources consulted.

A disproportionate amount of research has been conducted on the origins of World War I, World War II, Middle East violence, the Korean Action, or the Cuban missile crisis while precious few address themselves to such topics as Scandinavian cooperation, U.S.-Canadian Amiability, or duration of friendship treaties.⁹³

Labels on the scales or continuums established to rank perceptions or inter-nation actions also give first position to conflict over cooperation, hostility over amiability, or violence over non-violence. And the scales accord the highest value (be it 9, 13, 30, or 7000) to all-out war while maximum

⁹³See the agendas for the Events Data Conferences held at Michigan State University in 1969, 1970, and 1971. One might also cite as examples of this bias many studies conducted by peace research organizations or those appearing in the Journal of Conflict Resolution.

cooperation is accorded a zero or a one.⁹⁴ Then, too, most studies have focused on the extreme peaks and troughs of conflict or cooperation,⁹⁵ thus giving greater value to untypical situations. Integration analysis, however, requires expectations of long-term stability and peace represented by measures of normalcy rather than abnormalcy. Dyadic treatment of inter-nation behavior is also encouraged by orientation to conflict whereas integrative behavior might be more profitably represented by measures of mutuality of interests among all unit members.

Data sources too are biased toward reporting conflictual information and events data utilization is particularly subject to this pitfall. Events are items in the flow of official acts between governments and are roughly distinguishable from the groww flow of transactions between nations by their "newsworthiness."⁹⁶ Newsworthy events are those important enough to be reported in major newspapers, journals, or chronologies of government activities and these tend to be events that are disruptive of normalcy or the status quo. Violent events are always disruptive and, hence, are reported and considered news-

⁹⁴Moses, 1967; Azar, Dissertation; Azar, Peace Research Reviews. Walter Corson rates cooperation and conflict on separate scales. See his, "Measuring Conflict and Cooperation Intensity in International Relations," Abstract of a paper presented at the Michigan State University Events Data Conference, (February, 1969).

⁹⁵An exception is Nazli Choucri(Field) who uses mean level of violence in, "Measuring Behavioural Aspects of Policy: Afro-Asian Nonalignment," paper presented at the Michigan State University Events Data Conference, (February, 1969). p. 12.

⁹⁶Azar, Peace Research Reviews, p. 5; Charles McClelland, "Some Effects on Theory from the International Event Analysis Movement," (University of Southern California, 1970), mimeo; Charles Hermann, "What is a Foreign Policy Act? Problems and Some Solutions on the Use of Multiple Events Sources," Paper presented at the MSU Events Data Conference, (April, 1970).

worthy so long as they continue; cooperation is not usually perceived as threatening or disruptive so continued cooperation often goes unreported or underreported. Of course, events data collection is dependent upon extant news sources and the bias encountered is presently unavoidable.

What then should we study? The opposite side of the coin of conflict is cooperation. This is not the same as "conflict resolution," which, as social science has proceeded so far, is simply that little bit of analysis at the end which says that if the preceding conflicts are avoided there will be resolution and harmony. Rather, what is needed is an initial and pervasive focus upon cooperation itself."⁹⁷

Human beings clearly "get along" with each other in families, in communities, and in societies. But what are the dynamics of this cooperative process? To be sure we have to know about the exceptions--namely, conflict--in order to know about the norm. But we do know a great deal about conflict; it is the norm that we have overlooked.⁹⁸

It is intended that this study will break away to a small degree from the conflictual strictures that are so evident in the literature by emphasizing cooperative patterns rather than disruption of cooperation and by employing methodological constructs that will illuminate these patterns of cooperation. If successful, this study will go a little way toward stimulating further development of models that represent cooperation, agreement, integration, or peace in a more positive (and hopefully accurate) light.

⁹⁷Anthony D' Amato, "The Politics of Ecosuicide," in Leslie L. Roos, Jr., ed., The Politics of Ecosuicide, (New York, 1971). p. 27.

⁹⁸D' Amato, p. 28.

CHAPTER IV

A THEORY OF INTEGRATION, MODEL FOR ANALYSIS, AND HYPOTHESES TO BE TESTED

Introduction and Definitions

Drawing on the literature reviewed, this study postulates that integration is a process rather than a condition and this process produces discernible patterns within and among cooperating units. Integration occurs when two or more independent units voluntarily coordinate certain functions (organizational tasks) or delegate these functions to the supervision and control of a decisionmaking body that is superior to the members with respect to the delegated powers.¹ These units may be individuals or collective organizations that are either official or non-official in nature and the functions integrated may be military, economic, political, religious, or cultural.

Integration is political integration when it involves governmental decisionmaking and private integration when it involves coordination or merger of non-governmental tasks. The former concerns us here. Political integration may occur on the local, national, or international level. International

¹This definition is similar to that given by E. N. Van Kleffens, "The Case for European Integration: Political Considerations," in C. Grove Haines, ed., European Integration, (Baltimore, 1957). p. 80.

political integration is the basic pattern of governmental decisionmaking undertaken to serve economic, military, religious, or cultural needs through cooperative arrangements with other national decisionmaking units. International political integration becomes regional integration when the membership is confined to nations within the same general geographic area. Since economic agreements between governments derive from political decisions, then political integration is part of the making of an economic union. Economic integration is used here as a specific term to describe voluntary political integration for the primary(though not exclusive) purpose of increasing economic well-being among regional members rather than for defense, ethnic solidarity, territorial expansion, or other purposes. This chapter offers a new theory of economic integration, an operational model for analysis of integration progress, and the hypotheses to be tested in this study. A rationale for selection of the variables is also included.

Theory of Economic Integration

The ideal economic integration process might be portrayed as moving along a continuum of increasing cooperation divisible into at least five stages and demarcated by distinct thresholds. Divisions of this integrative process into stages is intended as an heuristic device derived more from other theories of integration than from empirical evidence. That is, it is suggested that the ideal integration process might follow this pattern; not all past or present integrations have done so.

The stages are: (1) readiness for cooperation; (2) consolidation of the union; (3) maintenance and expansion; (4) emergence of community; and (5) political unification. The following diagram portrays the stages and thresholds of regional economic integration. Integration for military, religious, cultural, or other reasons could conceivably be represented more accurately by different stages and be marked by other thresholds. The thresholds separating the stages below are operationally measurable by available forms of data as are the statuses of integrative progress within each stage.

ILLUSTRATION I

STAGES OF REGIONAL ECONOMIC INTEGRATION				
(1) Readiness for Cooperation	(2) Consolida- tion of the Union	(3) Maintenance and Expansion	(4) Emergence of Community	(5) Political Unification
Formal Agreement	3-Year Period	Broad Social Acceptance	Transfer of Functions	
THRESHOLDS OF REGIONAL ECONOMIC INTEGRATION				

Stage 1 - Readiness for Cooperation. Readiness for cooperation occurs prior to promulgation of an economic union and may increase among potential members as environmental conditions become more harmonious.² During this period,

²Harmonization is not to be confused with Etzioni's use of the term for whom it means a conscious cooperation following formation of a union. Amitai Etzioni, Political Unification, (New York, 1965). p. 300. Harmonization here is similar to his preunification state. See: Etzioni, pp. 16-37.

the social, economic, and political conditions deemed important by integration theorists become more conducive to integration. Movement toward economic integration can be indicated by comparing trends of development in these conditions among potential members.

For economic integration, measurements of integrative progress within this stage and the one following can be made using attribute, behavior, and perception variables. Variables used in this study to indicate readiness are: (a) presence and continuance of economic growth, (b) a significant level of existing or potential mutual trade, (c) amiable relations among potential members, and (d) favorable perceptions of regional cooperation by major foreign policymakers. The rationale for adoption of these variables is set out later in this chapter; measurable indices and data for ASEAN are found in chapter five.

If a willingness to cooperate exists on the part of the policymakers, the readiness stage might include efforts to seek cooperation. The "seeking of unification" steps as set out by Edward Azar are:

1) the statement of goals and selection of means to reach the goal or goals; 2) the selection of a partner, or partners, for carrying out the means; and 3) the proposal of such to that party, and his response.³

It is expected that delaying the seeking of unification and

³Edward E. Azar, "Analysis of International Events," *Peace Research Reviews*, 4(November 1970)40-41. Azar uses unification in a different way than it is used here.

extending the readiness period over longer periods of time to allow greater harmonization will increase the possibilities for success in economic integration.

Threshold One is marked by the signing of a formal agreement between two or more independent nations to create an economic union with some coordinating or decisionmaking powers over the specific agreed upon functions.⁴ The nations studied here have crossed this threshold in more than one instance, including creation of ASA, Maphilindo, and ASEAN.

Stage 2 - Consolidation of the Union. This stage is marked by the establishment of the union and its initial period of existence when decisionmaking machinery is being established, administrative routines are created, communication patterns developed, and initial overall priorities and goals are agreed upon. It also encompasses activities undertaken to accomplish original purposes of the union; these might be such activities as tariff reduction, rationalization of currency exchange rates, or price stabilizations.

Establishment of at least five types of economic unions involving increasing complexity and integration is possible--price stabilization agreement, coordination arrangement, free trade area, customs union, and common market.

⁴This threshold corresponds to Azar's "establishment of unification" phase. See: Peace Research Reviews, pp. 41-42.

A price stabilization agreement is a cooperative attempt by producing nations to end price fluctuations of certain commodities through government control of stock-piles, production, or investment. A coordination arrangement may be confined to establishment of common policies on such economic matters as weights and measures or transportation and communication schedules or fares. Or it might be so comprehensive as to involve a regional resource and industry development plan to develop existing and planned industries utilizing those resources in which each nation holds a comparative or absolute economic advantage within the region. A free trade area involves mutual abolition of tariffs (usually reduced gradually over a number of years) on goods traded among members. Customs unions include abolition of tariffs between members, but also establish common tariffs for goods entering from outside the union. A common market establishes common internal and external tariffs but also provides for free movement of all investment capital, labor, and goods across national borders of members.

Stage 2 encompasses the time devoted to consolidating the union in accordance with its initial purpose. Increasing capabilities to engage in a more complex union can be measured by the variables employed in this study. Movement from one type of union to another is evident in the signing of the formal agreement and by noting the

emergence of official policies, committees, enforcing agencies or other organs, and by noting the establishment of industries or other economic establishments covered by the union agreement.

Union memberships are not mutually exclusive and a nation may be participating in one or more types of union at the same time. In fact, a nation may be involved in several integrative processes simultaneously, i.e., joined in a regional resource and industry development plan with eight of its neighbors while at the same time enjoying a customs union with only three of the eight, or with three others not of the eight. For example, Thailand is cooperating regionally within ASEAN, the Mekong Project, ECAFE, and other organizations having different purposes as well as diverse memberships.

Threshold Two is passed at the end of a three-year existence of the union beyond Threshold One. The three-year period is, of course, an arbitrary selection, but has been adopted because of the observation that integrative attempts which fail usually do so within the initial three years while those continuing beyond that period still continue to function. ASEAN, formed in 1967, has crossed this threshold. It is the only sub-regional organization containing these nations that has survived beyond the initial three years.

Stage 3 - Maintenance and Expansion. Following consolidation of the union, the next task is to maintain it or to expand its membership or functions. Effective maintenance exists when the original purposes are not restricted or blocked by member units. For example, a customs union member that counters tariff reductions by imposing import quotas or excise taxes would be blocking the purpose of the union. Mere survival of the association without benefits to its members is not considered effective maintenance. Expansion is evident along three dimensions: (1) depth, or number of functions involved; (2) scope, or number of nations included, and (3) varying rates at which new functions or members are incorporated into the agreement. Expansion occurs when the union is broadened or deepened, varying in rate from no change in union status to a rapid inclusion of new members or functions. ASEAN members are, for the most part, now satisfactorily maintaining the union, but there is no appreciable evidence of expansion.

It is possible for Stage 3 to begin prior to three years after establishment and this stage might also last indefinitely without progressing to the following stages. Stagnation of the integrative process seems to be common in this stage, i.e., the Scandinavian customs union, the Latin American free trade areas, the European Free Trade Area, EEC, and NATO. It is also important to emphasize that the integrative process may be interrupted during any stage and dissolution may occur anytime

as a result of either internal or external pressures. Amitai Etzioni's concepts of "premature," "mature," or "overdue" unions⁵ seems useful to account for the variability in success or failure during this stage. He says:

Integrating power needed to maintain a unification effort, once it is initiated, tends to be greater for a premature unification effort than for a mature one, and even smaller for the maintenance of an overdue union, at least in the initial stage.⁶

It is also in Stage 3 and succeeding stages that the spill-over process may operate and encourage broadening or deepening of the union. If the spill-over process is consciously encouraged by policymakers selecting those cooperative projects having spill-over effect, the union may expand and move into succeeding stages. If decisions are made discouraging further constrictions on national policymaking as spill-over begins to affect crucial functions, the integrative process may stagnate.

The remaining stages and thresholds are outside the scope of this study because they represent levels of integration not present in Southeast Asia, but are included here to complete the description of the integrative process.

Threshold Three is a relatively high one marking the presence of extensive social interaction among the populations of the member units. At this point the union is no longer one involving only elite policymakers of participating members, but has

⁵Etzioni, pp. 80-82.

⁶Etzioni, p. 82.

penetrated into the business communities, educational systems, and social relationships among at least the politically and economically influential portions of the populations. This threshold is measurable by using transaction data on the extent of tourism, exchange of students, migration, letters exchanged, mutual trade, and other indices of interaction. Threshold values are not determined in this study and would have to be established by empirical evidence using past integrations as standards.

Stage 4 - Emergence of Community. A community has been formed when the populations concerned consistently give allegiance to the economic union rather than the national government in matters related to the integrated functions.⁷ This sociological concept of community rests on evidence of a broad consensus throughout the populations regarding the beneficial properties of the union as it touches their lives. The existence of community can be measured by increases in transaction levels coupled with attitude surveys and opinion polls that test respondents' commitment to union effectiveness, symbols, institutions, and leaders.⁸ The community is considered to be deepening when new

⁷This definition follows that of Ernst Haas in The Uniting of Europe, (Stanford, 1958). p. 5.

⁸Measurement of commitment can be accomplished in a manner similar to that employed by Inglehart or Deutsch. See: Ronald Inglehart, "An End to European Integration?," APSR 61(March 1967)91-105; Karl W. Deutsch, Lewis J. Edinger, Roy C. Macridis, and Richard L. Merritt, France, Germany and the Western Alliance, (New York, 1967).

functions or members are absorbed while commitment to the union remains stable or increases. A decline in commitment marks a weakening or degeneration of the community.

Threshold Four is crossed when: (1) control of military units are formally transferred to the union, giving the supranational body a monopolization of force, and (2) the union attains effective control over the allocation of all basic resources and services.⁹ A common army need not exist and some authority may be delegated to national units, but the union must have ultimate control over the allocation of military resources and deployment of troops in time of crisis. Control of basic resources also includes power to locate new industries, tax populations or governments, set wages and prices, and harmonize social welfare programs.

Stage 5 - Political Unification. Achievement of political unification occurs when these crucial political and economic functions have been transferred to the union without any loss of community consensus. Commitment to the union ought to remain stable or increase after these functions are transferred. The transfer need not involve all political and economic functions because unification does not preclude leaving tasks that are internal to the member

⁹This threshold parallels Etzioni's criteria for the existence of a political community. See: Etzioni, p. 4.

units under control of national governments. Unification may deepen as the union tightens its control over more functions and creates new, more centralized governing organs; it may move from confederation, to federation, and to a unitary form of government. Movement within Stage 5 is measurable both by the appearance of new governmental institutions and by the maintenance of community consensus for each alteration of the union structure.

In any integrative process among nations, stages, and particularly early ones, may be compressed or skipped altogether. There is no compelling dialectic at work in this theory. However, the empirical evidence available on integrations suggests that when stages are compressed or skipped, successful integration is less likely.¹⁰ Integrative failures have most often been those that: (a) attempted union before they achieved readiness, (b) moved directly from Threshold One to Unification or, (c) attempted expansion before the union had been internally consolidated. Successful integrations are generally those that follow to some degree the process set out here. In this sense, then, the theory or paradigm presented here is to some extent both descriptive and prescriptive.

¹⁰On the UAR and the West Indies, see Etzioni, 1965; on early Europe, see Karl Deutsch, et al., Political Community in the North Atlantic Area, (Princeton, 1957); on EEC, see Leon N. Lindberg and Stuart A. Scheingold, Europe's Would-Be Polity, (Englewood Cliffs, 1970); on the Arab Common Market, see E. Kanovsky, "Arab Economic Unity," in Joseph S. Nye, Jr., ed., International Regionalism, (Boston, 1968). pp. 350-376; on the Central American Free Trade Area, see Miguel S. Wionczek, "Requisites for Viable Economic Integration," in Nye, pp. 287-303.

Integration analysis can profit by use of the construct, but decisions of policymakers in integrating units might also profit by following this pattern.

It goes almost without saying that the construct cannot now be very predictive since few criteria were established for measuring movement along the continuum and any inexorable effect of the spill-over concept was rejected. The omission of these criteria is necessary and intentional at this point since too little is known now to set up measurements of integrative progress based on nations' experiences. It is expected that accumulation of experiential data in the future will allow establishment of these criteria and at that time prediction on empirical grounds will be possible within this theory.

Rationale for the Selection of Variables

As mentioned earlier, this study is primarily concerned with Stages 1 and 2 and the variables selected are those pertinent to analyzing integrative progress in these stages. The variables are economic growth, mutual trade, inter-national amiability, and favorable perceptions of regionalism by major foreign policymakers. The choice of variables was parsimonious in that one variable was selected to indicate progress on each of four conditions that are conducive to integration. It was judicious in that the validity of these variables has been established in previous studies. It was economical to allow handling of data for five nations in a longitudinal study

extending over twenty years. The study does not attempt to measure all conditions considered relevant to integration, only four of those that appear to be adequate indicators of development levels.

Variable One - Economic Growth

The choice of economic growth as an attribute variable was made because of: (a) the presence of economic growth in other successful integrations; (b) concerns for economic development within ASEAN members' governments; (c) its value in indicating capabilities for regional cooperation; and (d) its presumed relationship to policymakers' willingness to cooperate.

Political theorists and economists find the presence of economic growth conducive to successful integration.¹¹ Deutsch concludes that at least some of the members should be experiencing growth¹² and both Haas and Etzioni find that growth is a foundation for a "core area" providing sufficient "utilitarian power" to assist in maintaining the union.¹³ And members ought to have similarly developed economies.¹⁴ There seems to be no requisite for economies to be highly

¹¹Karl Deutsch, 1957; Haas, 1958; Etzioni, 1965; Lindberg and Scheingold, 1970; Philip E. Jacob and James V. Toscano, eds., The Integration of Political Communities, (New York, 1964); Bela Balassa, Theory of Economic Integration, (Homewood, 1961); James Mead, Problems of Economic Union, (Chicago, 1953); Tibor Scitovsky, Economic Theory and West European Integration, (Stanford, 1958); Rolf Sannwald and Jacques Stohler, Economic Integration, (Princeton, 1959).

¹²Deutsch, 1957, p. 51.

¹³Haas, 1958, p. 290; Etzioni, pp. 38-43.

¹⁴Haas, 1958, p. 290; Wionczek, p. 292.

developed since historical political integrations have occurred among units that were not highly developed. However, modern economic integration may be a special case in which growth is essential to success. Even if it is not, high levels of development are still important because policymakers believe them to be important.

The economic growth variable has also been selected because commitment to economic development has been a prime ingredient of national policymaking in all ASEAN nations. Development is normally translated to mean industrialization coupled with trade expansion and, although development involves social and political conditions as well, in nations such as those comprising ASEAN:

. . . --low average labor productivity and low national income per head--can, with a number of qualifications, be taken as an approximate indication of all the others [conditions], that is, as an(imperfect) index of the level of underdevelopment in a country.¹⁵

Another author stresses the importance of economic development to modernization, saying

Of great importance also is the overall continuity of economic development and progress. The greater such continuity the greater also is the positive adjustment of various groups and strata to the new, modern settings.¹⁶

Since Southeast Asian nationalism is so infused with a drive toward economic development, economic growth can provide a common interest or principle on which to agree. And because

¹⁵Gunnar Myrdal, An Approach to the Asian Drama, (New York, 1970). p. 225.

¹⁶S. N. Eisenstadt, Modernization: Protest and Change, (Englewood Cliffs, 1966). p. 155.

there is some evidence that regionalism contributes to economic growth, the idea of cooperation is linked to nationalist goals and feelings.¹⁷ If, as Lindberg states, economic growth is dependent upon either expanding markets or increased trade or both as a result of more competition and economies of scale,¹⁸ these can be achieved either by internal development and trade on an international scale or through economic union.¹⁹

Leaders of ASEAN nations are faced with a slow rate of internal market expansion and with declining external trade; thus, they may feel that commitment to growth necessitates greater cooperation and dependence upon regional development. Hansen points out that when modernization is equated in underdeveloped nations with industrialization and independent growth is not possible, these nations are impelled to attempt regional schemes.²⁰

Economic growth also increases a nation's capabilities for participation in a union because nations with growing economies can afford to expend resources to achieve cooperation with others; they can afford to take risks with their resources and risk-taking is attendant to the initiation of unions. Nations with growing economies ought also to be more open

¹⁷Bernard Gordon, The Dimensions of Conflict in South-east Asia, (Englewood Cliffs, 1966). pp. 145-146.

¹⁸Lindberg, 1970, p. 8.

¹⁹Lindberg, 1970, pp. 8-9.

²⁰Roger D. Hansen, "Regional Integration: Reflections on a Decade of Theoretical Efforts," World Politics, 21(January 1969)268.

toward amiable relations with others since economic development correlates highly with "competitiveness."²¹ Competitiveness is a component of modernization and may indicate movement toward a pluralist society which Barrera and Haas deem a condition for successful union.²² One must be careful, however, not to equate economic growth with increasing political stability since growth quite often contributes to social disintegration and cultural change that is detrimental to political stability.²³

Finally, economic growth ought to be related to the willingness of a nation to engage in economic cooperation. This is true because foreign policymakers want to be associated with others from whom they can expect returns; these policymakers should be attuned to a partner's index of economic growth because it gives evidence that the potential for gain is there. A condition of sustained and continuing growth gives promise of future benefits corresponding to Deutsch's essential condition that there must be expectations of joint rewards through economic ties or gains envisioned for the future.²⁴ It also indicates to policymakers that other nations have the capabilities to administer a union. And so this study examines growth rates among ASEAN members with respect to their similarity to the most rapidly growing member.

²¹Gabriel A. Almond and James S. Coleman, eds., The Politics of the Developing Areas, (Princeton, 1960). pp. 538-539.

²²Mario Barrera and Ernst B. Haas, "The Operationalization of Some Variables Related to Regional Integration," International Organization, 23(Winter 1969)150-160.

²³Eisenstadt, pp. 20-35.

²⁴Deutsch, 1957, p. 49.

Variable Two - Regional Trade

The use of trade data to indicate the behavior of nations toward one another is common in the literature of international relations.²⁵ And there is widespread agreement among political theorists and economists on the need for significant mutual trade on a broad array of goods among members of successful integrations.²⁶ There is also widespread feeling that underdeveloped nations do not have the diversified economies that would make these complementary relationships possible.²⁷ However, much disagreement still exists over whether mutual trade is a precondition for successful union or a result of union and this is particularly important for ASEAN members and other Southeast Asian nations hoping to increase their economic complementarity by encouraging specialization of production through regional harmonization of development plans. The low level of trade among ASEAN members in the past has been due as often to ignorance of each other's products as to actual competitiveness so, as knowledge of each other increases, trading levels may rise. And if trading

²⁵Bruce M. Russett, International Regions and the International System, (Chicago, 1967); H. J. Hummel, "Indicators of Cross-National and International Patterns," APSR, 63(March 1969)127-147; Steven J. Brams, "Transaction Flows in the International System," APSR, 60(December 1966)880-898; Bruce M. Russett, et al., World Handbook of Political and Social Indicators, (New Haven, 1964); Richard L. Merritt and Stein Rokkan, eds., Comparing Nations: Use of Quantitative Data in Cross-National Research, (New Haven, 1966).

²⁶Deutsch, 1957; Haas, 1958; Lindberg, 1970; Sannwald and Stohler, 1959; Balassa, 1961; Scitovsky, 1958.

²⁷Charles P. Kindleberger, Economic Development, (New York, 1965). pp. 346-349; Gunnar Myrdal, Asian Drama; An Inquiry into the Poverty of Nations, (New York, 1968); E. A. G. Robinson, The Economic Consequences of the Sizes of Nations, (New York, 1960). pp. xviii and 269-274.

levels are rising, this will indicate increasing readiness for cooperation.

Variable Three - Amiable Relations

The existence of amiable relations among potential members is also a pertinent criterion for successful integration.²⁸ Past governmental interaction as well as existing contacts among policymakers on a cooperative basis tend to promote further cooperation²⁹ while nations engaging in hostile or violent behavior tend to elicit more hostile responses from those they interact with in this manner.³⁰ These interactions are distinguishable from the vast bulk of ordinary transactions taking place because they are official governmental acts reported as discrete events in international conduct. Verbal or physical actions of governments toward each other vary from those indicative of a high level of cooperation to those denoting a high level of conflict; those nations engaging in conflictual behavior are not likely to contemplate mutual membership in an economic union. The character of nations' salience to each other is indicated by the amount of interaction on either a cooperative or conflictual basis. It is assumed that as nations become more salient to each other on a

²⁸Deutsch, 1957; Haas, 1958, p. 286; James Lawler and Jerome Laulicht, "International Integration in Developing Regions," Peace Research Reviews, 3(1969); Philip E. Jacob and James V. Toscano, p. 12.

²⁹Deutsch, 1957, p. 2; Ernst B. Haas, "The Challenge of Regionalism," International Organization, 12(Autumn 1958)456.

³⁰le R. Holsti, Robert C. North, and Richard A. Brody, "Perception and Action in the 1914 Crisis," in J. David Singer, Quantitative International Politics, (New York, 1968). 123-158; Alan G. Newcomb, "Initiatives and Responses in Foreign Policy," Peace Research Reviews, 3(1969).

cooperative basis, their readiness for cooperation increases and this will be analyzed using inter-nation event data compiled to portray the relationships among ASEAN governments.

Variable Four - Policymaker Perceptions

Since foreign policymakers determine (based on internal and external factors) whether a nation will seek regional cooperation or not, the feelings of these policymakers toward the principle of cooperation are expected to be related to the amount of cooperation undertaken by a nation. The positive relationship between policymaker perceptions and that government's behavior has been well established in the theoretical decisionmaking literature³¹ and corroborated by empirical studies.³² Gleaning these perceptions from policymaker statements in public documents by content analysis techniques appears to have relatively high validity.³³ It is acknowledged that policymaker statements do not always reflect their true opinions but it is assumed that, for the most part, communications and actions exchanged are valid indicators of policymaker desires. This study assumes that readiness for cooperation

³¹Richard C. Snyder, H. W. Bruck, and Burton M. Sapin, eds., Foreign Policy Decision-Making: An Approach to the Study of International Politics, (New York, 1962); Herbert C. Kelman, International Behavior, (New York, 1965).

³²Holsti, North and Brody; Richard A. Brody, "Cognition and Behavior: A Model of Inter-State Relations," in O. J. Harvey, ed., Flexibility, Adaptability and Creativity, (New York, 1966).

³³Robert C. North, et al., Content Analysis, (Chicago, 1963); Ole R. Holsti, Content Analysis for the Social Sciences and Humanities, (Reading, Mass., 1969); Alexander George, "Quantitative and Qualitative Approaches to Content Analysis," in Ithiel de Sola Pool, ed., Trends in Content Analysis, (Urbana, Ill., 1959). pp. 7-32.

increases as policymaker perceptions of potential members and the principle of regional cooperation become more favorable.

It is suggested that increasing similarity on these four indicators will sufficiently indicate any trends toward integration during Stages 1 and 2; potential members ought to have similarly high levels of economic growth, mutual trade, cooperative interaction, and favorable perceptions. This similarity may exist among two, three, or more nations within the region during various times of the period under study and those nations that are most similar to each other are also most ready for formal cooperation on a regional level.

Foreign policymakers wishing to cooperate regionally with other nations for economic reasons would seemingly be attracted toward those nations that, among other things: (1) are growing economically and have a potential for future growth; (2) have significant mutual trade links or could expect such as a result of the cooperation and; (3) have sufficient official interactions that have been friendly enough to give some assurance that cooperation would continue on a long-term basis. These factors, then, should be related to the way foreign policymakers perceive regional economic cooperation, favorably or unfavorably. And if regional economic cooperation is perceived favorably, a nation might be cooperating in regional organizations with others toward whom they are attracted, presumably as a consequence of the interplay of these variables.

It has often been recognized, however, that policymakers do not always act on the "objective reality" of a situation but on their "image" of that situation³⁴ so there may not necessarily be any relationship between these attribute and behavioral indicators and policymaker perceptions of regional economic cooperation or between perceptions and actual participation; this possibility will also be investigated. The purpose of this study is to examine these variables systematically to determine which, if any, have been related over time to the amount of actual cooperation of ASEAN members in regional organizations and how, if at all, the variables are related.

Model for Integration Analysis

Foreign policymakers, as do other decisionmakers, act in response to domestic and international stimuli but do so only after evaluating these stimuli and choosing from among available alternative actions. These internal and external stimuli constitute inputs whose costs and benefits to the decisionmaking unit are weighed before being translated into outputs in the form of policies for governmental action or inaction.

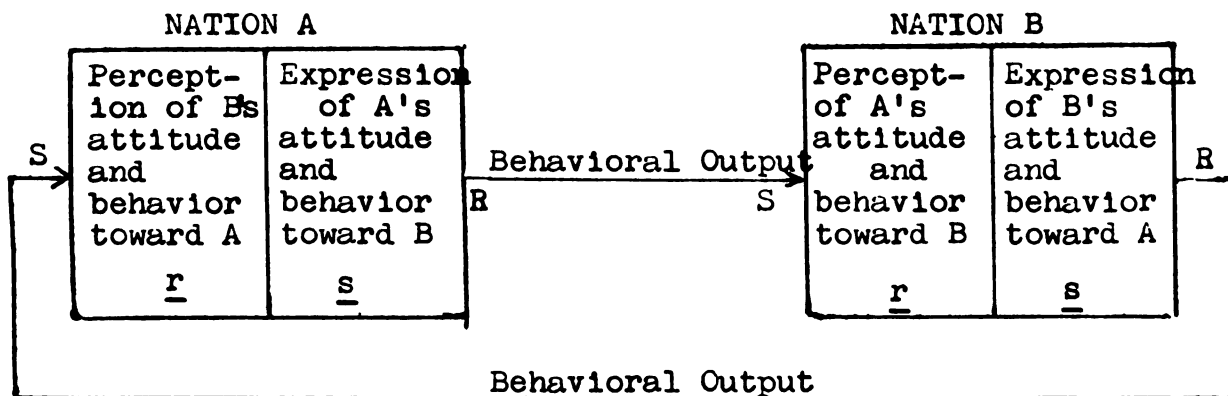
A model that has been offered to represent this situation (among individuals or collective entities) into which one can fit attribute, behavioral, and perception variables

³⁴Ole R. Holsti, "The Belief System and National Images: A Case Study," in William D. Coplin and Charles W. Kegley, Jr., eds., A Multi-Method Introduction to International Politics, (Chicago, 1971). pp. 31-32. For an introduction into the copious literature on this subject, see Kelman, 1965.

is the mediated stimulus-response model(S-O-R).³⁵ This model permits one to utilize environmental stimuli(attributes or behaviors) as independent variables giving rise to perceptions of policymakers as a response. It also allows one to utilize perception stimuli as independent variables giving rise to a response of actual participation.

The use of the S-O-R model in international relations has given rise to several interpretations of the model.³⁶ Studies have generally employed adaptations of the model to study dyadic relations between two international actors--usually nation-states. And many of the studies have been concerned with actions and perceptions that emanate from conflict and escalate or reduce hostility between the two actors. A generalized statement of the model as commonly used appears as follows:³⁷

ILLUSTRATION II



³⁵Brody, 1966.

³⁶ole R. Holsti, et al., in Singer, pp. 123-158; Azar, 1970, pp. 77-78; James N. Rosenau, ed., International Politics and Foreign Policy, (New York), 1969.

³⁷Holsti, in Rosenau, 1969, pp. 683-684; Holsti, et al., in Singer, 1968, p. 133; Azar, 1970, pp. 77-78.

where: S= a stimulus from the environment which may or may not be perceived by a policymaker

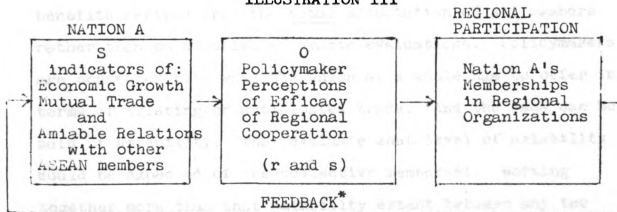
R= an action of a policymaker, without respect to his intent or how either he or others may perceive it

r= corresponds to the "definition of the situation" in decisionmaking literature

s= represents the policymakers expression of his own intentions, plans, actions, or attitudes. When carried out, "s" becomes R.

This study employs another variation of the S-O-R model utilizing ASEAN members' policymaker perceptions and actions as affected by internal and external stimuli(S) as inputs that lead to participation in regional organizations as outputs(R). The model used in this study is as follows:

ILLUSTRATION III



*Feedback is not analyzed in this study other than to note that successful regional cooperation is generally conducive to further cooperation on a regional basis.

where: S= economic growth, mutual trade, and inter-nation events (and includes other environmental stimuli left unexamined in this study)

O= subsumes the (r) and (s) of the S-O-R model and consists of perceptions of cooperation based on evaluations of the costs and benefits anticipated

R= participation in regional cooperation measured by organizational memberships

The adoption of this model and the accompanying methodology is based on the assumption that the standard S-O-R model is inadequate to deal with multilateral relationships and contends that integration can better be analyzed by stressing the mutuality in relationships or similarity of development on the variables chosen rather than by examining a series of dyadic relationships among ASEAN members. A dyadic analysis of Nation A's trade with Nation B and the policymaker perceptions of that trade may disclose that there is or is not a strong enough attraction to produce a trade agreement, but it would distort the policymaker's willingness to associate in an economic union with Nation B that also includes Nations C, D, and E. Policymaker decisions are more likely to be based on benefits derived from the total association of all members rather than on a series of dyadic evaluations. Policymakers are concerned with what the union as a whole has to offer in terms of existing or anticipated trade. And the same can be said of amiability. They evaluate what level of amiability could be expected of the collective membership working together more than that amiability extant between any two members. And so a nation might accede to multilateral relations with another even if bilateral relations have not been fruitful when it perceives that other members' participation in a union is valuable enough to offset the deficit.

A question often not answered by the integration theorists is: Do nations fulfilling those conditions believed

conducive to regional cooperation actually cooperate regionally on a level commensurate with their capabilities? If these conditions are related to successful integration, can measurements of the conditions be used as indicators of existing or future integration? The four types of variables in this study are examined to determine if there is covariance between one or more variables and the actual amount of participation in regional organizations over a twenty-year period. The study asks which of the four types of variables are most closely related to the actual amount of cooperation in regional organizations.

It is recognized that numerous factors not examined here are involved in influencing decisions to cooperate regionally. So it is in no way implied that a relationship found between the variables here examined and the level of cooperation is in any way a cause of that cooperation. The study only attempts to ascertain if these variables are actually valid indicators of cooperation levels for Indonesia, Malaysia, the Philippines, Singapore, and Thailand. If so, then trends in the variables might be suitable predictors of integrative progress in broadening or deepening ASEAN. The variables are assumed to be valid indicators only in Stages 1 and 2 of the integration continuum; measurement of integrative progress in Stages 3, 4, and 5 must necessarily rely primarily on other variables.

Hypotheses to be Tested

The hypotheses are formulated so as to be testable within the mediated S-O-R model as adapted above. The variables to be examined are: economic growth, mutual trade, inter-nation actions, policymaker perceptions, and regional memberships. Economic growth, mutual trade, and inter-nation actions are considered as independent variables related to the dependent variables of policymaker perceptions and regional memberships. Perceptions are an intervening variable used also as an independent variable related to regional memberships. Although hypotheses are stated here in a positive manner to emphasize the expected relationships, implications of the null or unsubstantiated hypothesis are equally considered in the conclusions.

Hypothesis 1 - Foreign policymakers in nations experiencing economic growth will tend to have favorable perceptions toward regional cooperation.

Hypothesis 2 - Foreign policymakers in nations enjoying high levels of mutual trade will tend to have favorable perceptions toward regional cooperation.

Hypothesis 3 - Foreign policymakers of nations engaging in amiable relationships will tend to have favorable perceptions toward regional cooperation.

Hypothesis 4 - Nations with high levels of economic growth will tend to cooperate more in regional organizations.

Hypothesis 5 - Nations with high levels of regional trade will tend to cooperate more in regional organizations.

Hypothesis 6 - Nations with high levels of amiable interaction will tend to cooperate more in regional organizations.

Hypothesis 7 - Nations whose foreign policymakers perceive regional economic cooperation favorably will tend to be cooperating more in regional organizations.

Chapter V presents the data on these variables, explains the methodology employed, and sets limitations on data and methodology. The hypotheses are tested in Chapter VI.

CHAPTER V

METHODOLOGY AND DATA PRESENTATION

Introduction

This chapter presents data for ASEAN members from 1950 through 1969 on the economic growth, trade, interaction, perception, and regional membership variables. Indices chosen to measure each variable are explained and a rationale for their selection is offered. The indices were selected to satisfy the criteria of: (a) validity as measurements of the variables, (b) significance to theories of integration, (c) relevance within the region and, (d) availability of information for all five nations. Methods of analyzing the data are explained and reservations regarding both data and methodology are recognized as limitations upon the conclusions.

Measurements of Economic Growth

The index chosen to represent economic growth in this study is per capita domestic product at constant prices. Numerous other indices are available with which to measure levels of economic development, some of which are more reliable than others, depending on the purpose for which they are intended. National income, gross national product, gross

domestic product, energy consumption, and even literacy rates have been employed to rank nations according to absolute or relative amounts of power or economic development.¹ Usually these indices are computed on a per capita basis to rank relative power according to population size. Per capita gross national product has been the most commonly used measure, although a study by Rummel indicates that energy consumption/population is a slightly more accurate indicator of development than other indices.² His study also found that, as an indicator of power, GNP was only a little less reliable and could be used without danger of significant error.³ Louis Guttman finds GNP/capita somewhat less reliable than his general indicator involving several indices.⁴

Changes in the level of national development can be represented by percentage changes per year in any of the above indices. This study uses yearly percentage changes in per

¹Gabriel A. Almond and James S. Coleman, eds., The Politics of the Developing Areas, (Princeton, 1960); Bruce M. Russett, et al., World Handbook of Political and Social Indicators, (New Haven, 1964); Richard L. Merritt and Stein Rokkan, eds., Comparing Nations: Use of Quantitative Data in Cross-National Research, (New Haven, 1966); Eugene Wittkopf, "Containment Versus Underdevelopment in the Distribution of United States Foreign Aid," in William D. Coplin and Charles W. Kegley, Jr., eds., A Multi-Method Introduction to International Politics, (New York, 1971); R. J. Rummel, "Indicators of Cross-National and International Patterns," APSR, 63(March 1969)127-147.

²Rummel, p. 134.

³Rummel, pp. 135-137.

⁴"Social Problem Indicators," The Annals, 393(January 1971)140-146.

capita domestic product to measure economic growth.⁵ The choice of this index was made primarily on the greater availability of this data over any other index data during the twenty-year period. The per capita domestic product figures are those given by the United Nations in the Statistical Yearbook. Since these data have corrections already applied, it is felt that they are more accurate than raw data for national income or population. Data were taken from the Statistical Yearbooks for 1953 through 1970 and interpolation was employed to adjust early data to the 1963 base year. Since data are computed differently by each nation, inter-country comparisons would be misleading and are not attempted in this study.

The use of per capita measurements of economic growth is highly important for ASEAN nations because, as in most underdeveloped nations, high population growth rates tend to eat up any real increase in national output.⁶ For example, Gunnar Myrdal says:

Countries like the Federation of Malaya, the Philippines, and Thailand perhaps have the potential for a more spontaneous development somewhat similar to the historical Western type. But the rapid population increase can be expected to bring even these less poverty-stricken countries to the point at which large-scale planning becomes necessary.⁷

⁵There is no necessary relation between per capita income and its distribution in society. National income/capita or GNP/capita do not measure standards of living or conditions under which people live. See; Jan Drewnowski, "The Practical Significance of Social Information," The Annals, 393(January 1971)84.

⁶Lennox A. Mills, Southeast Asia: Illusion and Reality in Politics and Economics, (Minneapolis, 1964). pp. 338-345; Gunnar Myrdal, An Approach to the Asian Drama, (New York, 1970). pp. 621-644.

⁷Myrdal, p. 184.

Per capita income data for each nation during the twenty-year period are found in Table I; these figures are used in the correlational analysis with other variables. These data indicate that Indonesia's PCI has remained relatively stagnant due to both mismanagement of the economy and high population growth. The Philippines overcame a period of economic downturn during the 1960's to experience a three percent growth in 1968-1969 while in Malaysia and Thailand, growth has been steady since 1960. Data for Singapore were not available.

Measurement of Mutual Trade

Statistics on trade between nations have often been used, either alone or in conjunction with other indices, as an indicator of the level of inter-nation transactions. Trade is without doubt the most agreed upon and most frequently used indicator of the Transaction theorists.⁸ Although several different indices are available to measure trade, this study utilizes a measure of total trade(exports plus imports) of each ASEAN member toward other members.

⁸Karl W. Deutsch, "Integration and Arms Control in the European Political Environment: A Summary Report," APSR, 60 (June 1966)354-365; Hayward Alker, Jr. and Donald Puchala, "Trends in Economic Partnership: The North Atlantic Area, 1928-1963," in J. David Singer, ed., Quantitative International Politics, (New York, 1968), pp. 287-316; Steven J. Brams, "Transaction Flows in the International System," APSR, 60 (December 1966)880-898; R. J. Rummel, "Some Empirical Findings on Nations and Their Behavior," World Politics, 21(January 1969)226-241.

TABLE I: PER CAPITA INCOME INDEX

	50	51	52	53	54	55	56	57	58	59
INDONESIA				98 _a	105 _a	105 _a	105 _a	108 _a	102	105
MALAYSIA							88	87	85	87
PHILIPPINES	68	69	74	78	80	85	89	92	91	95
SINGAPORE ^b										
THAILAND	62 _a	63	63	69	67	71	71	81	79	85

	60	61	62	63*	64	65	66	67	68	69
INDONESIA	105	105	104	100	102	103	103	101	101 _a	101 _a
MALAYSIA	93	96	98	100	102	106	109	110 _a	112 _a	115 _a
PHILIPPINES	93	95	96	100	99	100	102	104	107	111 _a
SINGAPORE										
THAILAND	91	92	94	100	103	109	117	119	120 _a	125 _a

*Base year

a - obtained by regression line

b - data not available

One advantage of trade figures is that they are available over longer periods of time than are some other transaction indicators, i.e., tourism, students exchanged, or migration. Trade figures are also one of the more accurate types of information available on transactions. This is true because, since balance of payments and economic prosperity are highly dependent upon trade policies, it behooves governments to keep accurate accounts of these transactions; control of goods flowing in and out of nations from a few highly visible ports is easier to monitor than the flow of goods and services or people within national borders. Another advantage of trade data is that it allows computation of a reporting error by cross-checking the trade reported by Nation A to Nation B with that reported received by Nation B from Nation A. It does not, however, readily allow one to determine which nation is the source of the error. Finally, trade flows appear to be a highly sensitive indicator of official attitudes of nations toward each other. Brams found that trade level fluctuations are highly correlated with changes in governmental policies toward nations.⁹

The source of the raw trade data is the United Nations publication, Direction of International Trade. Exports and imports for each ASEAN member with all other nations were totaled as was the trade that each ASEAN member did with the other four ASEAN members. Trade with ASEAN members was termed regional trade and computed as a percentage of trade with all other nations. Data for levels of mutual trade are

⁹Brams, p. 887.

TABLE II: PERCENTAGE OF TOTAL TRADE DONE WITH ASEAN MEMBERS

	50	51	52	53	54	55	56	57	58	59
INDONESIA	34.0	32.7	27.2	26.6	28.7	30.6	29.7	32.1	43.9	42.0
MAIAYSIA *							12.5	15.0	10.5	9.7
PHILIPPINES	1.6	3.1	2.9	2.5	2.7	3.8	4.2	5.9	5.1	3.8
SINGAPORE										
THAILAND	24.3	27.7	29.8	39.1	40.6	22.8	25.7	26.3	24.8	22.5

	60	61	62	63	64	65	66	67	68	69
INDONESIA	37.9	31.9	33.9	9.2	5.9	3.8	5.9	5.5	3.8 _a	3.1 _a
MAIAYSIA *	9.8	9.3	13.6	6.3	7.0	6.5	5.9	5.7	5.6 _a	5.4 _a
PHILIPPINES	3.7	4.2	3.1	2.4	3.0	2.9	3.4	4.0	4.2 _a	4.6 _a
SINGAPORE										
THAILAND	23.7	22.5	23.1	19.6	20.0	14.8 _a	10.5	10.9	7.0 _a	4.4 _{ab}

*Includes Singapore trade

a - obtained by regression line

b - highly questionable

contained in Table II. Raw trade figures are contained in Appendix I.

A summary of regional trading during the twenty-year period suggests that the Philippines has experienced the most stable regional trade level, but at around three percent it is evidence of very slight economic ties to other ASEAN members. The Malaysia-Indonesia confrontation cut trade between these nations by two-thirds and it has continued in decline since 1963. Thailand's regional trade level is the highest, but is now less than one-half what it was before 1964. With less than eight percent regional trade among ASEAN members, existing trade could hardly provide a significant motivation for economic union, although consideration of future potential trade might alter the picture.

Measurement of Inter-Nation Interaction

The amount of official governmental interaction between nations can be determined by counting the number of newsworthy events that appear in public documents during any period. These might be verbal statements made or physical actions taken by a government such as signing a trade agreement, posting troops on the borders, receiving a diplomatic visit, or declaring an envoy persona non grata. And the content of these events can be evaluated as being cooperative or conflictual in varying degrees. Types of events have been categorized¹⁰ by some authors and various systems of measurement

¹⁰C. A. McClelland and G. D. Hoggard, "Conflict Patterns in the Interactions Among Nations," in James N. Rosenau, ed., International Politics and Foreign Policy, (New York, 1969).

have been developed by others.¹¹ This study measures the amount of official inter-governmental interaction among ASEAN members by collecting all events reported from 1950 to 1969 and scaling these events according to the degree of cooperation or conflict represented by the action. To utilize event data in this way requires acceptance of two assumptions. First, it is assumed that the situational context in which an event occurs is the same for any nation in which it occurs; that is, Nation A's firing across the borders of Nation B has the same meaning that it would have to any other nation. This is a somewhat tenuous assumption since the situational context does differ, i.e., firing across the border does mean a different thing to nations having generally friendly relations than it does to two traditionally hostile nations.¹² Nevertheless, the assumption is a necessary one in the absence of some acceptable method of defining the total situation. Second, it is assumed that all events are discrete and earlier events have no influence on later ones. This is again somewhat unrealistic since some events are conditional upon earlier events; however, there is no way of correcting for any autocorrelation effect that might be present and the distortion which the assumption

¹¹Walter H. Corson, "Measuring Conflict and Cooperation Intensity in International Relations," Paper presented at the MSU Events Data Conference, (February 1969); Edward E. Azar, Stanley Cohen, Thomas Jukam, and James McCormick, "Methodological Developments in the Quantification of Events Data," Paper presented at the MSU Events Data Conference, (April 1970).

¹²Charles McClelland, "Two Conceptual Issues in the Quantitative Analysis of International Event Data," University of Southern California, (March 1970). mimeo.

produces may not be serious.¹³

All events for the five ASEAN nations interacting with any other nation were collected for the twenty-year period. Domestic events were not collected. Sources for the event data were: Asian Almanac, Asian Recorder, Facts on File, Far Eastern Economic Review, New York Times, Keesing's Contemporary Archives, and the Middle East Journal. These several sources were found necessary both to avoid bias resulting from reliance on particular sources¹⁴ and because coverage of Southeast Asian events by news sources was sparse, particularly during the 1950's. The total number of events generated by these sources for all ASEAN members was 3423. Total events generated by each source and the percentage of total events by each source is listed below.

<u>Source</u>	<u>Events Generated</u>	<u>% of Total Events</u>
Asian Almanac	528	15
Asian Recorder	741	22
Facts on File	163	5
Far Eastern Economic Review	1454	42
New York Times	226	7
Keesing's Contemporary Archives	205	6
Middle East Journal	28	1
Miscellaneous	78	2

¹³Richard A. Brody, "International Events: Problems of Measurement and Analysis," Paper presented at the MSU Events Data Conference, (April 1970). pp. 21.

¹⁴Discussions of the problems resulting from consulting biased sources can be found in: Robert Burrowes, Douglas Muzzio, and Bert Spector, "Mirror, Mirror, on the Wall . . .: A Source Comparison Study of Inter-Nation Event Data," Paper presented at the MSU Events Data Conference, (April 1971); McClelland and Hoggard, 1969; and Azar, Cohen, Jukam, and McCormick, 1970.

These events were coded for computer analysis according to the procedure set out by the Michigan State University Cooperation/Conflict Research Group.¹⁵ Only one coder was utilized to code the complete data set so the problem of checking reliability between coders was avoided. In accuracy checks with other coders, this coder's results correlated at 0.98 in two previous studies.¹⁶

Events were scaled utilizing the MSU Cooperation/Conflict Research Group computer program that ranks events along a 13-point interval continuum from low to high violence. Once again, the problem of determining scaler reliability was avoided since the computer program reliability had been established in earlier studies and stands at 0.98 as computed by the Pearson product-moment correlation.¹⁷ Following the assigning of scale numbers by the computer program, the 13-point scale was reversed so that, instead of coding low violence(merger of two nation-states) as (1) and high violence (waging all-out war) as (13), high cooperation(merger of two nation-states) was accorded (13) and high conflict(all-out war) was accorded a (1). The scale was then designated the cooperation scale.¹⁸ Since the 13-point scale is an equal interval

¹⁵Edward E. Azar and Mark Rhodes, International Events: A Manual for Coders, Department of Political Science, (Michigan State University, (June 1970).

¹⁶Personal communication with Edward Azar.

¹⁷Edward E. Azar, "Analysis of International Events," Peace Research Reviews, 4(November 1970)19-22.

¹⁸Representing cooperation and conflict unidimensionally on the same scale seems to be valid for this type of analysis. See: Brody, 1970, pp. 16-17.

scale, reversing the numerical values following scaling should introduce no significant biases that would skew later analysis.¹⁹

To accurately measure inter-nation interaction, one must be concerned with not only the type of behavior, but the amount of interaction. And, ideally, both factors ought to be represented by a single numerical resultant so that total behavior can be compared and correlated with other variables. A method of doing this is found in the use of force vectors which represent both intensity and direction by a single resultant. To calculate the vectors, the type of event is scaled up the y axis from one to thirteen and the number of events per year is scaled along the x axis. The resultant force and direction of this action for each nation toward the other four ASEAN members is calculated using the formula:²⁰

$$R = \sqrt{(x_1 + x_2 + x_3 + x_4)^2 + (y_1 + y_2 + y_3 + y_4)^2}$$

where: x_n = the number of events per year toward each other nation

y_n = the mean level of cooperative behavior per year with each other nation

thus: $R = \sqrt{x^2 + y^2}$ gives a resultant for each year of the study

¹⁹Azar tested the assumption that the scale is in fact interval, comparing results of a paired comparison technique test with a rank ordering test by judges and found the Pearson product-moment correlation to be 0.98. Azar, Peace Research Reviews, p. 22.

²⁰The formula is the one commonly used in engineering and physics for representing linear forces on a single plane and can be found in numerous textbooks. See: George B. Thomas, Jr., Calculus and Analytical Geometry, (Cambridge, 1953). pp. 458-459.

Event interaction of each nation toward other nations can be represented by a vector on a graph(Illustration IV) and the R obtained represents that nation's equated interaction with all other ASEAN members for each year. On Illustration IV, for example, Malaysia's interaction with Singapore is represented by vector $A \rightarrow B$, Malaysia's interaction with Indonesia by vector $A \rightarrow C$, etc.

These vectors can be conceived as existing within a behavioral space and the behavioral space can be categorized as reflecting: (1) high cooperation behavior; (2) indeterminate behavior and; (3) high conflict behavior. The lines dividing these spaces on the illustration are determined arbitrarily. The rationale for placement of the lines was that nations engaging in only a few interactions should have to demonstrate higher cooperation(on the 13-point scale) than those engaging in larger amounts of interaction. So too with the high conflict space; nations engaging in much interaction of moderate conflict would be more likely to fall in this category than nations engaging in little interaction, even if it were more conflictual(lower on the 13-point scale). Nation A's behavior toward all ASEAN members during the year is represented by the R line on the graph. It is this R value per year that is utilized in this study as a measure of each nation's cooperative behavior. The study, being primarily concerned with testing the stated hypotheses, utilizes only the yearly numerical resultants for each nation toward other

ILLUSTRATION IV: MALAYSIA'S EVENT VECTORS AND RESULTANT - 1965

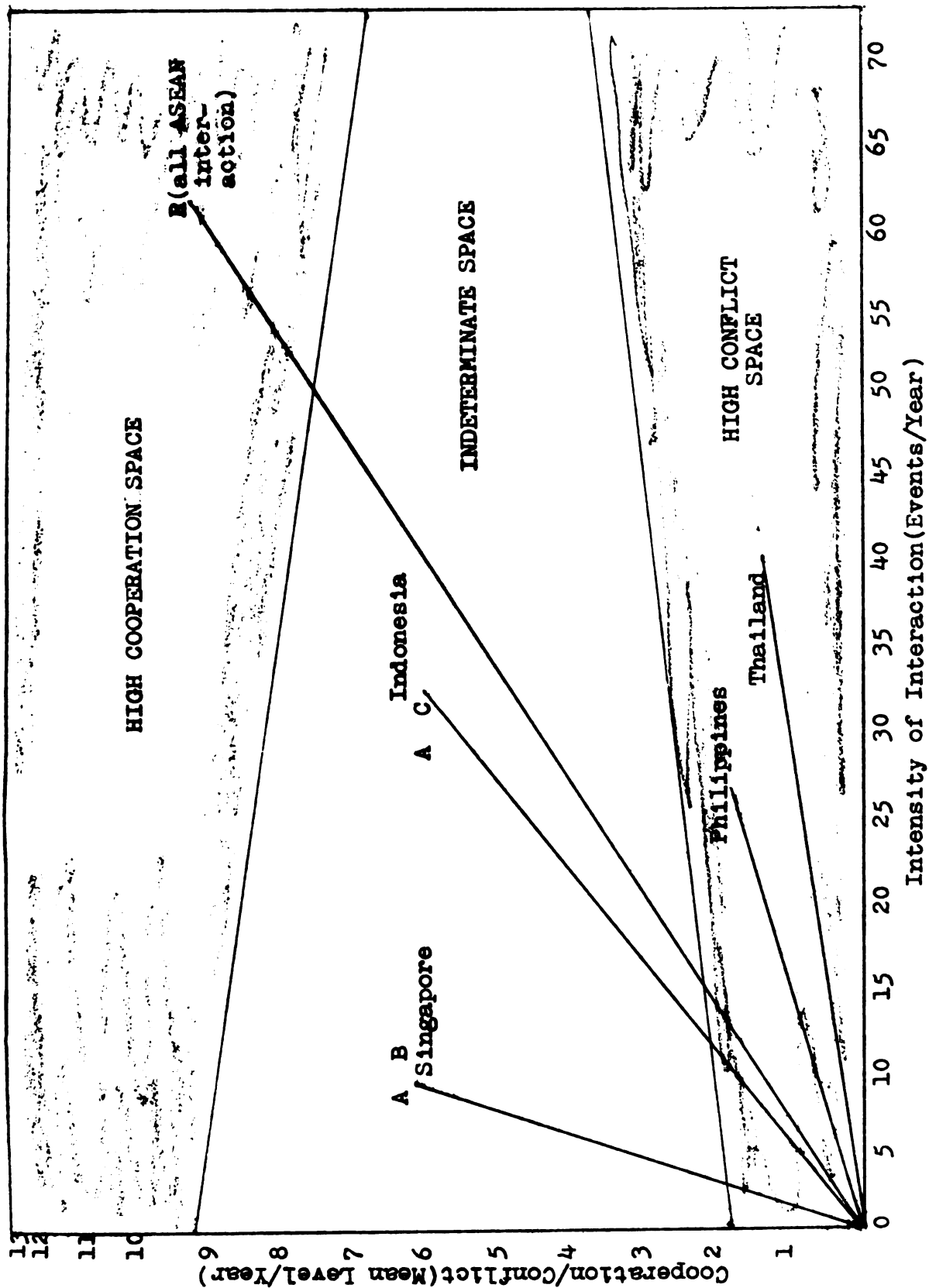


TABLE III
EVENTS RESULTANTS

	50	51	52	53	54	55	56	57	58	59
INDONESIA	9.1	8.1	6.7	6.7	9.1	7.0	7.8	7.1	7.4	11.8
MAIAYSIA										
PHILIPPINES	6.5	8.7	6.4	6.6	6.6	7.1	10.1	7.3	6.5	8.0
SINGAPORE										
THAILAND	8.0	7.9	7.8	7.8	9.1	8.0	7.1	7.3	9.2	9.8

	60	61	62	63	64	65	66	67	68	69
INDONESIA	8.4	9.4	11.2	93.3	61.4	26.9	59.5	52.5	69.4	75.3
MAIAYSIA				30.5	35.6	32.7	58.5	41.6	53.7	57.5
PHILIPPINES	7.8	17.1	11.8	75.4	52.5	15.9	28.9	18.6	27.9	28.0
SINGAPORE				5.1	9.1	19.2	32.8	21.2	35.9	42.9
THAILAND	7.3	10.0	11.8	12.2	14.0	10.3	8.8	16.0	14.2	13.3

ASEAN members and does not attempt to further explore the fruitful ramifications of this construct. Resultants for ASEAN members during the twenty-year period are contained in Table III. For data on the number of events per year and the mean level of cooperation, see Appendix II.

Measurements of Foreign Policymaker Perceptions

Measurement of perceptions is accomplished in this study by content analyzing statements of major foreign policymakers regarding the efficacy of regional cooperation. Major foreign policymakers include Heads of Governments (Prime Ministers, Presidents) and Foreign Ministers. Statements analyzed are those made in public and reported by selected news media.

Content analysis is a useful tool for analyzing documentary evidence and numerous techniques have been developed to extract information from the various types of sources available.²¹ The Stanford group has relied heavily on content analysis to measure perceptions of national leaders in conflict situations.²² Although their method is not without limitations,²³ it does allow one to infer, with satisfactory reliability, the past perceptions on issues to which these

²¹This study eschews discussion of these techniques and their applicability. See: Bernard Berelson, Content Analysis in Communication Research, (New York, 1952); Ole R. Holsti, Content Analysis for the Social Sciences and Humanities, (Reading, Mass., 1969); Robert C. North, et al., Content Analysis: A Handbook with Applications for the Study of International Crisis, (Evanston, 1963); Ithiel de Sola Pool, Trends in Content Analysis, (Urbana, 1959).

²²North, above; J. David Singer, 1968.

²³Robert Jervis offers a critique of the Stanford studies in: "The Costs of the Quantitative Study of International Relations," in Klaus Knorr and James N. Rosenau, eds., Contending Approaches to International Politics, (Princeton, 1969). pp. 177-217.

leaders have spoken.²⁴ The technique adopted here is simpler than that of the Stanford group; it was chosen for convenience necessitated by the summary reporting of policymaker views in available sources and by the time available to the author.

The study examines issues of the New York Times from January 1950 to December 1969 and the Asian Recorder from January 1956 to December 1969 for favorable or unfavorable comments by ASEAN policymakers on the theme of regional cooperation with one or more Southeast Asian nations. Regional cooperation is defined to include any statement about formal agreements to cooperate for military, economic, cultural or other reasons with one or more nations within the region(not only other ASEAN members). Theme words and phrases, in addition to regional cooperation, that are coded include:²⁵ economic cooperation, integration, regionalism, multilateral agreement(with neighbors), closer association, mutual benefit or security, Southeast Asian unity, unification, and references to specific organizations(ASA, Maphilindo, ASEAN, etc.).

The statements must have been made by clearly identified policymakers, but summaries of their statements as well as direct quotes are considered valid. Although some distortion of views is possibly introduced by not confining the analysis to direct quotes, summaries are allowed because sources do not regularly report full texts of speeches or statements by South-

²⁴Robert North answers the Jervis critique in: "Research Pluralism and the International Elephant," in Knorr and Rosenau, pp. 218-242.

²⁵This procedure follows that suggested by Alexander George in, "Quantitative and Qualitative Approaches to Content Analysis," in Pool, pp. 7-32.

east Asian leaders. The content unit is each separate article or speech and the unit as a whole is coded favorable or unfavorable to regional cooperation. Since a content unit may contain both favorable and unfavorable statements about cooperation with specific nations or within particular organizations, this coding technique requires interpretation of the unit's overall meaning and this introduces possibilities for error. However, it is the general perception of regional cooperation that is valued here and coding every favorable or unfavorable statement could be even more distorting than the method adopted.

The sample selected is every tenth issue of the New York Times and every issue of the Asian Recorder. A test of duplication of events covered by the two sources indicated that the congruence, as determined by a Pearson product-moment correlation, was 0.12. Favorable perceptions are coded (1) and unfavorable perceptions are coded (0). The ratio of favorable/unfavorable perceptions per year is used to represent perceptions of each nation in the correlational analysis with other variables. Perception scores are contained in Table IV; raw data are found in Appendix III.

Participation in Regional Cooperation

Participation of ASEAN members in regional cooperation is measured by the number of memberships each holds in official governmental regional organizations. Memberships in regional

TABLE IV: POLICYMAKER PERCEPTIONS TOWARD REGIONAL
COOPERATION (FAVORABLE - UNFAVORABLE)

	50	51	52	53	54	55	56	57	58	59
INDONESIA	-1	1	-2	1	0	2	0	1	0	1
MALAYSIA							3	0	3	4
PHILIPPINES	2	0	0	0	1	1	-1	1	1	5
SINGAPORE										
THAILAND	0	1	0	1	2	1	1	0	1	1

	60	61	62	63	64	65	66	67	68	69
INDONESIA	-2	-2	2	-1	3	3	10	8	4	5
MALAYSIA	3	2	6	7	-1	5	6	6	12	4
PHILIPPINES	7	3	10	7	4	2	11	8	7	4
SINGAPORE						5	2	7	6	2
THAILAND	1	2	4	2	1	4	6	8	5	5

organizations other than economic ones are counted because it is assumed that all regional cooperation tends to contribute to further cooperation and all memberships constitute evidence of willingness to cooperate regionally.²⁶ Non-governmental organization memberships are not considered in this study because they do not result from governmental decisions and are indicators more of private integration than of political integration.

Data on memberships is taken from the Statesman's Yearbook, Yearbook of International Organizations, and information supplied by the respective foreign ministries of ASEAN members. The total number of regional memberships for each ASEAN nation in each of the twenty years is contained in Table V and these figures are used in the correlational analysis.

Reservations on Data and Methodology

A number of factors impose reservations on the data and methodology in this study that may weaken the analysis and require qualification of the conclusions. The economic growth index may, to some degree, distort the picture of growth within nations. Missing data on economic growth and trade as well as inaccurate data on these indices increases chances for statistical and other kinds of error (some of which cannot be calculated). And these weaknesses impose restrictions upon

²⁶Charles Kegley, Jr. and J. Martin Rochester see other possibilities for the effect of regional contacts between nations. See their: "Assessing the Impact of Trends on the International System: The Growth of Intergovernmental Organizations," in Coplin and Kegley, 1971, pp. 405-408.

TABLE V: IGO MEMBERSHIPS

	50	51	52	53	54	55	56	57	58	59
INDONESIA	16	16	16	16	17	17	17	19	19	19
MALAYSIA							2	13	13	13
PHILIPPINES	13	13	13	13	15	15	16	18	18	19
SINGAPORE										
THAILAND	13	13	13	13	13	14	17	18	19	19

	60	61	62	63	64	65	66	67	68	69
INDONESIA	20	21	21	22	22	10	18	32	31	31
MALAYSIA	16	18	18	19	19	23	25	25	23	23
PHILIPPINES	19	23	23	26	27	29	31	31	28	28
SINGAPORE						7	15	17	18	18
THAILAND	19	20	21	23	23	24	35	35	33	33

the methodology.

Per capita domestic product distorts the picture of ASEAN economic growth in two ways. First, since much of the rural area of these nations is unmonetized, some of the income actually produced (especially in the subsistence agricultural sector) goes unreported in national accounts statistics.²⁷ Second, gross domestic product does not include indirect business taxes (i.e., sales taxes) and capital allowances which might be considerable in nations where the government has a role in directing the economy. Still, other indices, too, have limitations and domestic product is closer to the "true" income of a nation than gross national product; hence, it is generally considered to be a "cleaner" figure.²⁸ In a few cases, data on economic growth is missing. This is true for Indonesia in 1950, 1951, and 1952 and for all members in 1968 and 1969. Since the amount of missing data is so small (less than 1%) it has been deemed unnecessary to correct for it. In Rummel's work on the Dimensionality of Nations Project, he found that even a higher percentage of missing data had little effect on the patterns that emerge in mapping and ranking nations.²⁹ This conclusion is substantiated in an earlier study by Cattell.³⁰ Trade data are also missing in a few

²⁷Wittkopf, p. 178.

²⁸John S. Gambs and Jerome B. Komisar, Economics and Man, (Homewood, 1964). pp. 139-141.

²⁹APSR, 1969, pp. 138-139.

³⁰Raymond B. Cattell, H. P. Hartman, and H. Breul, "An Attempt at More Refined Definitions of the Cultural Dimension of Syntality in Modern Nations," American Sociological Review, 17(1952), cited in Rummel, above.

instances. Where economic growth and trade data are missing, the figures are generated artificially(except for Singapore prior to independence) using the regression line technique. This technique was selected for convenience even though for social indicators, it has been judged to give slightly less accurate results than the best-fitting curve technique.³¹

Some trade data, designated "derived data" by the United Nations Direction of International Trade, are taken from totals reported by the counterpart nation; this makes error computations, particularly for 1950 through 1955, exceedingly tenuous. Another source of error in trade data that cannot be corrected for is the undetermined amount of trade that takes place in the form of smuggling and goes unreported in national accounts. Smuggling is substantial enough throughout Southeast Asia to have been the topic of numerous diplomatic talks and messages among leaders in these nations.

Another problem overshadowing that of missing attribute and transaction data is the frequent unreliability of these figures. Per capita figures, for example, depend upon extremely crude estimates of total populations and population growth. Due to the sparsity and inaccuracy of census information, population figures probably contain an inestimable amount of error that affects per capita income, but which must

³¹Donald V. McGranahan, "Analysis of Socio-Economic Development Through a System of Indicators," The Annals, 393(January 1971)81.

go undetected. Data collected in these nations suffers inaccuracy from the shortage of trained collectors, lack of sufficient resources to collect complete sets, and a tendency of leaders to report the most impressive figures rather than the most accurate ones to increase their prestige or standing in the world community.³²

Changes in the manner in which data are reported also affect the accuracy of economic growth and trade figures. This is particularly true for Malaysia, which has changed its territorial composition three times during the twenty-year period and for Indonesia, which added West Irian to its national accounts in 1961.

A major reservation on regional participation data exists in the uneven amounts of activity represented by the various memberships. A nation may be a member of several relatively inactive organizations, but actually be engaging in less regional cooperation than another nation holding membership in only one or two highly active or integrated organizations. An attempt, however, to measure participation in other ways (i.e., meeting days per year) produced mostly frustration and little accurate information. Finally, this index does not measure exclusively the amount of ASEAN members' cooperation with each other, but with other nations as well, including some outside Southeast Asia.

³²Myrdal, 1968, pp. 479-480; Charles L. Taylor and Michael C. Hudson, World Handbook of Political and Social Indicators, (New Haven, 1970). Introduction.

Summary

Despite these reservations, it is felt that there is sufficient reliable data for four of the five ASEAN members to permit a statistical analysis of the variables to test the hypotheses set out in this study. The hypotheses are tested in the following chapter and, with these reservations in mind, judged to be substantiated or unsubstantiated.

CHAPTER VI

TESTING THE HYPOTHESES

Introduction

This chapter tests the hypotheses using statistical correlation analysis of the data presented on the variables in the preceeding chapter. Each hypothesis is considered and analyzed separately for each nation by evaluating the relationships between the variables. These relationships are offered in graph form for each year of the twenty-year period and in summary correlation tables containing the Pearsonian coefficients of correlation, levels of significance, and standard estimates of error. Hypotheses are also judged to be substantiated or unsubstantiated for ASEAN as a whole. Instances where one or more members do not fit the hypothesis are noted and reasons appearing responsible are discussed. Conclusions about the validity and importance of each hypotheses are included while overall conclusions emerging from the study are reserved for the final chapter.

Hypothesis 1

Hypothesis 1 states that foreign policymakers in nations experiencing economic growth will tend to have favorable perceptions toward regional cooperation. Graphic representations

of the relationships on these variables for each nations are contained in Graphs I through IV. Designating per capita income as the independent variable and perceptions as the dependent variable, the following results are obtained for the period between 1950 and 1969:

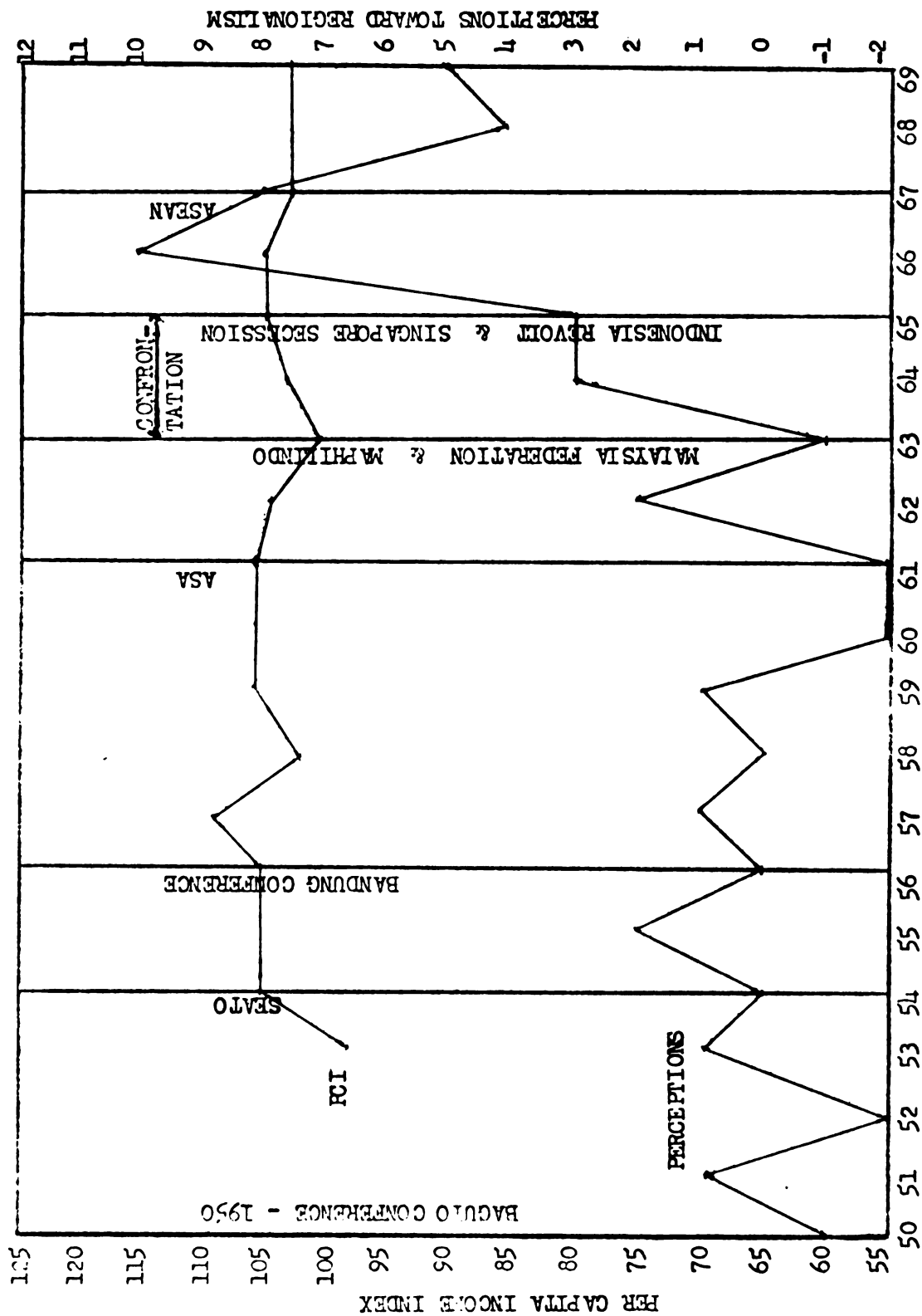
TABLE VI: RELATIONSHIP BETWEEN PER CAPITA
INCOME AND FOREIGN POLICYMAKER PERCEPTIONS

	Coefficient of Correlation	Standard Error of Estimate	Level of Significance	Number of Cases
Indonesia	-0.28	3.04	---	17
Malaysia	0.52	2.63	.1	14
Philippines	0.64	2.68	.01	20
Singapore	insufficient data available			
Thailand	0.82	1.25	.001	20

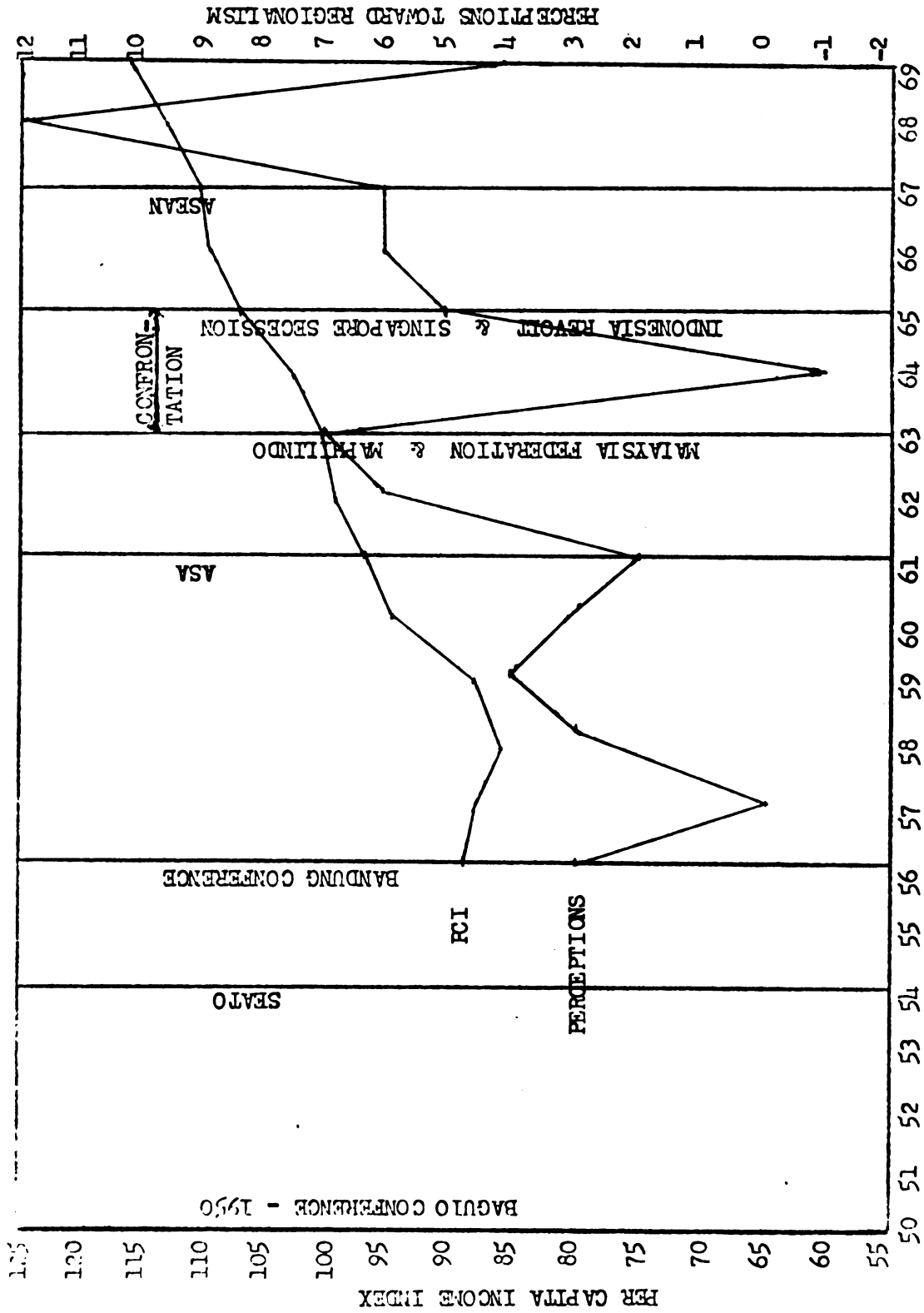
It is considered that hypothesis 1 is weakly substantiated following consideration of the coefficients of correlation, levels of significance, and acceptable amounts of error for all nations analyzed. Thailand's relationship on this hypothesis is very high while those of the Philippines and Malaysia are acceptable; Malaysia's is lower probably as a result of the fewer number of years analyzed. The important exception is Indonesia which has exhibited increasingly favorable perceptions toward cooperation despite persistent stagnation in per capita income. It is thus concluded that favorable perceptions are normally formed with regard for economic capabil-

GRAPH I: RELATIONSHIP BETWEEN PER CAPITA INCOME AND FOREIGN

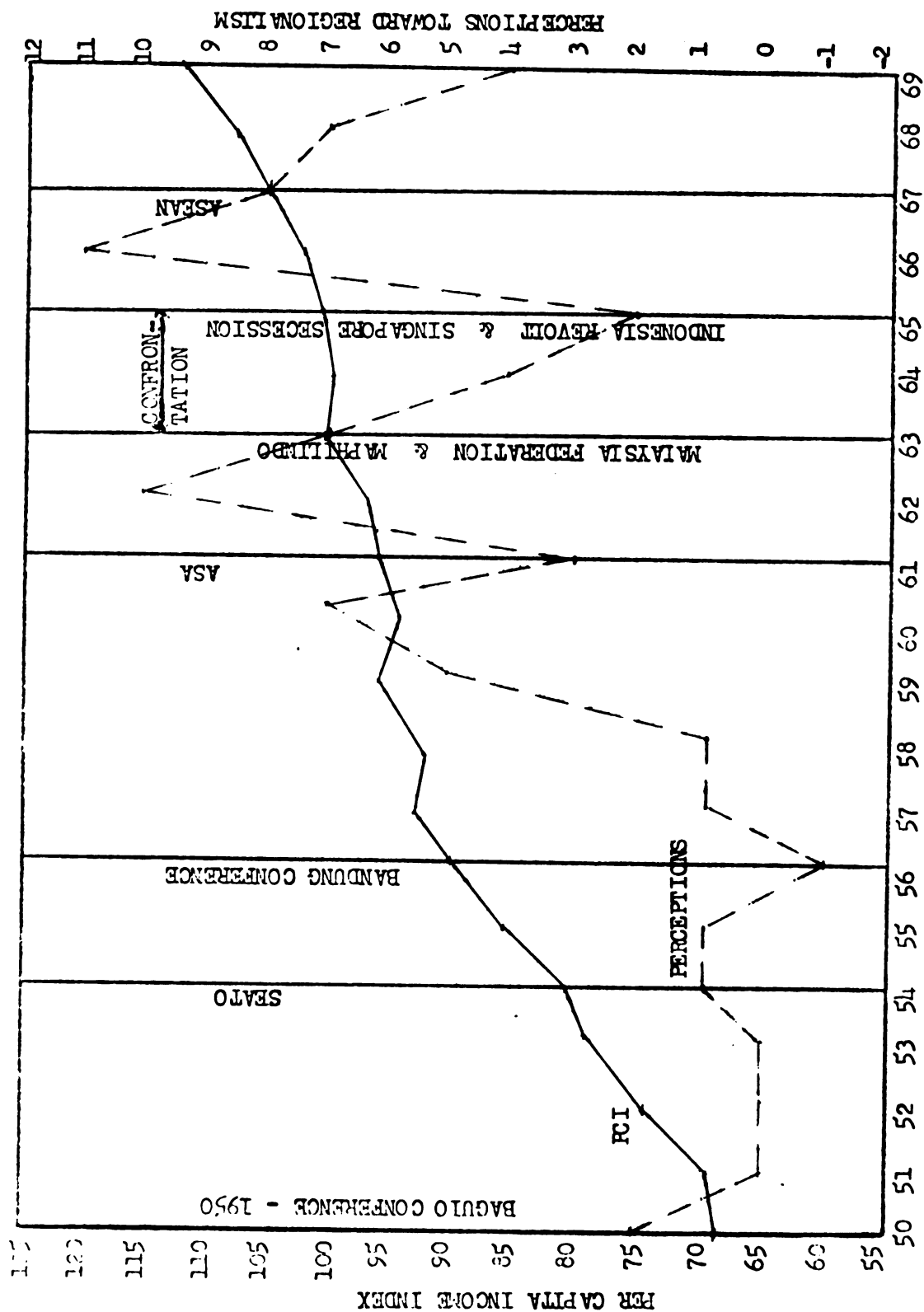
POLICYMAKER PERCEPTIONS FOR INDONESIA



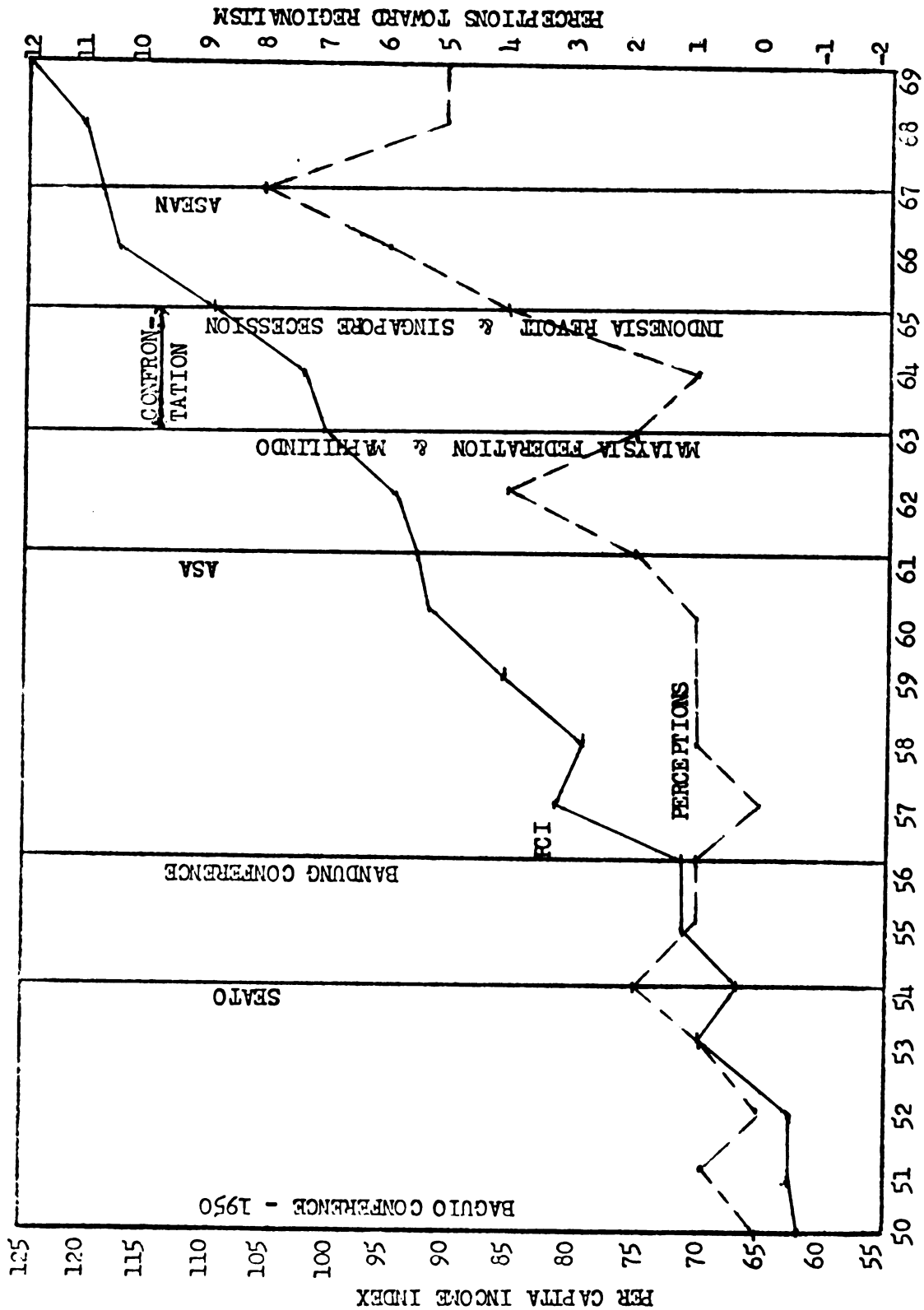
GRAPH II: RELATIONSHIP BETWEEN PER CAPITA INCOME AND
FOREIGN POLICYMAKER PERCEPTIONS FOR MALAYSIA



GRAPH III: RELATIONSHIP BETWEEN PER CAPITA INCOME AND FOREIGN
POLICYMAKER PERCEPTIONS FOR THE PHILIPPINES



GRAPH IV: RELATIONSHIP BETWEEN PER CAPITA INCOME AND
FOREIGN POLICYMAKER PERCEPTIONS FOR THAILAND



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ities to cooperate, but that perceptions may be formulated independently of this variable. Since Indonesia's perceptions became favorable following the confrontation and revolt, it is surmised that present Indonesian leaders perceive cooperation as a means to assist in overcoming economic stagnation.

Hypothesis 2

Hypothesis 2 states that foreign policymakers in nations enjoying high levels of mutual trade will tend to have favorable perceptions toward regional cooperation. Graphic relationships are contained in Graphs V through VIII. Designating percentage of ASEAN trade as the independent variable and perceptions as the dependent variable, the following results are obtained:

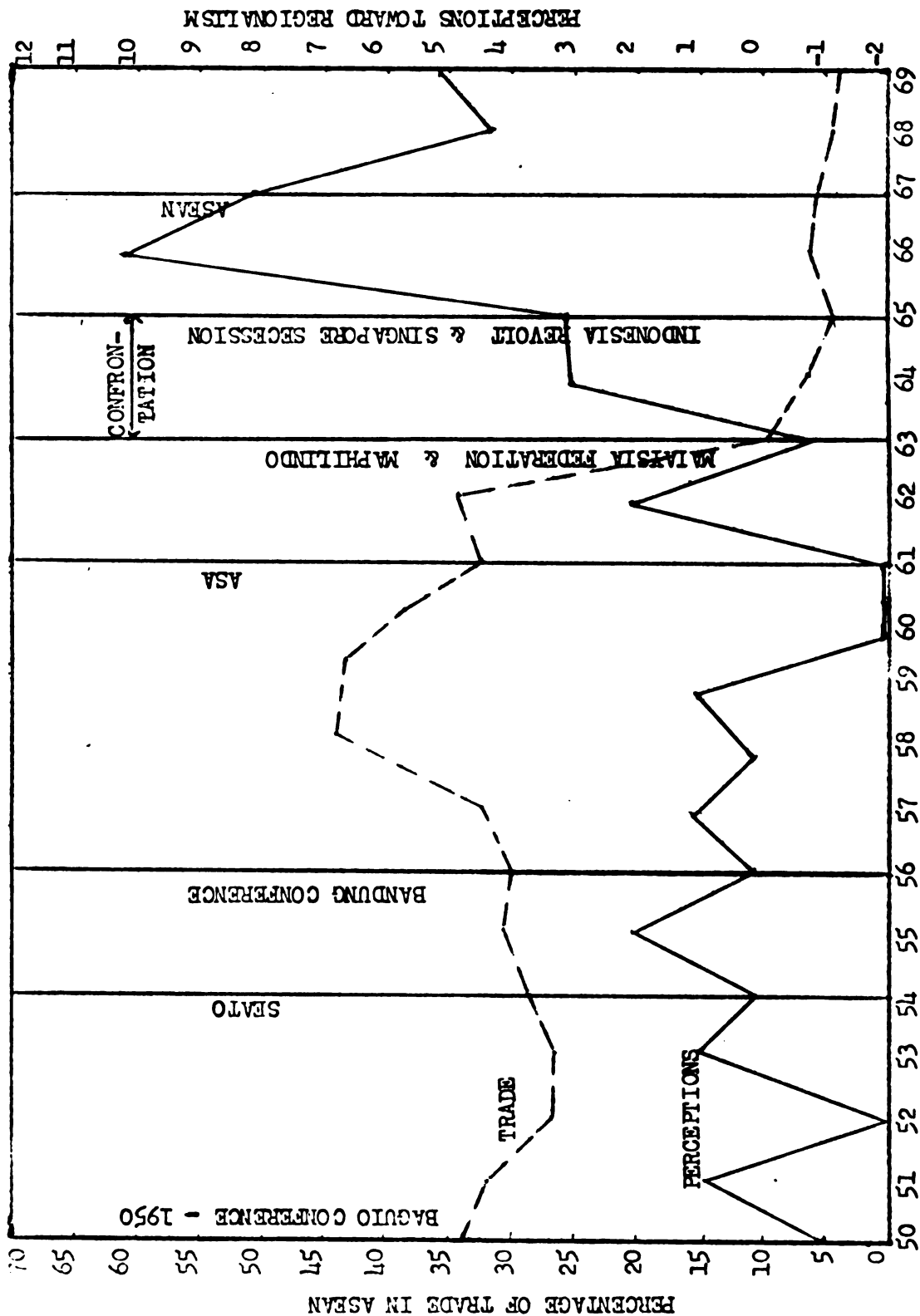
TABLE VII: THE RELATIONSHIP BETWEEN ASEAN TRADE
AND FOREIGN POLICYMAKER PERCEPTIONS

	Coeff- icient of Corre- lation	Stan- dard Error of Estimate	Level of Signi- ficance	Number of Cases
Indonesia	-0.67	2.31	---	20
Malaysia	-0.45	1.38	---	14
Philippines	-0.03	3.08	---	20
Singapore	insufficient data available			
Thailand	-0.71	1.54	---	20

Hypothesis 2 must be rejected because there is a uniformly negative correlation for all nations analyzed. Although

GRAPH V: RELATIONSHIP BETWEEN ASEAN TRADE AND FOREIGN

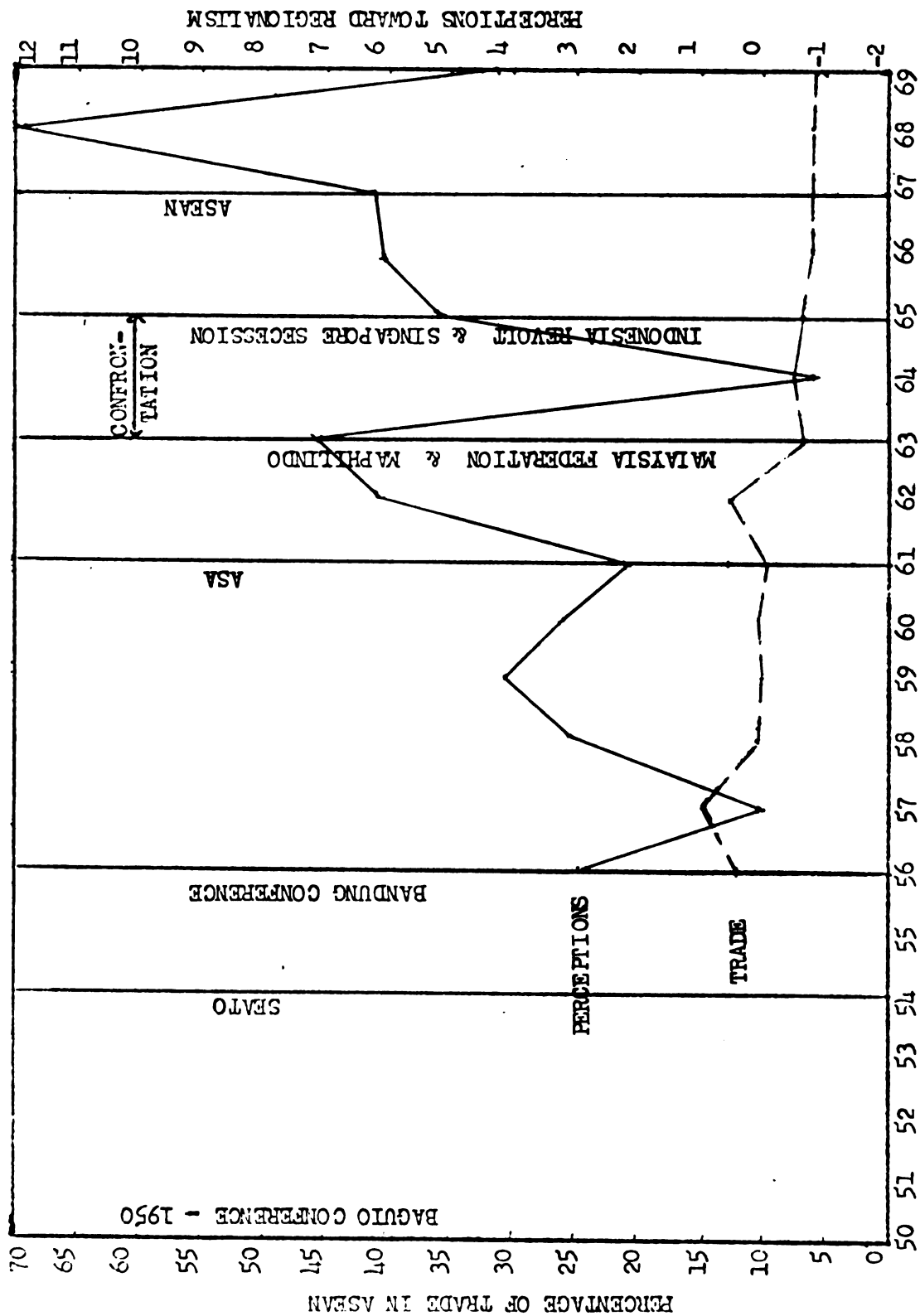
POLICYMAKER PERCEPTIONS FOR INDONESIA



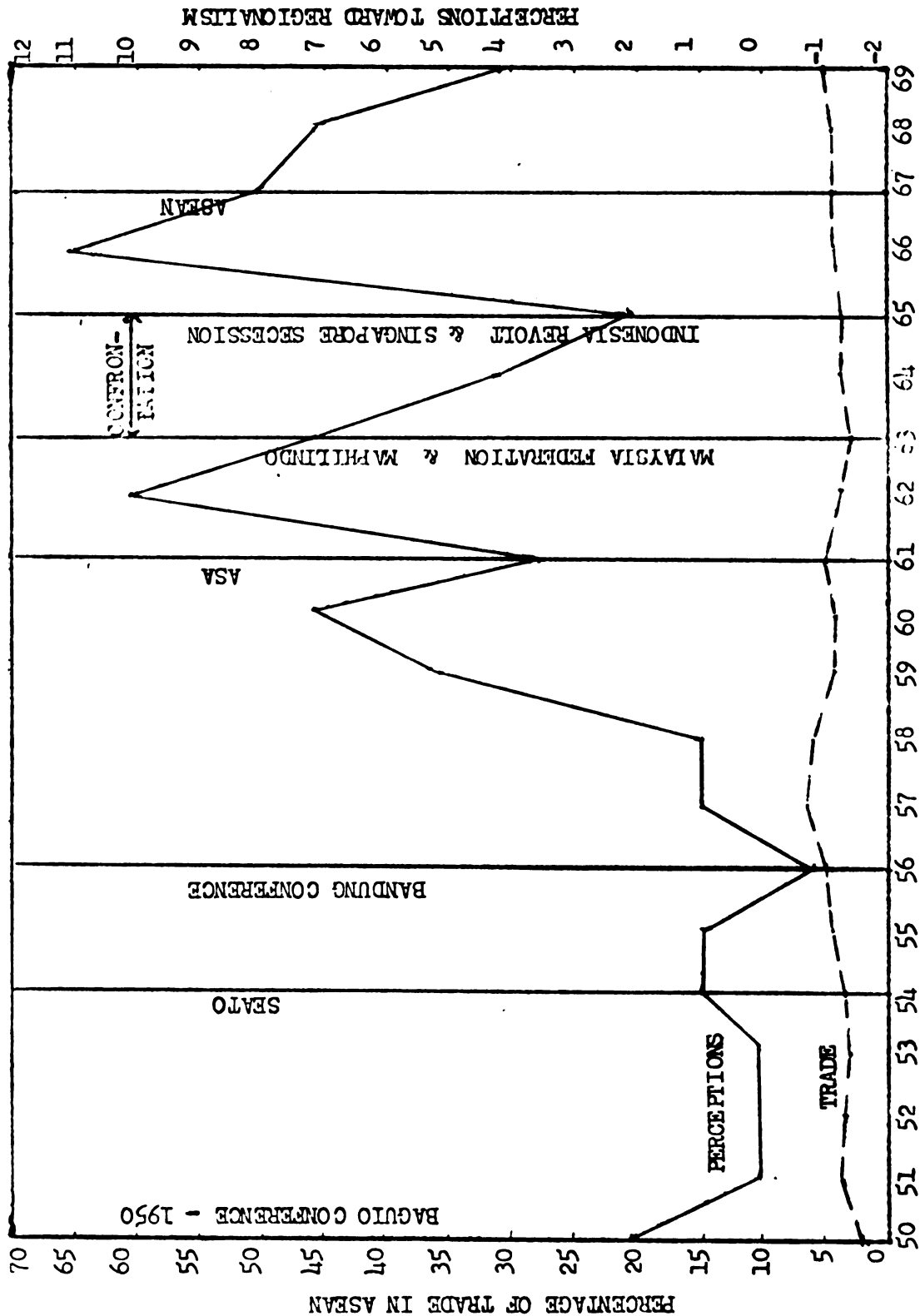
DATE	DESCRIPTION	AMOUNT	BALANCE
1890	TO BALANCE	100.00	100.00
1891	BY SALES	200.00	300.00
1892	TO SALES	150.00	450.00
1893	BY SALES	100.00	550.00
1894	TO SALES	50.00	600.00
1895	BY SALES	50.00	650.00
1896	TO SALES	50.00	700.00
1897	BY SALES	50.00	750.00
1898	TO SALES	50.00	800.00
1899	BY SALES	50.00	850.00
1900	TO SALES	50.00	900.00
1901	BY SALES	50.00	950.00
1902	TO SALES	50.00	1000.00
1903	BY SALES	50.00	1050.00
1904	TO SALES	50.00	1100.00
1905	BY SALES	50.00	1150.00
1906	TO SALES	50.00	1200.00
1907	BY SALES	50.00	1250.00
1908	TO SALES	50.00	1300.00
1909	BY SALES	50.00	1350.00
1910	TO SALES	50.00	1400.00
1911	BY SALES	50.00	1450.00
1912	TO SALES	50.00	1500.00
1913	BY SALES	50.00	1550.00
1914	TO SALES	50.00	1600.00
1915	BY SALES	50.00	1650.00
1916	TO SALES	50.00	1700.00
1917	BY SALES	50.00	1750.00
1918	TO SALES	50.00	1800.00
1919	BY SALES	50.00	1850.00
1920	TO SALES	50.00	1900.00
1921	BY SALES	50.00	1950.00
1922	TO SALES	50.00	2000.00
1923	BY SALES	50.00	2050.00
1924	TO SALES	50.00	2100.00
1925	BY SALES	50.00	2150.00
1926	TO SALES	50.00	2200.00
1927	BY SALES	50.00	2250.00
1928	TO SALES	50.00	2300.00
1929	BY SALES	50.00	2350.00
1930	TO SALES	50.00	2400.00
1931	BY SALES	50.00	2450.00
1932	TO SALES	50.00	2500.00
1933	BY SALES	50.00	2550.00
1934	TO SALES	50.00	2600.00
1935	BY SALES	50.00	2650.00
1936	TO SALES	50.00	2700.00
1937	BY SALES	50.00	2750.00
1938	TO SALES	50.00	2800.00
1939	BY SALES	50.00	2850.00
1940	TO SALES	50.00	2900.00
1941	BY SALES	50.00	2950.00
1942	TO SALES	50.00	3000.00
1943	BY SALES	50.00	3050.00
1944	TO SALES	50.00	3100.00
1945	BY SALES	50.00	3150.00
1946	TO SALES	50.00	3200.00
1947	BY SALES	50.00	3250.00
1948	TO SALES	50.00	3300.00
1949	BY SALES	50.00	3350.00
1950	TO SALES	50.00	3400.00
1951	BY SALES	50.00	3450.00
1952	TO SALES	50.00	3500.00
1953	BY SALES	50.00	3550.00
1954	TO SALES	50.00	3600.00
1955	BY SALES	50.00	3650.00
1956	TO SALES	50.00	3700.00
1957	BY SALES	50.00	3750.00
1958	TO SALES	50.00	3800.00
1959	BY SALES	50.00	3850.00
1960	TO SALES	50.00	3900.00
1961	BY SALES	50.00	3950.00
1962	TO SALES	50.00	4000.00
1963	BY SALES	50.00	4050.00
1964	TO SALES	50.00	4100.00
1965	BY SALES	50.00	4150.00
1966	TO SALES	50.00	4200.00
1967	BY SALES	50.00	4250.00
1968	TO SALES	50.00	4300.00
1969	BY SALES	50.00	4350.00
1970	TO SALES	50.00	4400.00

GRAPH VI: RELATIONSHIP BETWEEN ASEAN TRADE AND FOREIGN

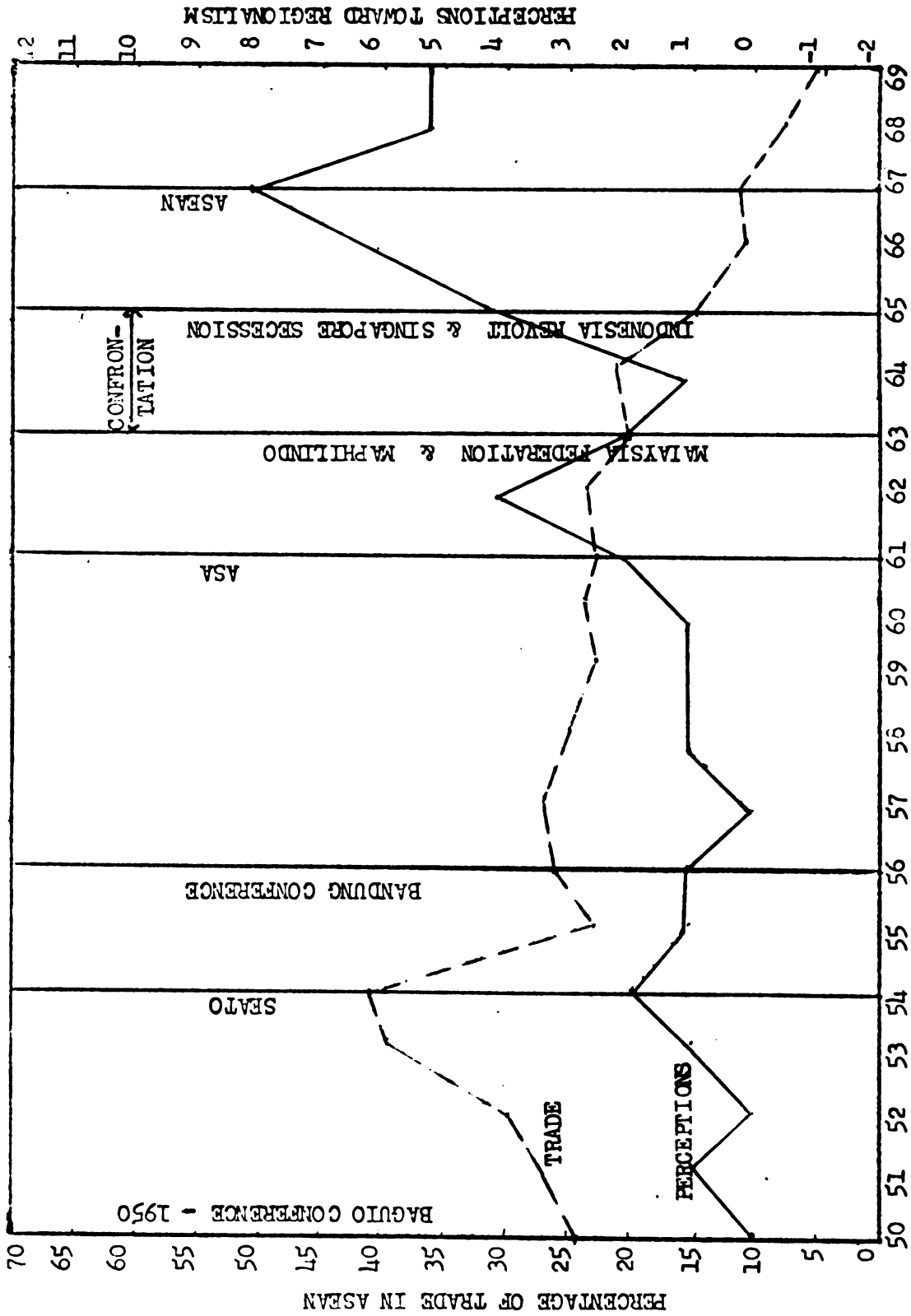
POLICYMAKER PERCEPTIONS FOR MALAYSIA



GRAPH VII: RELATIONSHIP BETWEEN ASEAN TRADE AND FOREIGN
POLICYMAKER PERCEPTIONS FOR THE PHILIPPINES



GRAPH VIII: RELATIONSHIP BETWEEN ASEAN TRADE AND FOREIGN
POLICYMAKER PERCEPTIONS FOR THAILAND



the relationships are inverse, the possibility of causation is rejected because there is no known evidence in other studies to substantiate that declining mutual trade causes increased desires for cooperation. In Deutsch's studies of EEC, as trade increased between 1950 and 1960, perceptions of cooperation became more favorable; but despite further trade increases since that time, perceptions have become less favorable.¹ So the null hypothesis appears most tenable; there is no dependency of one variable on the other. Nonetheless, consideration should be given to the possibility that declining trade contributes to increased motivation for cooperation in hope of recouping exchange losses through mutual association. And statements to this effect have been made by Southeast Asian leaders.²

Hypothesis 3

Hypothesis 3 states that foreign policymakers in nations engaging in amiable relationships will tend to have favorable perceptions toward regional cooperation. Graphs of these relationships appear in Graphs IX through XII. Designating event resultants as the independent variable and perceptions as the dependent variable gives the following results for the period under study:

¹Karl Deutsch, et al., Political Community and the North Atlantic Area, (Princeton, 1957); Karl Deutsch, Lewis J. Edinger, Roy C. Macridis, and Richard L. Merritt, France, Germany and the Western Alliance, (New York, 1967); Karl Deutsch, Arms Control and the Atlantic Alliance, (New York, 1967).

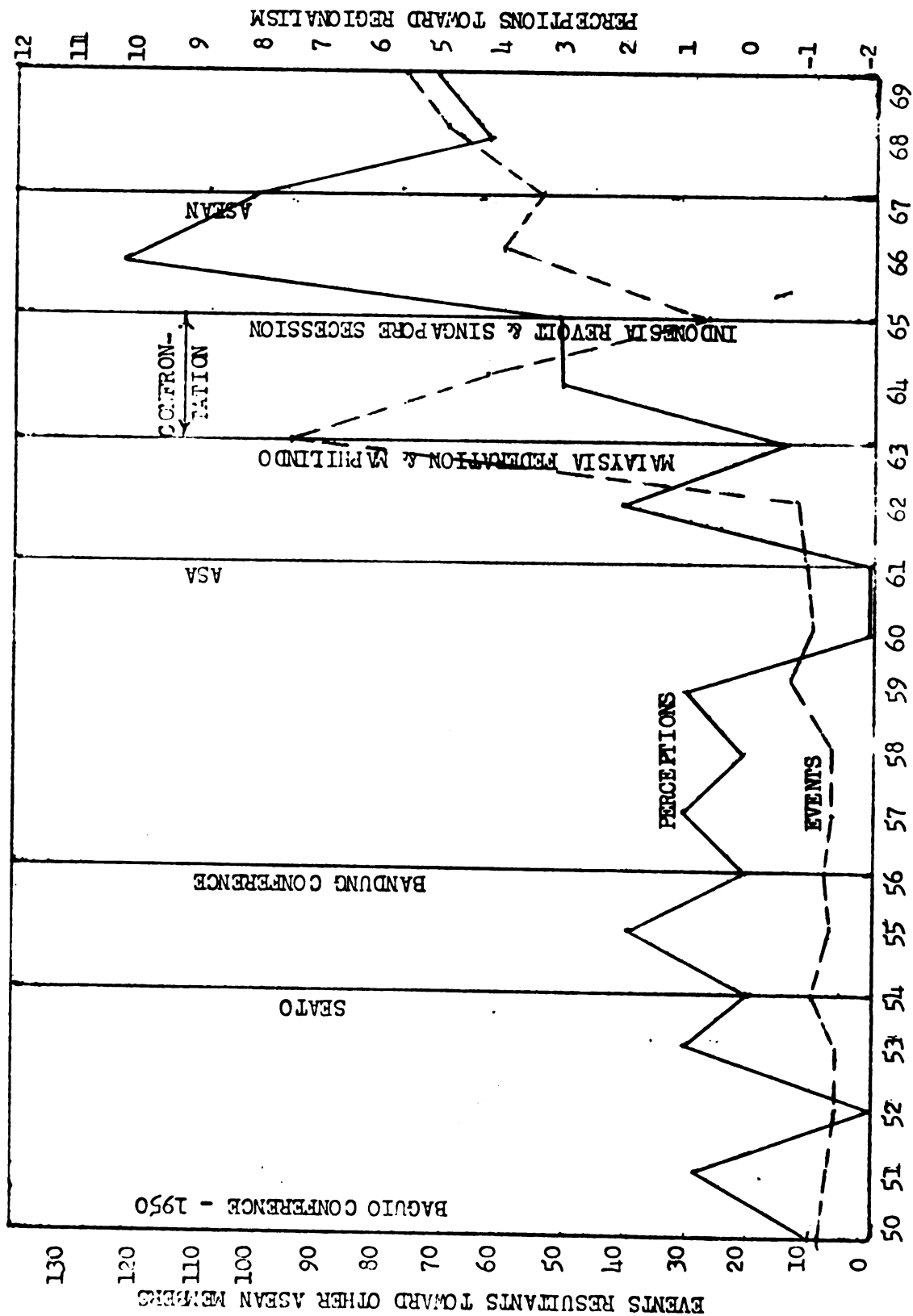
²See Chapter II, throughout.

TABLE VIII: THE RELATIONSHIP BETWEEN AMIABLE
RELATIONS AND FOREIGN POLICYMAKER PERCEPTIONS

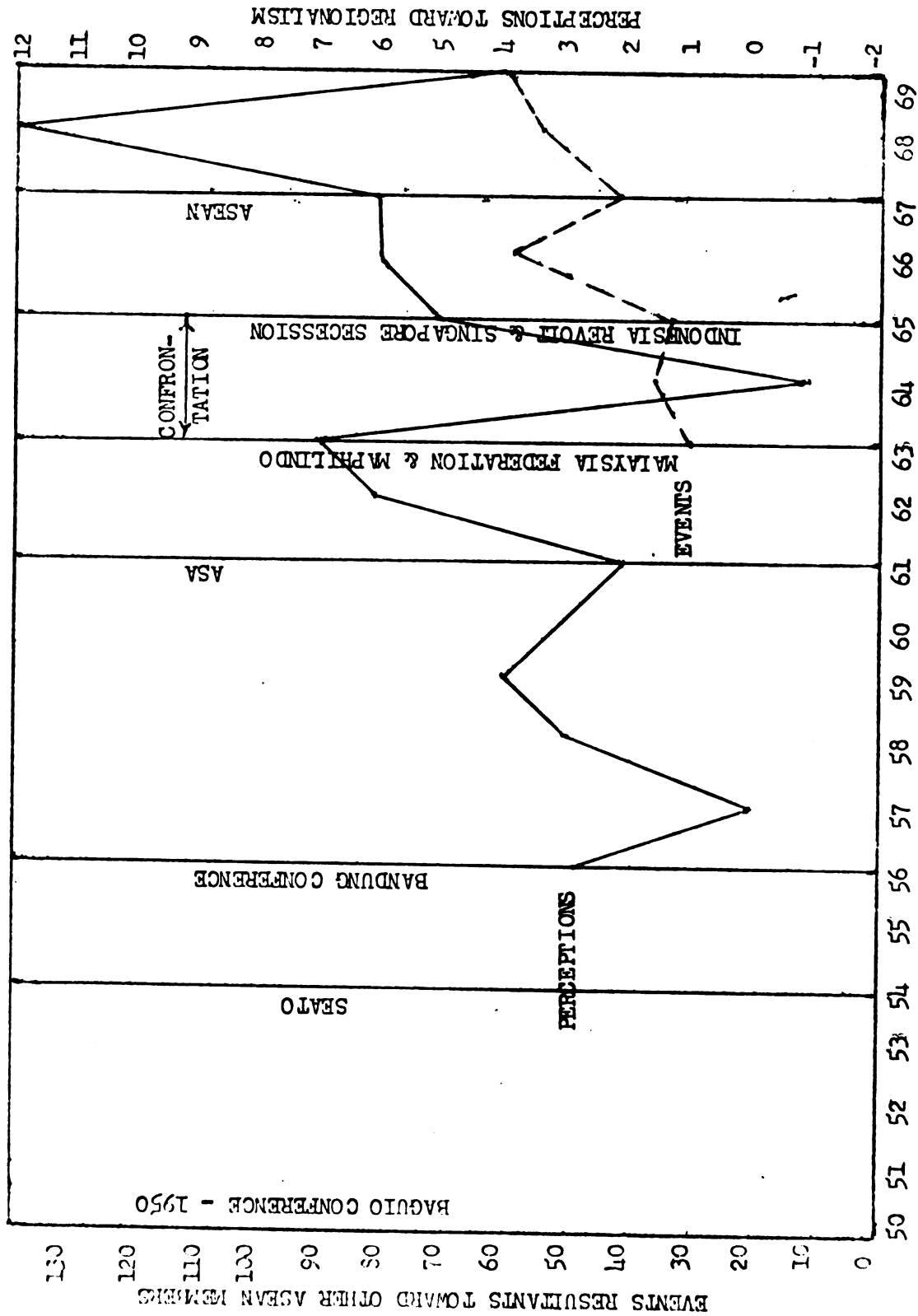
	Coefficient of Correlation	Standard Error of Estimate	Level of Significance	Number of Cases
Indonesia	0.57	2.55	.02	19
Malaysia	0.50	3.05	---	7
Philippines	0.69	2.60	.01	19
Singapore	0.68	1.22	---	5
Thailand	0.76	1.40	.001	19

This hypothesis is considered to be weakly substantiated. Although the coefficients of correlation are not impressive, the levels of significance and errors of estimates are well within the acceptable range for Indonesia, the Philippines, and Thailand. Missing data appears to account for Malaysia's low correlation and lack of statistical significance. That is, since Prime Minister Rahman has been a leading proponent of regionalism, a full set of event data would no doubt have produced a higher correlation. Singapore results are supportive, but not statistically significant due to its short span of independence. Indonesia's level of cooperative interaction seems to be closely related to leader perceptions toward regionalism while the Philippines and Thailand perceive regionalism increasingly more favorably but continue behaving in about the same way toward ASEAN members, especially since 1961.

GRAPH IX: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND
FOREIGN POLICYMAKER PERCEPTIONS FOR INDONESIA

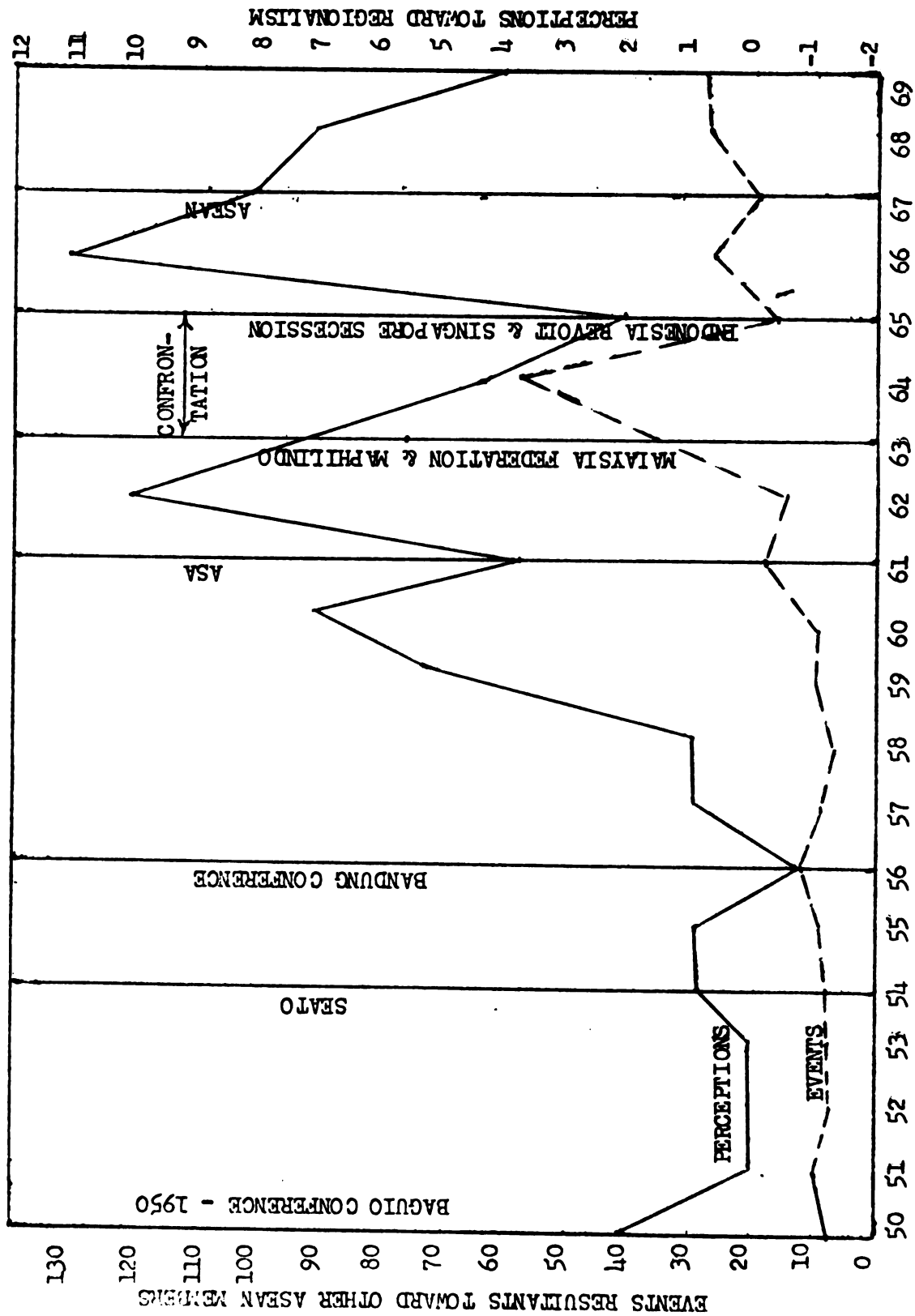


GRAPH X: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND
FOREIGN POLICYMAKER PERCEPTIONS FOR MALAYSIA

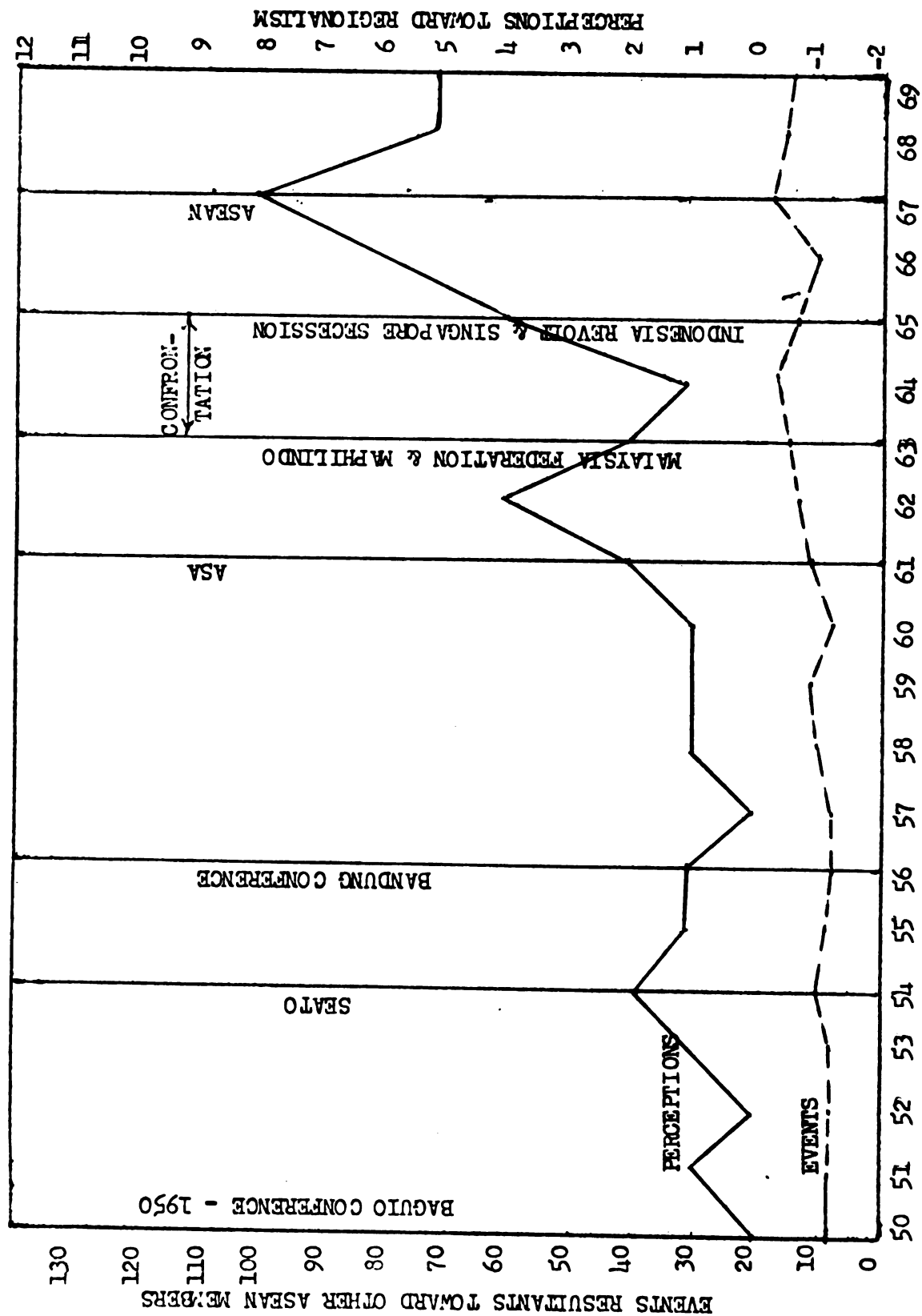


GRAPH XI: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND FOREIGN

POLICYMAKER PERCEPTIONS FOR THE PHILIPPINES



GRAPH XII: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND
FOREIGN POLICYMAKER PERCEPTIONS FOR THAILAND



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The importance of this hypothesis is weakened because events data measure cooperative behavior among ASEAN members while perception data relate to regional cooperation in general, including that with non-ASEAN members.

Hypothesis 4

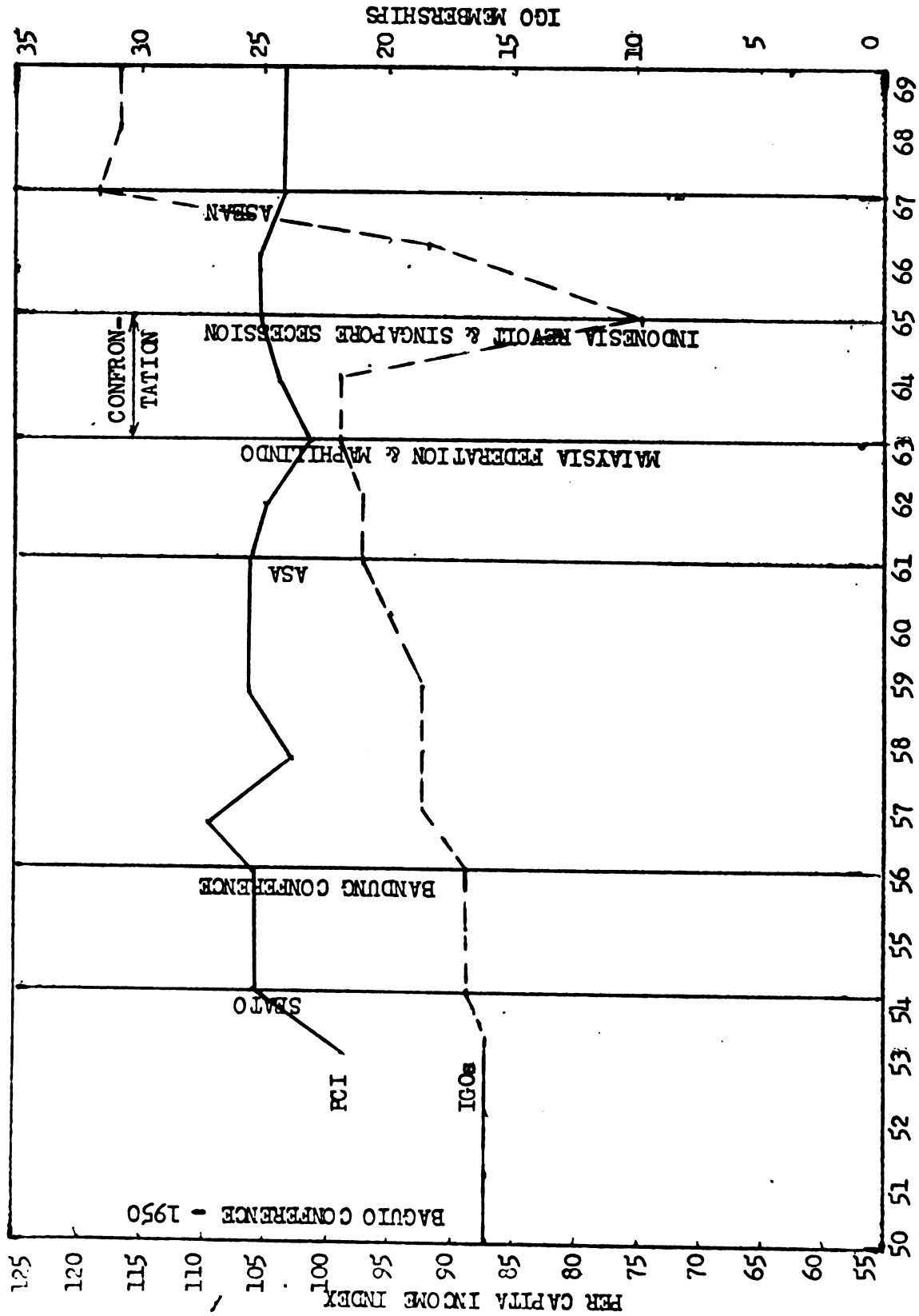
Hypothesis 4 states that nations with high levels of economic growth will tend to cooperate more in regional organizations. Trends of this relationship for each nation are contained in Graphs XIII through XVI. Designating per capita income as the independent variable and inter-governmental memberships as the dependent variable, the following results are obtained:

TABLE IX: THE RELATIONSHIP BETWEEN PER CAPITA
INCOME AND REGIONAL MEMBERSHIPS

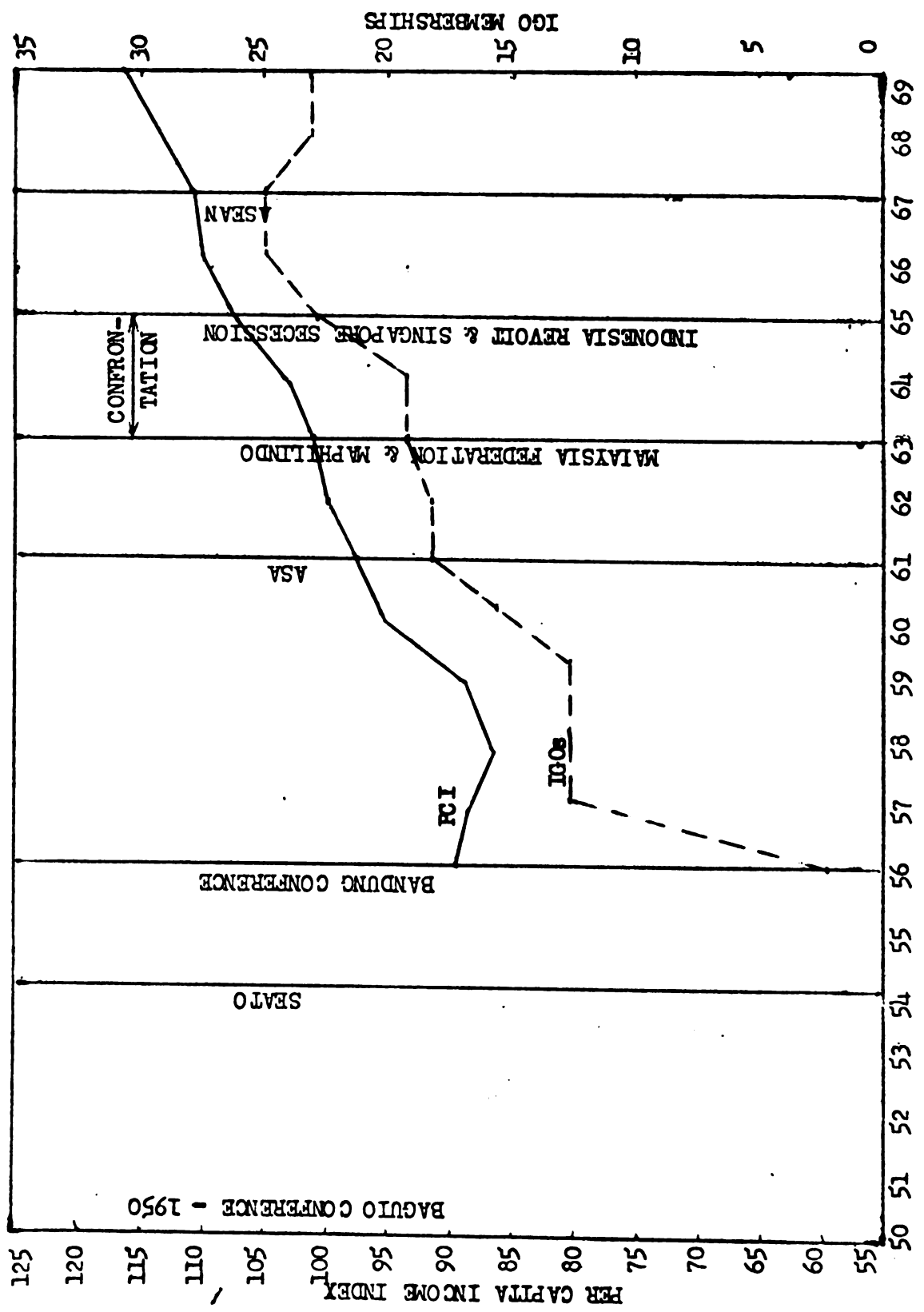
	Coefficient of Correlation	Standard Error of Estimate	Level of Significance	Number of Cases
Indonesia	-0.33	5.32	---	17
Malaysia	0.85	3.19	.001	14
Philippines	0.90	2.77	.001	20
Singapore	insufficient data available			
Thailand	0.95	2.32	.001	20

This hypothesis is considered to be highly substantiated due to the high correlations and levels of significance for three of the four nations analyzed. As economic conditions

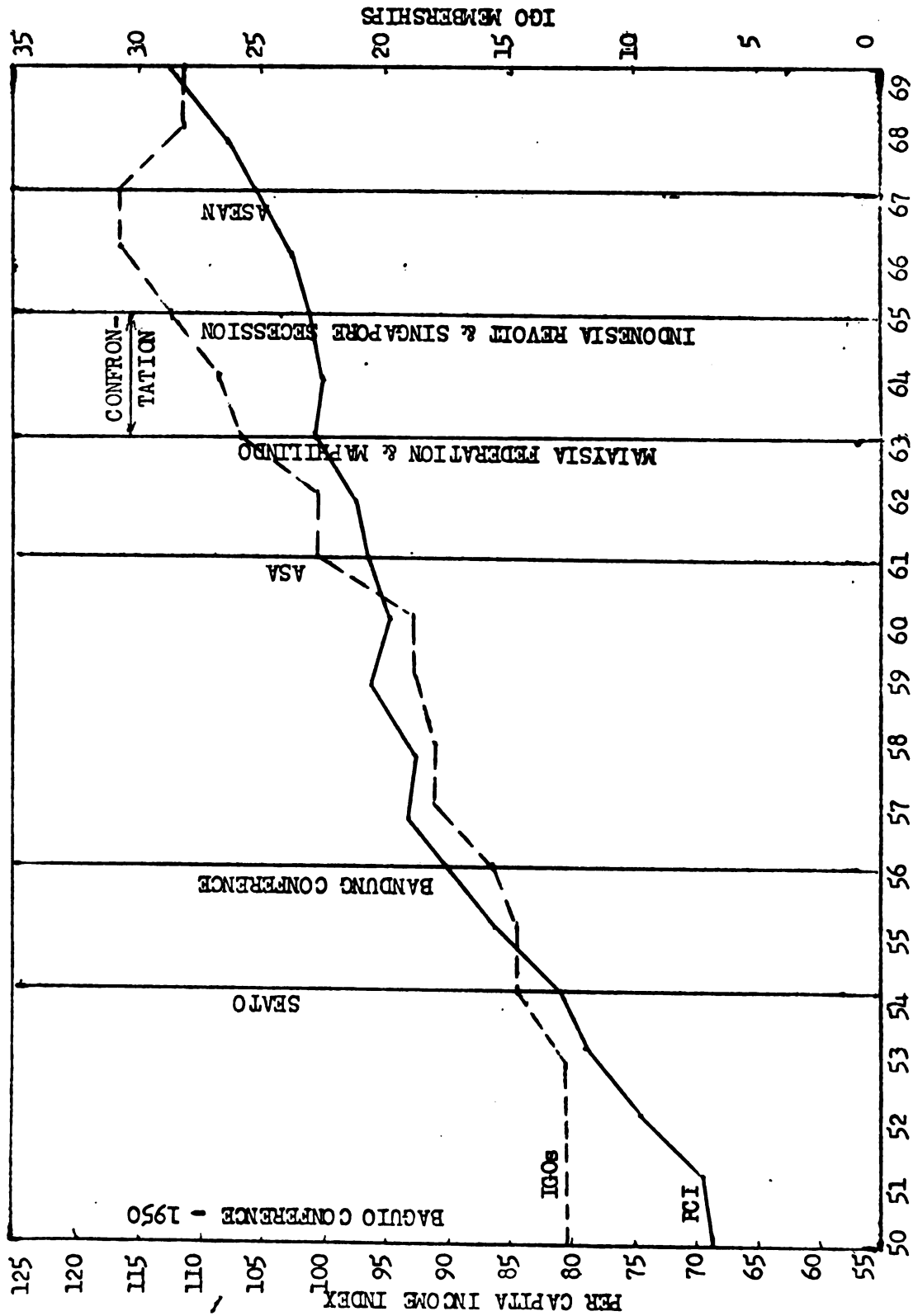
GRAPH XIII: RELATIONSHIP BETWEEN PER CAPITA INCOME
AND REGIONAL MEMBERSHIPS FOR INDONESIA



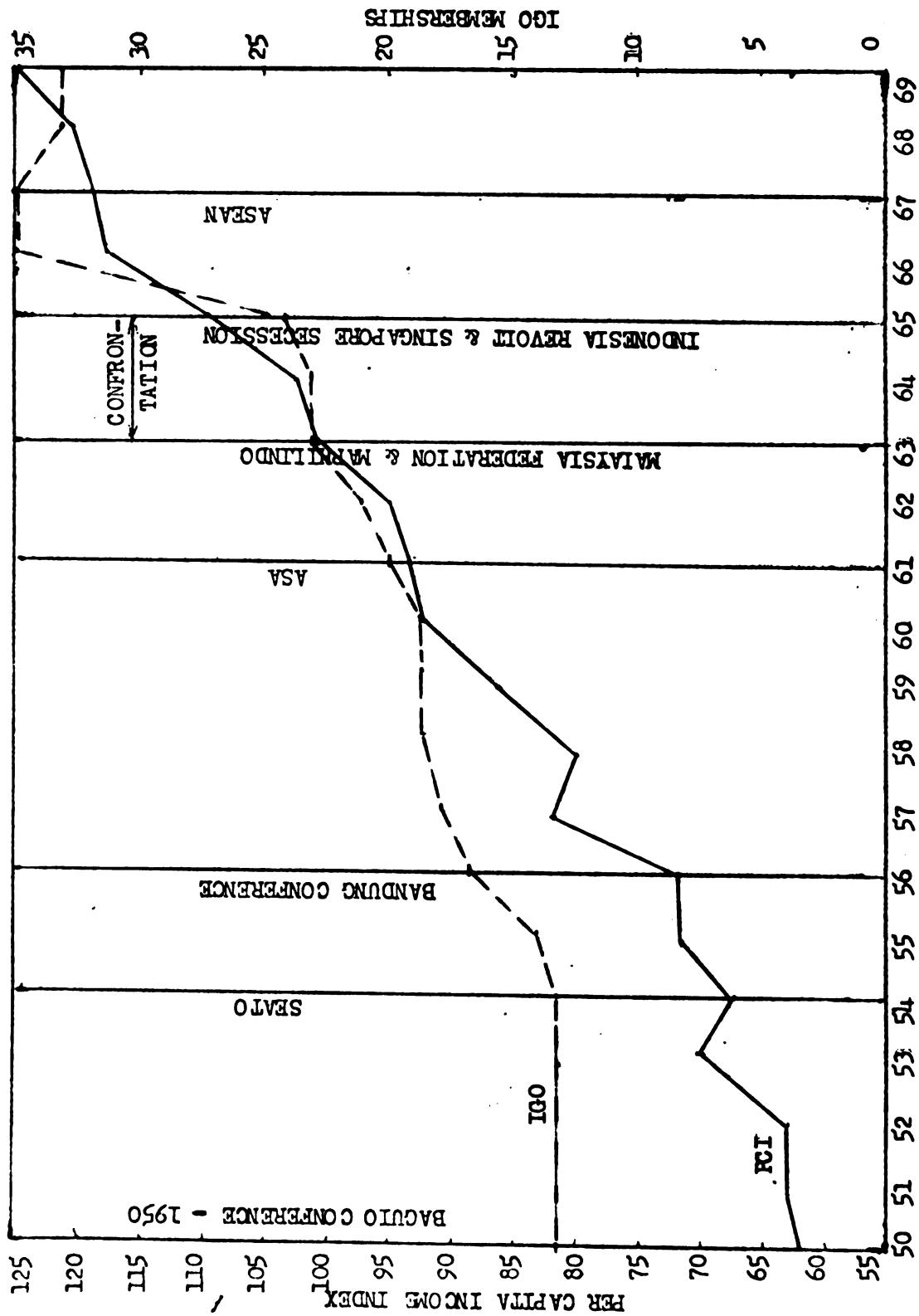
GRAPH XIV: RELATIONSHIP BETWEEN PER CAPITA INCOME
AND REGIONAL MEMBERSHIPS FOR MALAYSIA



GRAPH XV: RELATIONSHIP BETWEEN PER CAPITA INCOME AND
REGIONAL MEMBERSHIPS FOR THE PHILIPPINES



GRAPH XVI: RELATIONSHIP BETWEEN PER CAPITA INCOME
AND REGIONAL MEMBERSHIPS FOR THAILAND



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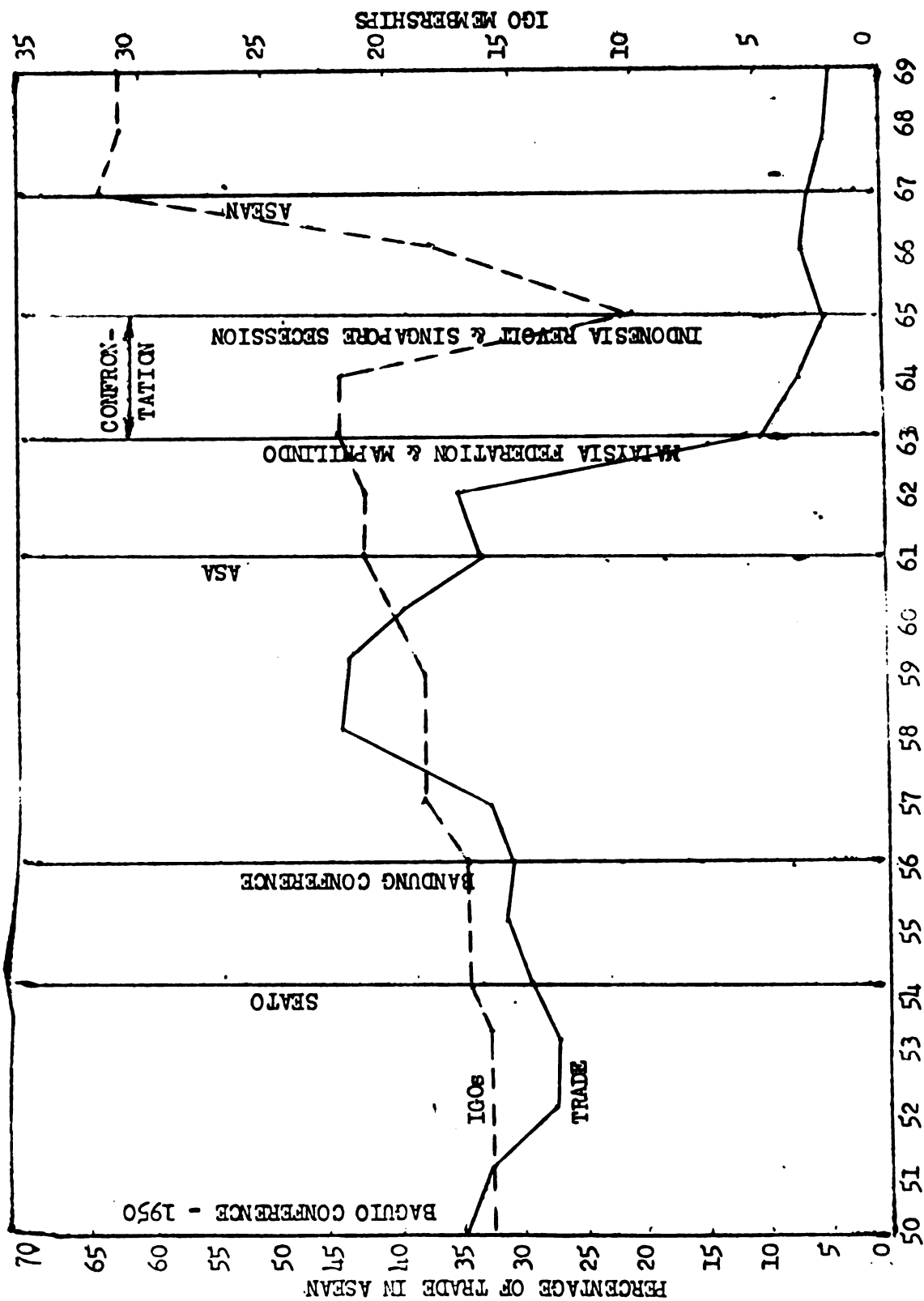
improve, nations can and do allocate more resources for participation in IGOs. But once again Indonesia is a deviant case, participating widely in IGOs despite a stagnant economy. This is interpreted as evidence of the high value which Indonesian leaders place on regional participation; it is given high policy priority despite the financial hardships these memberships impose.

Although correlations on these variables are the highest of any in the study, the importance of the relationship may be diminishing. This is true because ASEAN members are now sufficiently developed economically to permit full participation in most relevant organizations. In the future, total memberships will probably not increase much even though perceptions of cooperation might become more favorable or less so.

Hypothesis 5

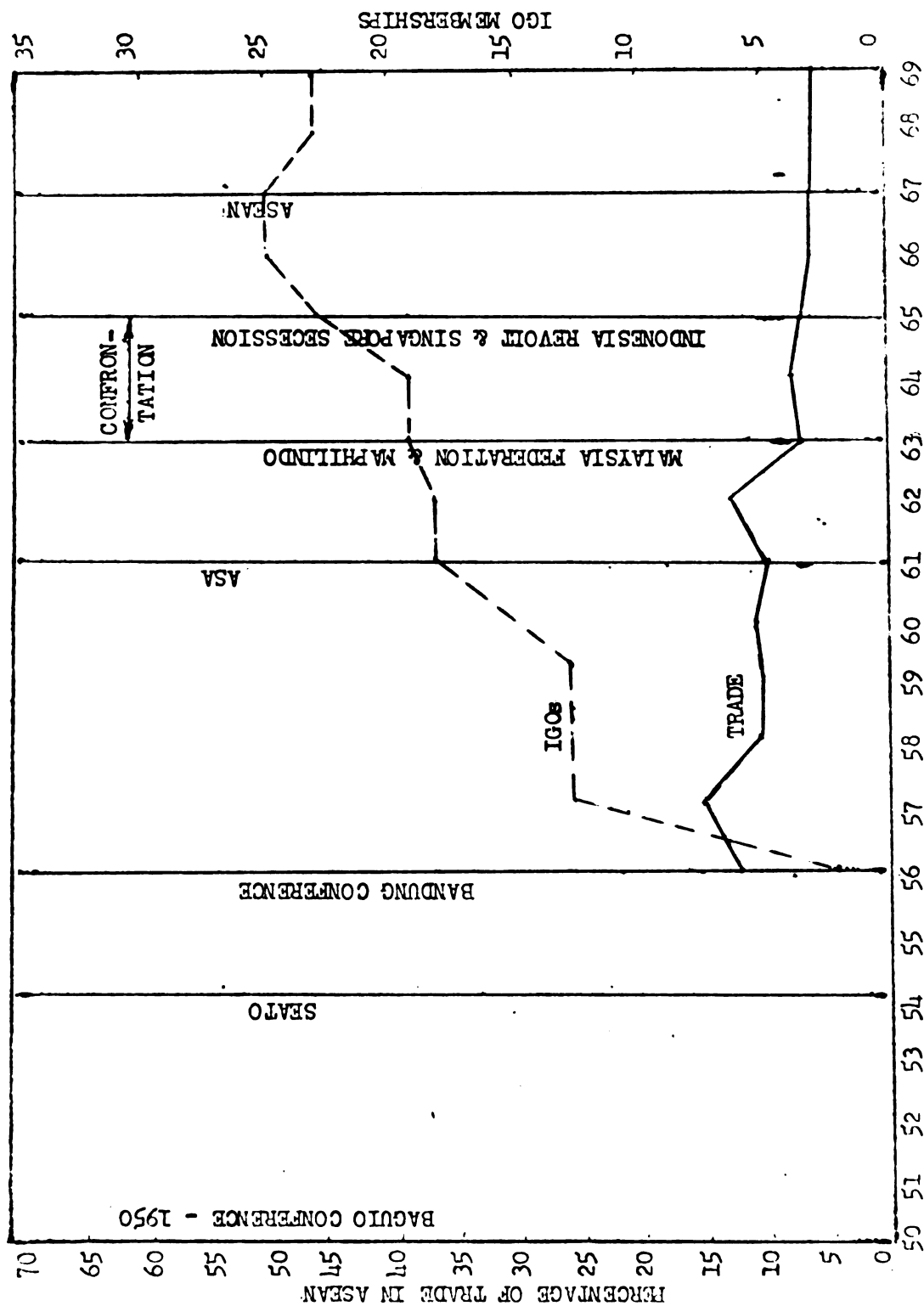
Hypothesis 5 states that nations with high levels of regional trade will tend to cooperate more in regional organizations. Graphs of these relationships follow in Graphs XVII through XX. Designating trade with ASEAN members as the independent variable and IGOs as the dependent variable, the following results are obtained:

GRAPH XVII: RELATIONSHIP BETWEEN ASEAN TRADE AND MEMBERSHIPS
IN REGIONAL ORGANIZATIONS FOR INDONESIA

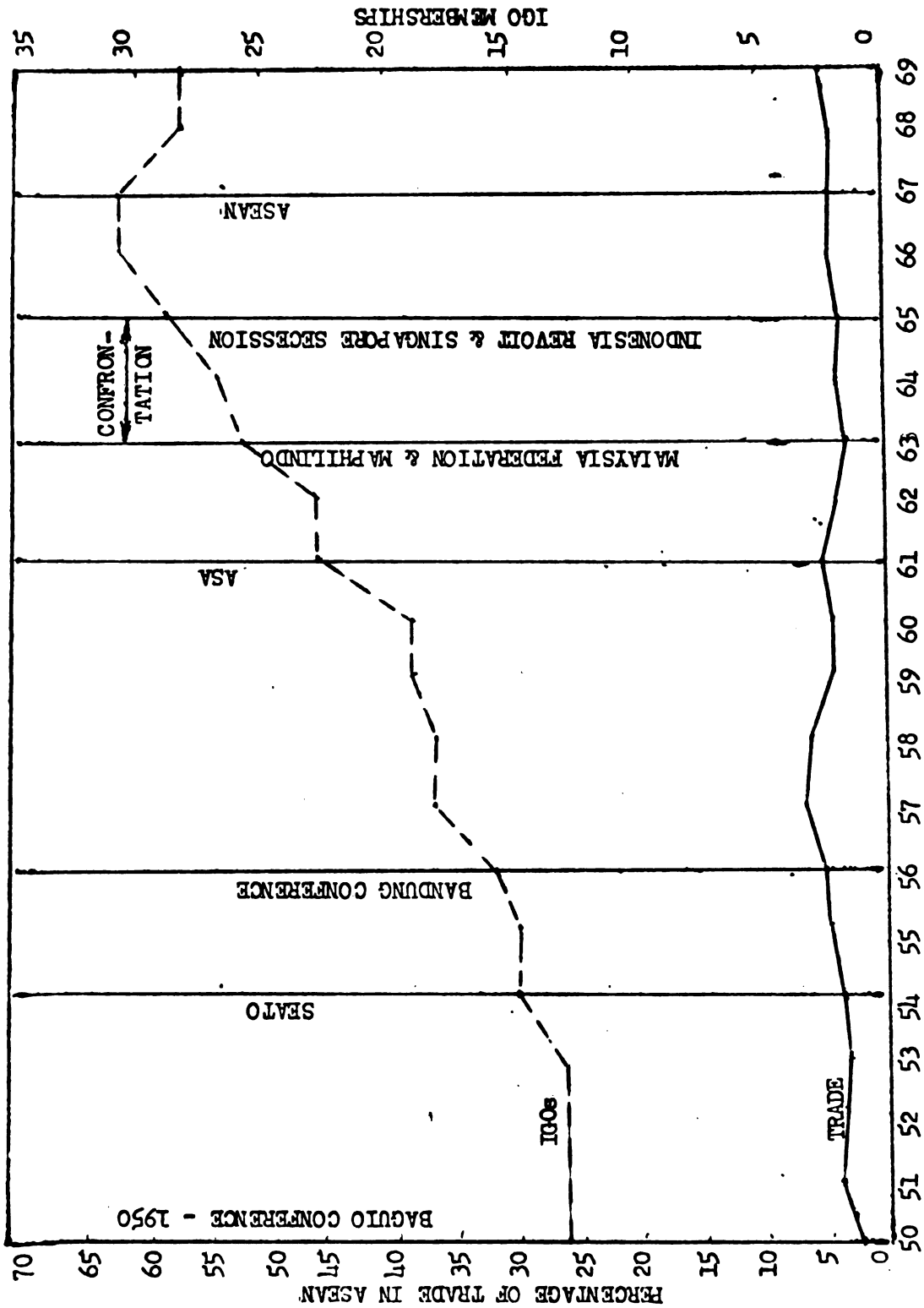


GRAPH XVIII: RELATIONSHIP BETWEEN ASEAN TRADE AND MEMBERSHIPS

IN REGIONAL ORGANIZATIONS FOR MALAYSIA



GRAPH XIX: RELATIONSHIP BETWEEN ASEAN TRADE AND MEMBERSHIPS
IN REGIONAL ORGANIZATIONS FOR THE PHILIPPINES



GRAPH XX: RELATIONSHIP BETWEEN ASEAN TRADE AND MEMBERSHIPS
IN REGIONAL ORGANIZATIONS FOR THAILAND

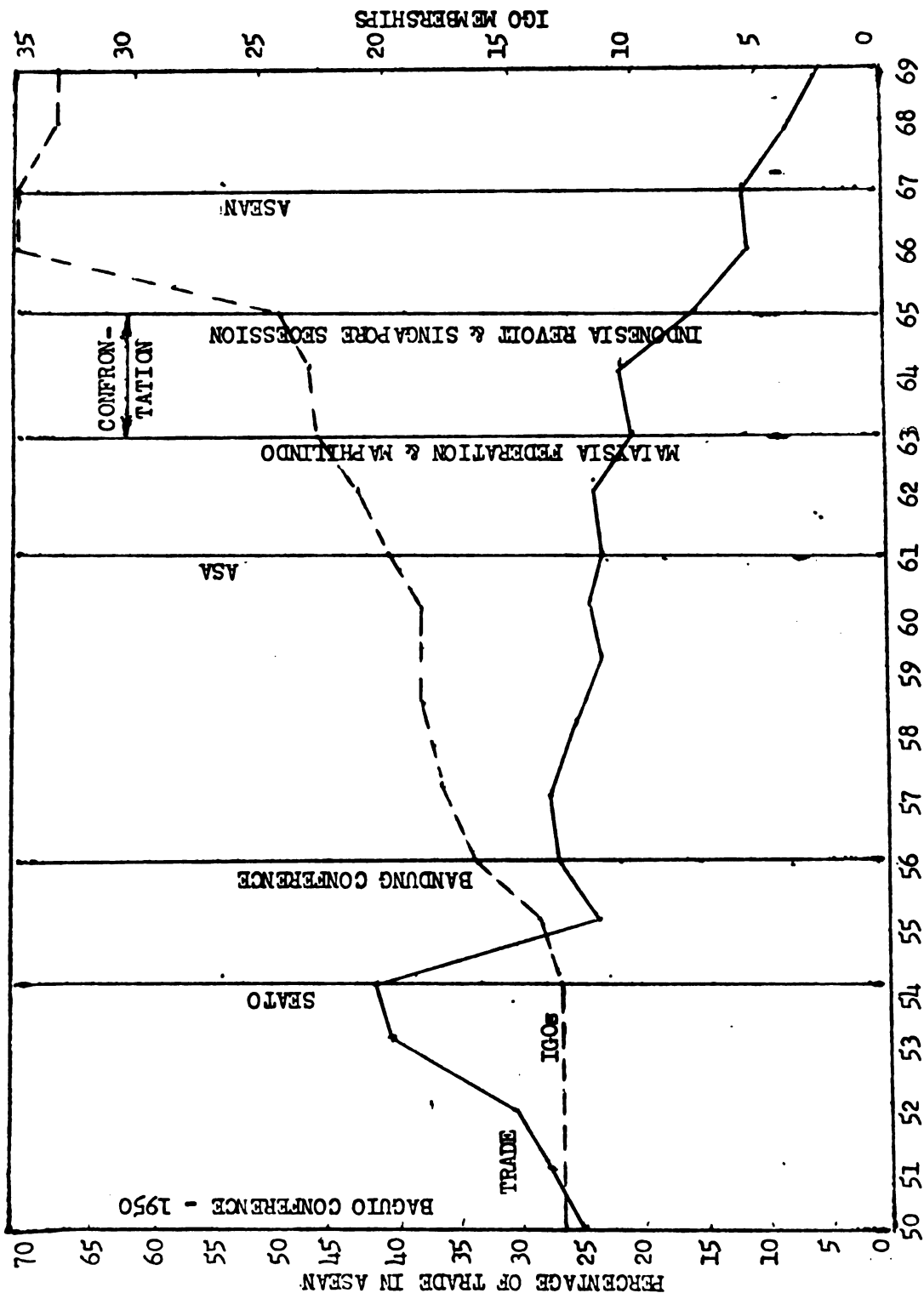


TABLE X: THE RELATIONSHIP BETWEEN ASEAN TRADE AND
MEMBERSHIPS IN REGIONAL ORGANIZATIONS

	Coefficient of Correlation	Standard Error of Estimate	Level of Significance	Number of Cases
Indonesia	-0.44	4.89	---	20
Malaysia	-0.74	4.07	---	14
Philippines	0.17	6.26	---	20
Singapore	insufficient data available			
Thailand	-0.88	3.52	---	20

Due to the three negative correlations and that of 0.17 for the Philippines, this hypothesis is rejected; the level of mutual trade is not related to the amount of regional participation. The relationship between trade and participation is rather close during the early years of the study, but breaks down in later years. The turning point seems to be 1962 when Indonesian, Malaysian, and Thai trade dropped dramatically and has remained low. This came just as regional organizations were emerging--ASA and Maphilindo--and as perceptions became markedly more favorable toward cooperation. Philippine trade with ASEAN members has always been negligible whereas Philippine desires for cooperation and mutual memberships have increased substantially since 1960.

As with hypothesis 2 involving declining mutual trade, no causation can be implied or accepted in this relationship;

it is not conceivable that declining trade causes increases in participation. One can only conclude that decisions to join IGOs evolve from other motivations. So, for these nations, the null hypothesis is accepted as it was for hypothesis 2 and for the same reasons.

Hypothesis 6

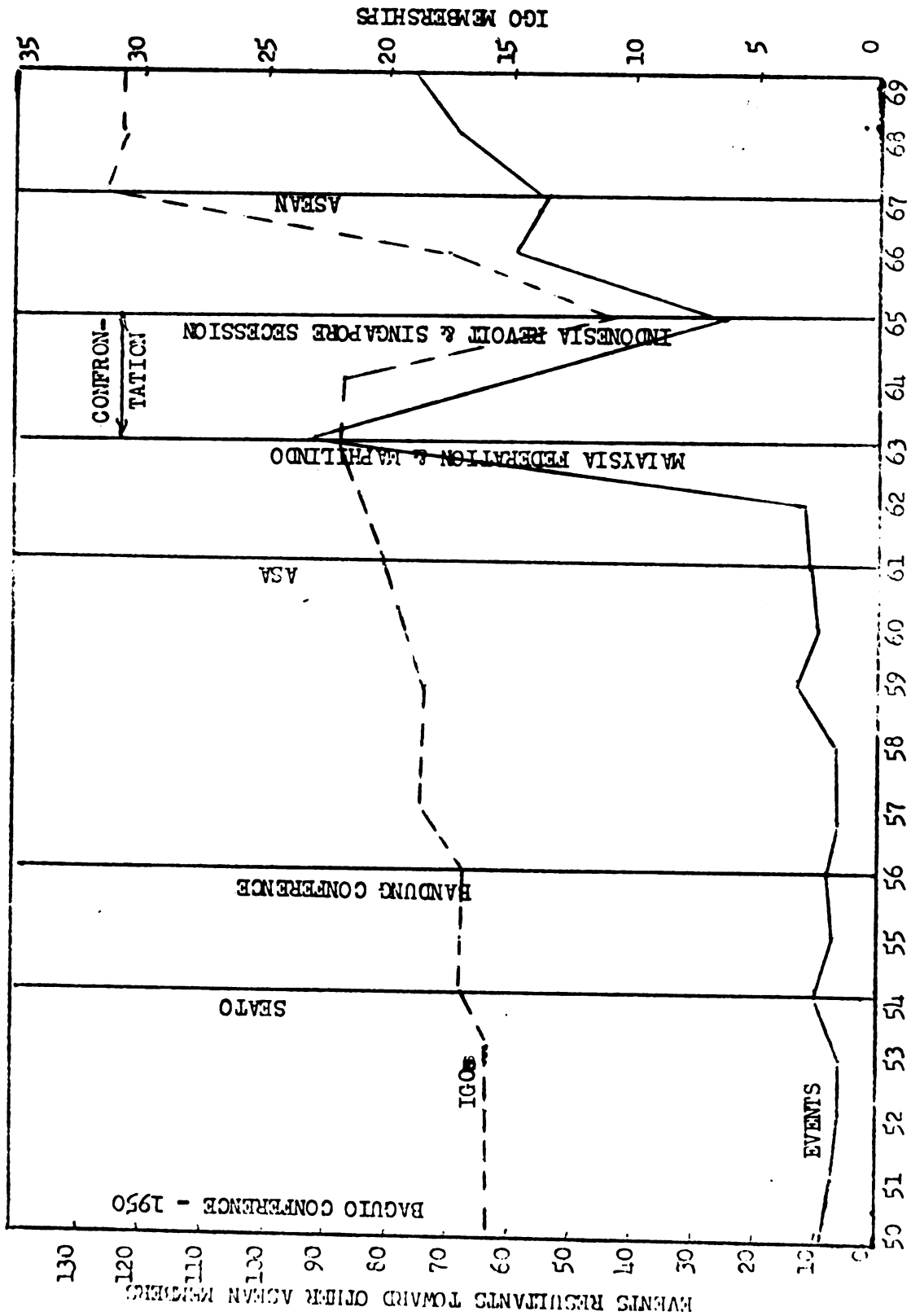
Hypothesis 6 states that nations with high levels of amiable interaction will tend to cooperate more in regional organizations. Graphs of these trends are presented in Graphs XXI through XXIV. Designating cooperative events resultants as the independent variable and IGO memberships as the dependent variable, the following results are obtained:

TABLE XI: THE RELATIONSHIP BETWEEN AMIABLE RELATIONS
AND MEMBERSHIPS IN REGIONAL ORGANIZATIONS

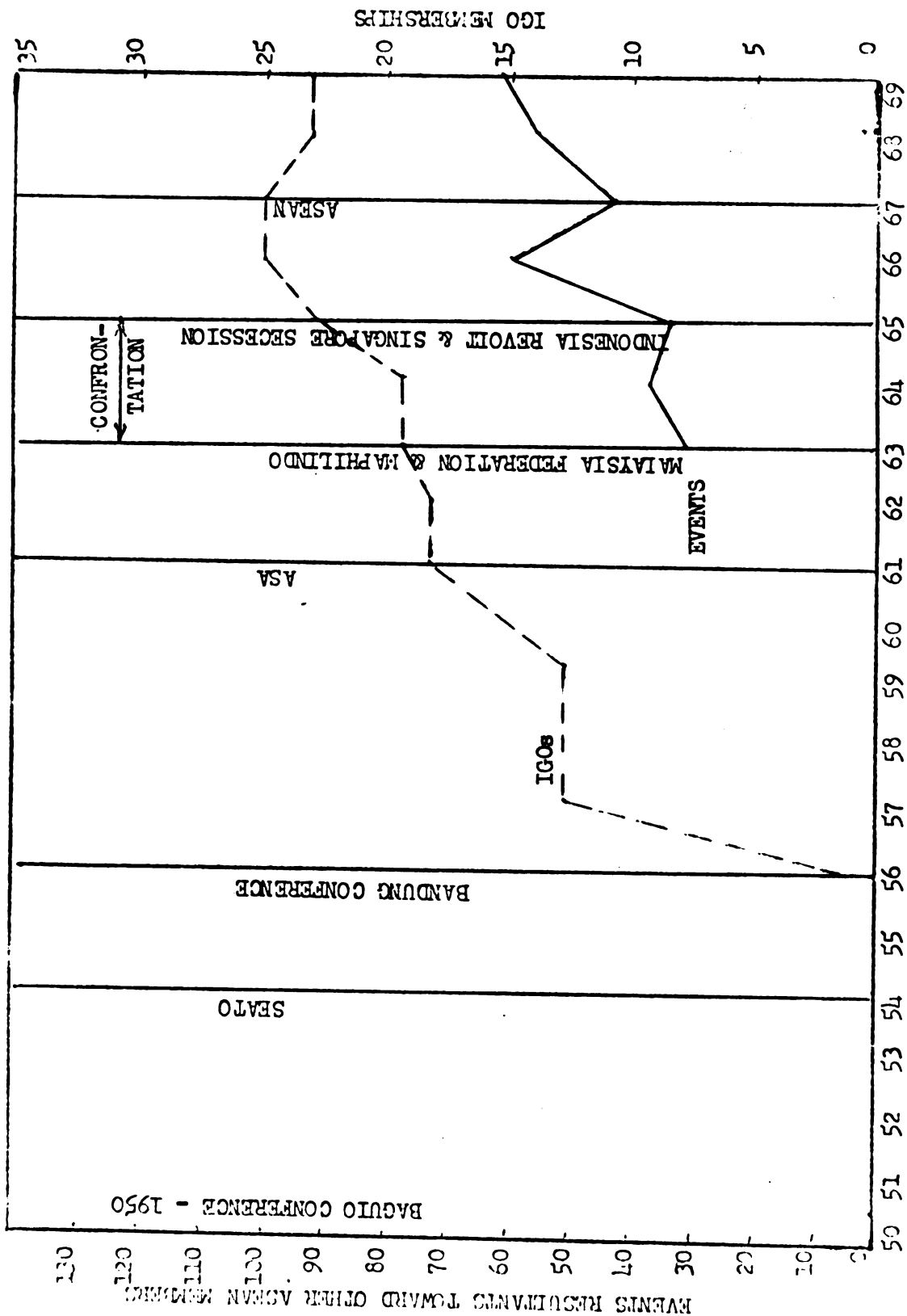
	Coeff- icient of Corre- lation	Stan- dard Error of Estimate	Level of Signi- ficance	Number of Cases
Indonesia	0.50	4.30	.05	19
Malaysia	0.76	1.79	.05	7
Philippines	0.53	5.34	.02	19
Singapore	0.28	4.15	---	4
Thailand	0.85	3.73	.001	19

This hypothesis is moderately substantiated by the acceptable correlations and levels of significance, even though errors of estimate are relatively high. The results

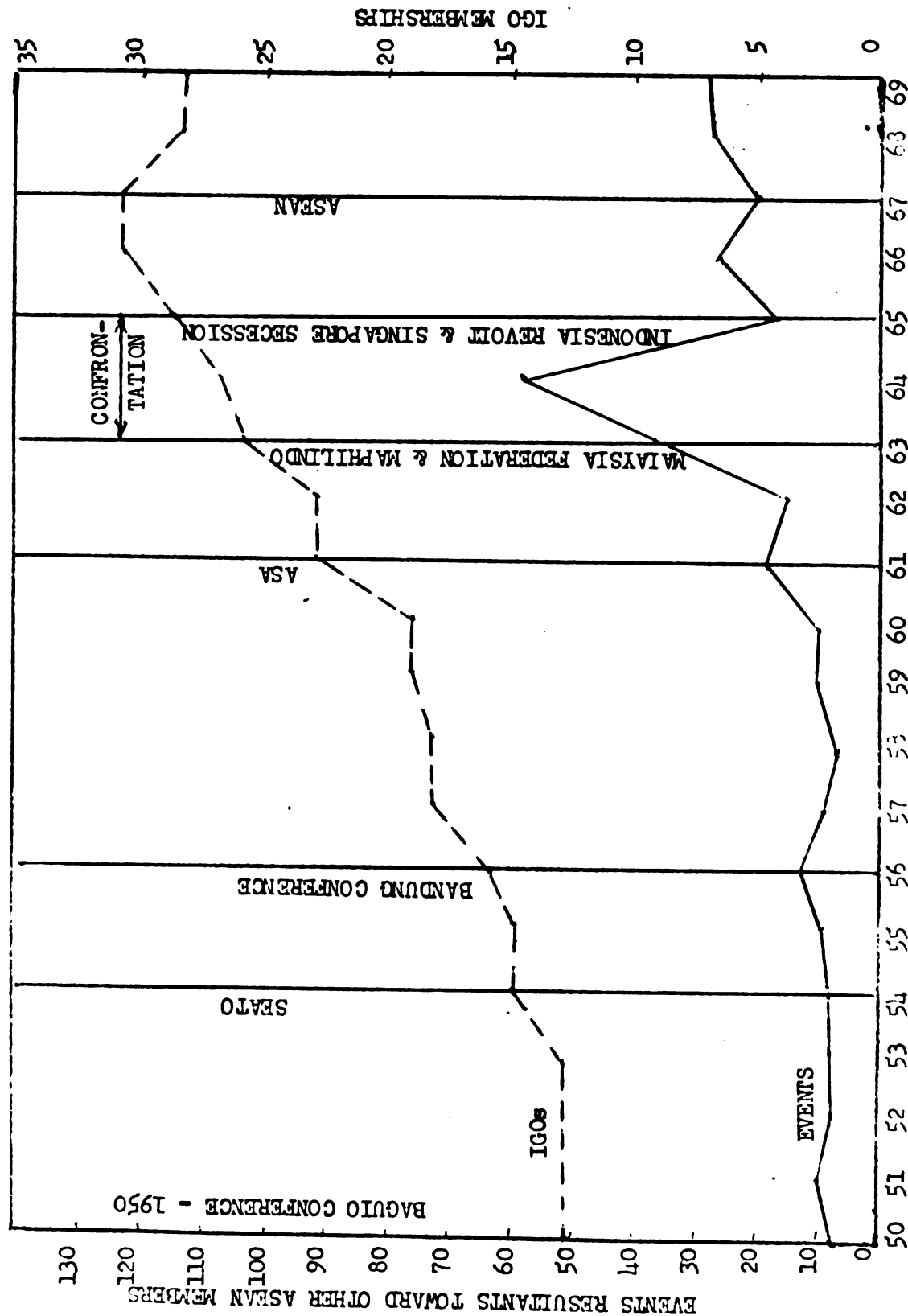
GRAPH XXI: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND
MEMBERSHIPS IN REGIONAL ORGANIZATIONS FOR INDONESIA



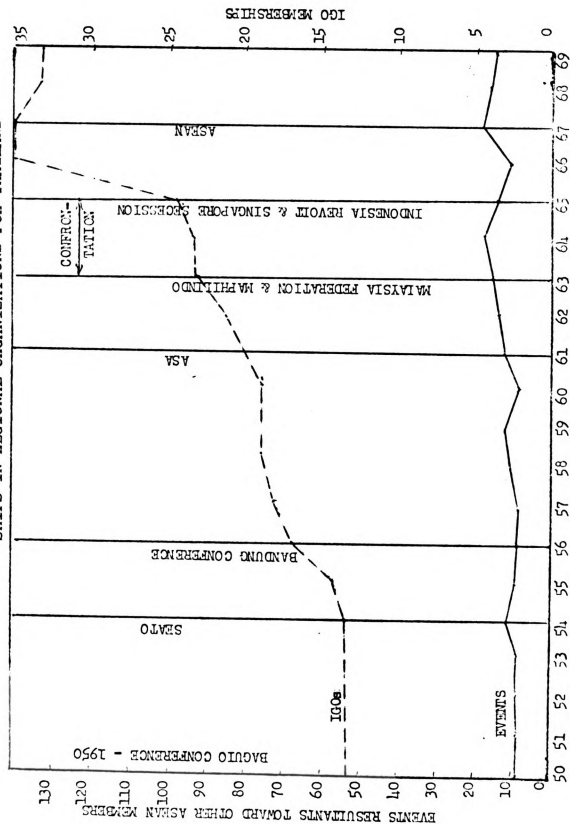
GRAPH XXII: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND MEMBERSHIPS IN REGIONAL ORGANIZATIONS FOR MALAYSIA



GRAPH XXIII: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND MEMBER-SHIPS IN REGIONAL ORGANIZATIONS FOR THE PHILIPPINES



GRAPH XXIV: RELATIONSHIP BETWEEN AMIABLE RELATIONS AND MEMBERSHIPS IN REGIONAL ORGANIZATIONS FOR THAILAND

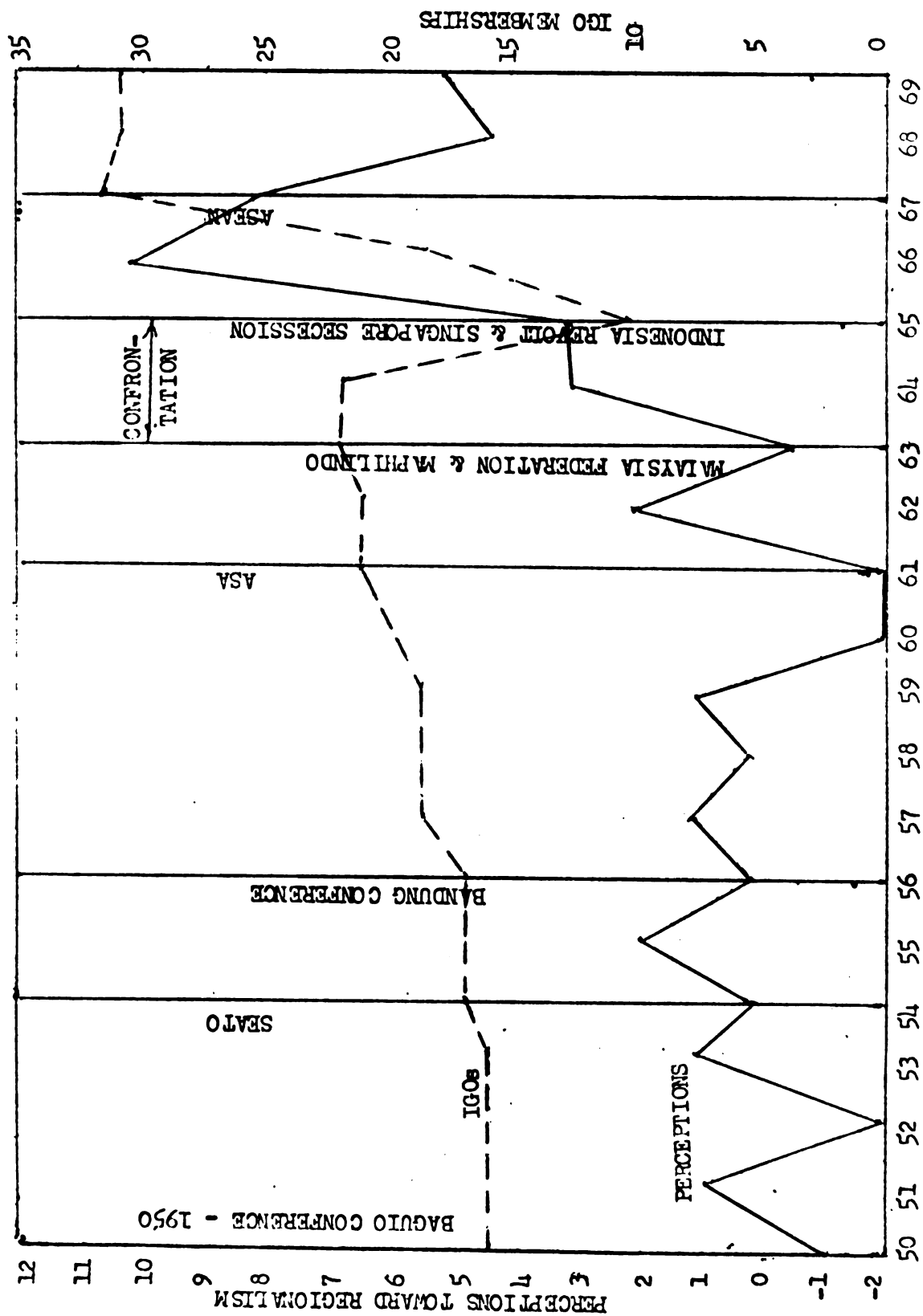


of this analysis incorporate a one-year forward lag on IGO data on the belief that amiable interaction in one year would not likely be reflected in formal association until the following year, if at all. Correlations obtained with the lag analysis were higher than those without the lag, lending credence to the assumption. Thailand and Malaysia corroborated the hypothesis highly while Indonesia and the Philippines were only mildly supportive. Singapore results, although included, were inconclusive due to the inadequate number of cases examined. All members except Indonesia have steadily increased IGO memberships even during periods of hostility between some of the members. Indonesia, however, reduced IGO participation during the confrontation as President Soekarno withdrew from participation in all United Nations activities.

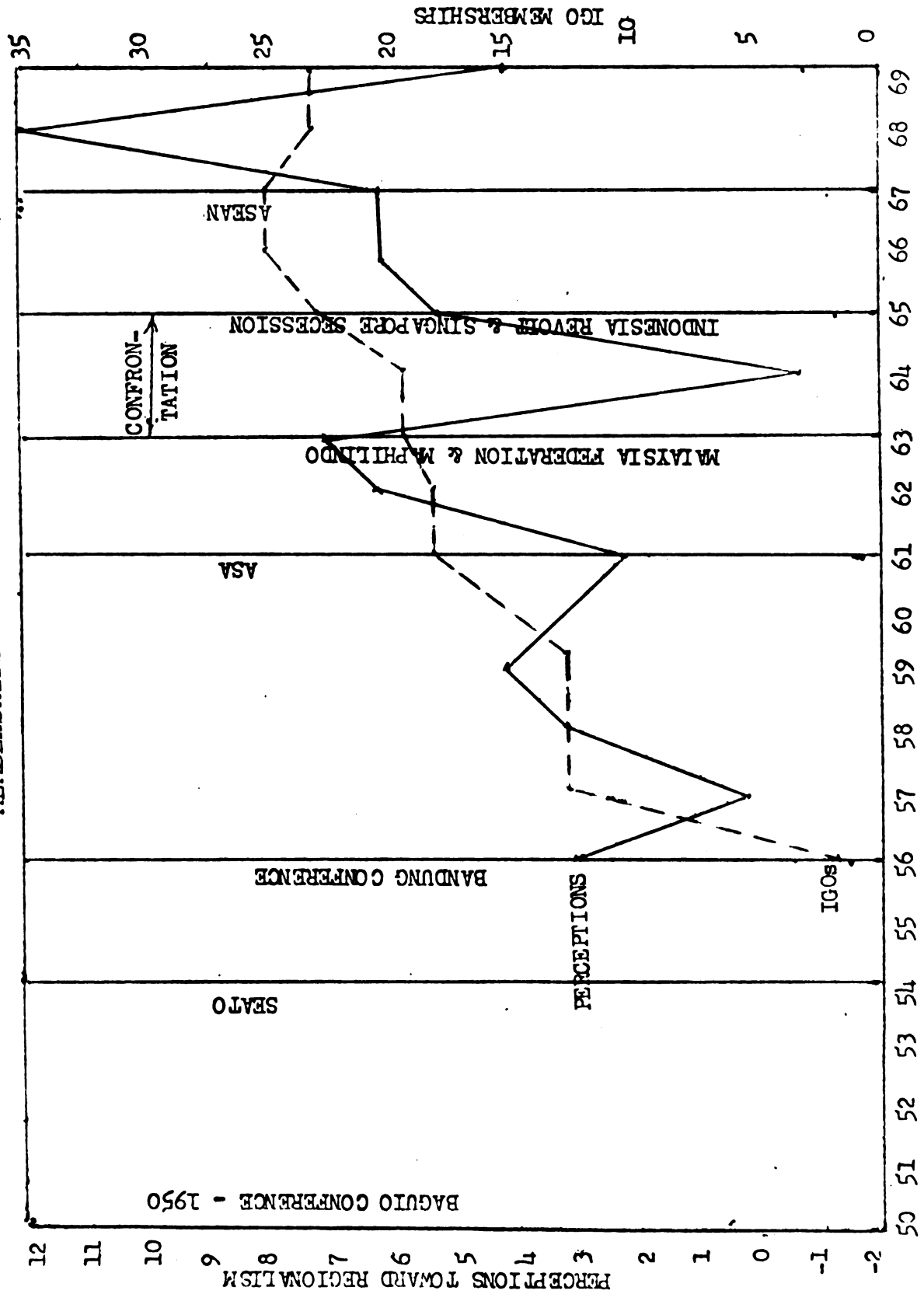
Hypothesis 7

Hypothesis 7 states that nations whose foreign policy-makers perceive regional cooperation favorably will tend to be cooperating more in regional organizations. Graphs of these trends are found in Graphs XXV through XXIX. Analysis of perceptions as an independent variable and regional memberships as a dependent variable gives the following results:

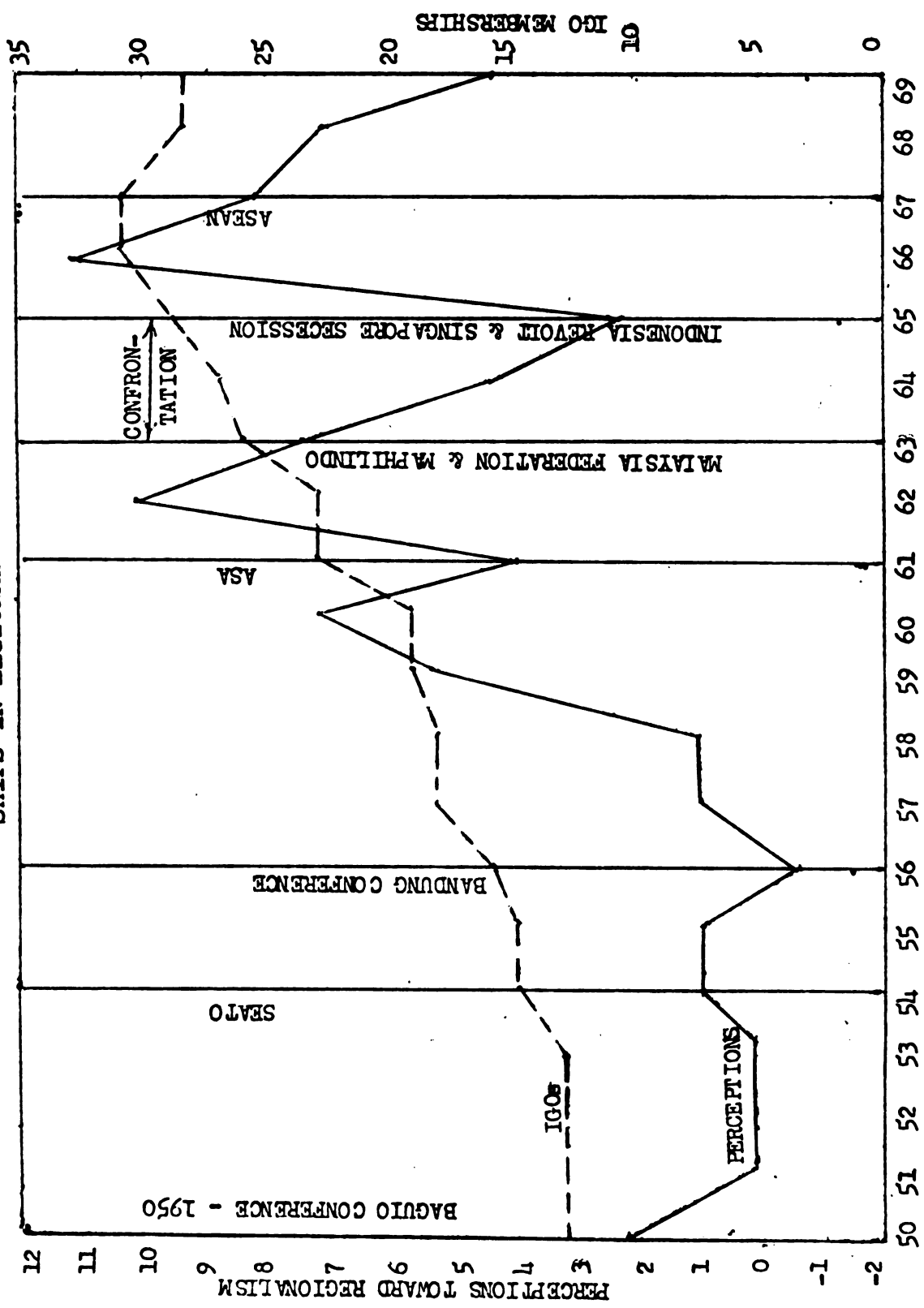
GRAPH XXV: RELATIONSHIP BETWEEN POLICYMAKER PERCEPTIONS AND MEMBERSHIPS IN REGIONAL ORGANIZATIONS FOR INDONESIA



GRAPH XXVI: RELATIONSHIP BETWEEN POLICYMAKER PERCEPTIONS AND MEMBERSHIPS IN REGIONAL ORGANIZATIONS FOR MALAYSIA



GRAPH XXVII: RELATIONSHIP BETWEEN POLICYMAKER PERCEPTIONS AND MEMBERSHIPS IN REGIONAL ORGANIZATIONS FOR THE PHILIPPINES



GRAPH XXVIII: RELATIONSHIP BETWEEN POLICYMAKER PERCEPTIONS AND

MEMBERSHIPS IN REGIONAL ORGANIZATIONS FOR THAILAND

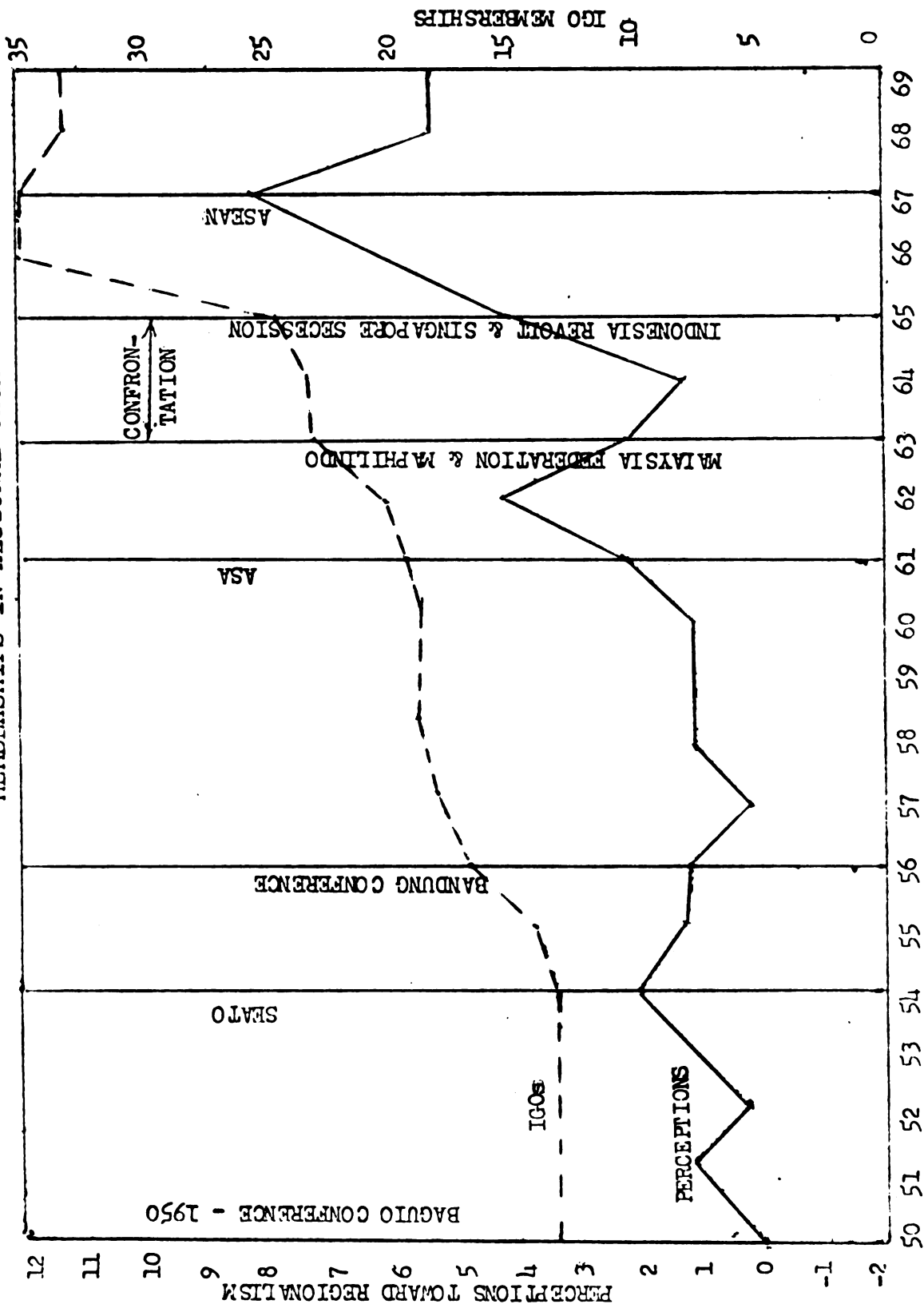


TABLE XII: THE RELATIONSHIP BETWEEN FOREIGN POLICYMAKER PERCEPTIONS AND MEMBERSHIPS IN REGIONAL ORGANIZATIONS

	Coefficient of Correlation	Standard Error of Estimate	Level of Significance	Number of Cases
Indonesia	0.43	4.92	.1	20
Malaysia	0.50	5.07	.1	14
Philippines	0.72	4.41	.001	20
Singapore	insufficient data available			
Thailand	0.88	3.53	.001	20

This hypothesis is considered to be moderately substantiated. Coefficients of correlation and levels of significance for the Philippines and Thailand are high, but these are offset by low correlations and levels of significance for Indonesia and Malaysia as well as by high errors of estimate for all four members caused by the sparse data on these indices. Correlations for Indonesia and Malaysia were lowered substantially by behavior during the confrontation; the relationship between perceptions and regional memberships for all four nations has been much higher since 1965. A one-year forward lag on memberships was attempted on the assumption that memberships might follow favorable perceptions but this did not raise the correlations. Apparently leaders were perceiving existing cooperation rather than expressing hope for future cooperation.

This hypothesis is less directly related to ASEAN relationships since perception measurements are of regional cooperation in general and IGO data includes memberships composed of non-regional as well as ASEAN members. The relationship between leader perceptions and IGO participation is not so close as expected and can probably be at least partially attributed to the limited data available in the form of direct quotes by foreign policymakers.

Summary

Hypotheses 1, 3, 5, 6, and 7 are accepted with varying degrees of substantiation and with varying exceptions. Hypotheses 2 and 4 involving correlations of regional trade with perceptions and with IGO participation are fully rejected.

Thailand exhibited uniformly high correlations on all of the accepted hypotheses while those of the Philippines and Malaysia were positive, but usually several points lower. Singapore, with the limited data available, suggested support for the relationships, but Indonesia proved to be a clearly deviant case, producing negative correlations on two of the accepted hypotheses (1 and 4) and only .57, .50, and .43 on hypotheses 3, 6, and 7 (significant at the .02, .05, and .1 levels).

Relationships on most variables for all nations tended to be low until about 1961, diverse and conflicting during the confrontation of 1963-1965, and appreciably closer in the

final years of the study. Due to the fragility of the data, no meaningful breakdown and analysis for each of the four periods of the study can be offered as reliable. Economic growth has been steady for all except Indonesia and has contributed to favorable perceptions of and participation in regional organizations. Trade, particularly since 1962, represents an inverse relationship to the improving climate for cooperation attested to by the other four variables. Perceptions and memberships have been especially closely related since the period of the confrontation. Cooperative interaction has improved slightly in the type of events occurring and greatly in the amount of inter-nation interaction. Still, the average level of amiability of ASEAN members toward each other is not appreciably higher than what each member exhibits toward all other combined world actors.

CHAPTER VII

SUMMARY AND CONCLUSIONS

Introduction

The study reviewed regional cooperation among Southeast Asian nations since 1945 and assessed the degrees of success or failure of the several conferences, proposals, and organizations since that time. Several theories of integration were critically examined to attempt to link these cooperative efforts to a meaningful framework for study. Shortcomings of these theories led to the proposal of a new theory of economic integration drawing on the strengths of previous studies in an effort to more accurately represent movement or change within the economic integration process. A methodology was developed to evaluate more accurately the cooperative relationships among integrating units than have other methodologies focusing on dyadic conflict situations. Hypotheses were formulated to be testable within this methodology and the variables selected were those that have substantiated by other studies as having validity for integration analysis. Results of testing the hypotheses appear in the previous chapter and overall conclusions emerging from the study are offered in this chapter along with limitations of the study and implications for

theoretical development as well as practical suggestions for future regional economic cooperation in ASEAN.

Cooperative Interaction Foundations and Behavior

Definite trends are discernible in each of the variables since 1950 and may be summarized as follows:

1. ASEAN members are still economically underdeveloped, but four of the five members are developing as evidenced by rising per capita incomes;
2. levels of mutual trade have declined drastically, but will probably remain relatively steady at the present levels and even increase somewhat in response to direct efforts to promote trade within ASEAN;
3. cooperativeness of interaction is slightly above the median on the 13-point scale and will not rise appreciably, although the frequency of interaction will continue increasing as a result of positive encouragement and economic capabilities for political, economic, and cultural exchanges;
4. perceptions toward regional cooperation became increasingly favorable through 1967, then experienced a slight decline, but are expected to remain highly supportive of regional involvement;
5. IGO memberships have peaked in number as ASEAN members are now participating in nearly all of those organizations offering benefits. Memberships will remain

relatively constant, perhaps increasing by one or two for each nation. Depth of involvement in selected organizations can be expected.

Thailand, with respect to the variables examined, appears to be acting most rationally toward regional cooperation in general and with other ASEAN members. On each of the five substantiated hypotheses(1, 3, 5, 6, and 7), Thailand has the highest coefficients of correlation supported in every instance at the .001 level of significance. It is concluded that Thai leaders calculate their cooperative actions very closely against those factors governing capability for cooperation. Assuming validity for the indicators analyzed, Thai cooperation is on a very sound foundation--leader perceptions and IGO memberships are related to both increasing economic capabilities and amiable relations with their neighbors.

The Philippines and Malaysia are also consistently supportive of the five substantiated hypotheses although correlations are not always high and levels of significance stand at .1 or .01, reaching .001 in only three instances. The overall picture for the twenty years was distorted for these members because perceptions and events fluctuated widely during the confrontation while PCI and IGOs increased relatively steadily. Following the normalization of diplomatic relations in 1965, perceptions and events have been more closely related to PCI and IGOs. Thailand's relative uninvolvedness in the confrontation helped strengthen variable

congruence throughout the twenty-year period.

For Singapore, on the two hypotheses for which limited data were available, results were supportive on hypothesis 2 at .68 though not statistically significant, and were inconclusive on hypothesis 6. It is suggested that additional data would find Singapore favoring economic regionalism since IGO memberships are numerous and increasing, PCI is adequate and rising, and trade with other ASEAN members is substantial. Trade was unrelated to cooperation for other ASEAN members, but Singapore's dependence upon entrepot and regional trade should provide a positive motivation for strengthening formal ties with neighboring trading partners.

Indonesia, with respect to the variables examined, appears to be behaving in the least rational manner. The highest correlation is only 0.57 on the hypothesis involving events and perceptions and is significant at the .02 level. Other correlations are lower, inconclusive, or negative. An interesting contrast is suggested between the behavior of Indonesia and Malaysia. Indonesia has been generally favorable toward regional cooperation and leaders have frequently extolled the virtues of association; however, there is little evidence of real cooperation within Southeast Asia by Indonesia until 1967. Malaysian leaders have been much quieter in advocating cooperation, but genuine examples of concrete efforts to cooperate within Southeast Asia are more numerous for Malaysia than for Indonesia from 1960 to the present.

The contrast might be attributed to important differences in styles of leaders and systems, particularly during Soekarno's years as President of Indonesia. Soekarno's statements were often propagandistic messages intended to impress domestic constituents and international news media while Prime Minister Rahman's statements were less frequent and were addressed to other Southeast Asian statesmen to convince these responsible leaders that formal economic cooperation was truly in their interests.

Any future analysis of policymaker perceptions, then, should take account of these differences in style when relating policymaker statements to other data. Controlling for this phenomenon by selecting identical types of speeches, similarity of audiences, or limitation of sources would be desirable, but horrendously difficult and unproductive. Data accumulated by interviewing policymakers periodically over time would be an ideal method of controlling this data; such was not possible in this study.

Theoretical Linkages

Karl Deutsch noted that nations seeking association wish to be associated with others having similar or higher levels of economic development.¹ Generalizing from this observation to the level of economic development of ASEAN members, Thailand, the Philippines, and Malaysia are similarly

¹Karl Deutsch, et al., Political Community and the North Atlantic Area, (Princeton, 1957). p. 58.

developed and developing along these lines and could well be attracted to each other on this basis. Indonesia is lagging significantly in economic growth and might be perceived by some as a nation that could be excluded from association without detrimental consequences to a union. This, however, might be an erroneous conclusion. Although Indonesia's PCI has been stagnant, a nation's contribution to a regional grouping depends upon how much that nation is willing to commit to the cause. And Indonesia appears willing to focus its limited resources on regional cooperation to an extent not significantly different than other ASEAN members. Even though Indonesia's economic position is not strong, this commitment to regionalism might warrant inclusion in an economic union, especially if hope of future potential benefits and security considerations, i.e., improvement in inter-nation relationships is considered. Geography, cultural ties, security, and future trade could well be more powerful motivating factors than presence or absence of economic growth.

Malaysia, the Philippines, and Thailand may with good reason be considered in the Maintenance and Expansion stage (stage 2) of the theory as judged by sufficient time, experience, and demonstration of commitment to the principle and practice of economic cooperation through ASEAN and other organizations. Indonesia, also within this stage by virtue of ASEAN membership, might possibly be attempting integration without adequate time or preparation in the Readiness for

Cooperation stage; Singapore, too, exhibits somewhat shaky foundations for solid integrative progress within Stage 2.

Progress in expanding ASEAN within Stage 2 has so far been lacking. This can be partially attributed to lack of readiness on the part of Indonesia and Singapore, but is also due in no small part to the jealous guarding of national sovereignty by all ASEAN members. There is yet no evidence of any willingness to submit to supranational control; many conflicting external ties, suspicions of political ideologies, religions, cold war stances, and possible revolutions engender hesitation in moving beyond harmonization to integration. It is expected that expansion of the union will continue to be slow and might best proceed along the lines of harmonization of national development plans. Industry and resource plan harmonization has several advantages: (1) it has been studied by ECAFE and concrete suggestions are already available; (2) it requires less coordination than customs unions or common markets and; (3) it does not disturb vested economic interests already in existence to a very large degree. Finally, ASEAN members having the most stable foundations for cooperation might well move ahead in harmonization with the hope that successes in doing so will provide positive encouragement to other ASEAN members presently reluctant to undertake the risks involved and to other Southeast Asian non-member nations contemplating economic cooperation.

Limitations of the Study

The study has limitations deriving from data collection, selection of variables, and application of methodology. Reliability of any conclusions offered is restricted and reduced by these limitations.

Limitations on the data result both from their paucity and from the way they were collected. In several instances not enough data were available to produce statistically significant correlations. In unknown instances, data reported by nations or sources were inaccurate, either by purposeful distortion or misinterpretation. Often it was necessary to overlook reservations on the data to produce figures that were quantitatively comparable. Also, data collection, primarily on leader perceptions, had to be oversimplified and limited in amount by demands of time available to the author.

Explanatory power of the variables was limited by the number and type of indices selected and by their completeness as measures of phenomena. For example, per capita income does not measure the whole picture of economic growth and additional variables might have rounded out the picture. Rate of growth in the industrial sector could be more important for considerations of trade than overall growth rate; however, this index was not available over the whole period in comparable form. Trade data is also occasionally misleading. In several instances when the percentage of regional trade declined, this percentage actually represented a higher monetary value since

total trade of a nation with the world had expanded monetarily faster than ASEAN trade. IGO membership data suffer from inaccuracy as a measure of actual regional cooperation because memberships include non-ASEAN members and because membership tells little about the extent or quality of participation.

Problems of methodology revolve primarily around the use of statistical techniques that, even though correctly chosen, oversolidify and obscure data fragility. The small amount of data available on some indices tends to soften the data base and correlational analysis gives results the appearance of being more solid or hard than they are. Some of the variability of results from insufficient data is observable in the relatively wide errors of estimate obtained, but other inadequacies are hidden. Several types of error affecting the outcome of the study could not be calculated; these include error in the reporting of trade data, errors in population estimates, errors from biased reporting of sources, and sampling error in the collection of perception data. More sophisticated analytical tools would not have alleviated the error problem since most errors are contained in the original data as reported by the sources and could be revealed only by more refined collection procedures, not by more refined analytical techniques.

No satisfactory method exists to weigh the importance of each variable in indicating capabilities for cooperation. That is, are high correlations on PCI and IGO memberships

more revealing than high correlations on perceptions and IGO memberships of ability to cooperate? If a nation exhibits low correlations on PCI and IGO memberships and high correlations elsewhere, is it more or less capable of cooperating than a nation with high correlations on the former, but lower correlations on the latter measures?

Conclusions of the Study

Conclusions emerging from this study relate to data accumulation, methodology and theory, and the future of regional economic cooperation in Southeast Asia.

Sufficient hard data are now available for most Southeast Asian nations to permit conducting an ongoing longitudinal study of the integration processes within the region. Data collection procedures are improving in these nations and data are available in old and new publications on enough indices to allow broader and deeper analysis incorporating more variables believed relevant to integration. Event data is now being reported fairly accurately by several journals and chronologies; perception data, still insufficient in United States English-language sources, should be available in Southeast Asian publications in quantity and quality adequate for reliable content analysis. Further, waning of the rhetoric used by policymakers to foster nationalism and internal unity should produce perception data more related to actual behavior and intent than was true earlier.

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Data to support the theory set out in this study are accumulating not only in ASEAN and throughout Southeast Asia, but in other world regions as well from extant and defunct integrative attempts. Utilization of this data in further studies and by other scholars can lead to verification of the stages and thresholds of economic integration encompassed in the theory. If such demarcations are confirmed, then conceiving of integration as a process rather than a condition is plausible; the importance of conscious decisionmaking to deepen or broaden a union can be readily accepted and, hopefully, pursued by policymakers seeking successful integration.

Finally, this study finds that regional economic cooperation among Southeast Asians has accelerated, especially since 1960. Experience gained in these varied cooperative efforts, successful and unsuccessful, has allowed Southeast Asians a more realistic appraisal of the benefits and costs of economic cooperation, thus enabling current efforts to assume more concrete forms than those of the past. Planning today for cooperation in the future is based solidly upon attention to the lessons accumulated from past attempts. It is concluded that ASEAN is a viable type of cooperation for these nations and gives hope of significant future benefits for present members as well as for others wishing to join. Termination of the Indo-China war and a reduction of internal subversion in Southeast Asia can provide needed political

stability and allow cooperation to broaden and deepen. ASEAN, having existed for five years, appears to be maintaining itself well enough to take on limited new functions. It might well begin by harmonizing economies through development of complementary industries, lowering customs barriers, negotiating currency exchange agreements, curtailing smuggling, and increasing intra-regional shipping in Southeast Asian bottoms. It might also begin taking over some functions now being performed by other regional and international organizations.

APPENDIX I

ASEAN TRADE AND TOTAL TRADE PER YEAR
(in millions of US dollars)

YEAR	INDONESIA		MALAYSIA ^a		PHILIPPINES		THAILAND	
	ASEAN Trade	Total Trade	ASEAN Trade	Total Trade	ASEAN Trade	Total Trade	ASEAN Trade	Total Trade
1950	381.7	1123.4	461.6	2416.4	10.8	679.2	148.1	609.7
1951	665.8	2036.8	617.9	3538.9	27.6	890.0	198.1	718.8
1952	495.7	1825.3	505.3	2545.4	22.0	769.6	211.4	709.9
1953	426.8	1604.9	406.4	2453.6	20.4	825.7	255.0	651.6
1954	426.3	1485.2	389.5	1457.7	23.8	892.1	227.2	559.2
1955	482.6	1576.8	362.2	2906.9	36.3	948.3	151.3	663.2
1956	514.8	1735.1	377.7	3028.4	40.0	957.6	181.0	704.3
1957	567.0	1766.5	467.7	3116.6	61.8	1046.3	204.1	777.4
1958	556.9	1268.6	386.8	3697.9	53.4	1055.4	172.2	693.3
1959	560.0	1333.3	393.7	4038.9	39.3	1039.2	174.7	777.6
1960	535.2	1413.6	433.9	4429.8	40.6	1101.2	200.4	846.6
1961	504.4	1578.9	390.8	4222.7	45.6	1098.1	212.4	943.3
1962	566.4	1669.2	593.1	4354.1	34.9	1139.4	230.0	995.2
1963	96.5	1046.8	131.5	2101.9	33.4	1414.4	207.0	1055.1
1964	96.2	1224.4	168.2	2397.5	47.9	1608.5	254.1	1269.1
1965	49.4	1287.1	160.0	2464.3	48.3	1661.7	200.7	1354.0
1966	78.5	1321.6	157.4	2657.7	60.6	1798.5	196.9	1866.7
1967	77.4	1407.1	142.5	2661.6	90.1	1985.1	189.5	1743.5
1968	40.8	b	108.2	b	81.1	b	72.0	b
1969	b							

^aincludes Singapore trade

^bmissing data derived by regression line technique

^cSource: Direction of International Trade, United Nations Publication, 1953 through 1970.

APPENDIX II

NUMBER OF EVENTS PER YEAR AND MEAN

LEVEL OF COOPERATION WITHIN ASEAN

YEAR	INDONESIA		MALAYSIA		PHILIPPINES		SINGAPORE		THAILAND	
	No. /yr	Mean Coop	No. /yr	Mean Coop	No. /yr	Mean Coop	No. /yr	Mean Coop	No. /yr	Mean Coop
1950	1	9.0			2	6.2			2	7.7
1951	3	7.5			2	8.5			1	7.8
1952	1	6.6			0	6.4 e			0	7.8 e
1953	1	6.6			1	6.5			1	7.7
1954	1	9.0			1	6.5			1	9.0
1955	2	6.7			1	7.0			2	7.7
1956	4	6.7			1	10.0			1	7.0
1957	1	7.0			3	6.7			2	7.0
1958	4	6.2			2	6.2			5	7.7
1959	9	7.7			2	7.7			6	7.8
1960	5	6.7			3	7.2			2	7.0
1961	4	8.5			15	8.2			7	7.2
1962	9	6.7			9	7.6			7	9.5
1963	93	7.1	30	5.3	75	7.4	1	5.0	10	7.0
1964	61	7.1	35	6.5	52	7.5	7	5.9	12	7.2
1965	26	6.9	32	6.7	14	7.6	18	6.8	7	7.5
1966	59	7.4	58	7.2	28	7.3	32	7.4	5	7.3
1967	52	7.4	41	7.2	17	7.6	20	7.0	14	7.7
1968	69	7.1	53	8.5	27	7.2	35	8.1	12	7.5
1969	75	7.1	57	7.8	27	7.3	42	8.6	11	7.5

e - data estimated by regression line technique

APPENDIX III
NUMBER OF FAVORABLE AND UNFAVORABLE
PERCEPTIONS BY FOREIGN POLICYMAKERS

YEAR	INDONESIA		MALAYSIA		PHILIPPINES		SINGAPORE		THAILAND	
	FAVOR	UNFAV	FAVOR	UNFAV	FAVOR	UNFAV	FAVOR	UNFAV	FAVOR	UNFAV
1950		1			2					
1951	1								1	
1952		2								
1953	1								1	
1954					1				2	
1955	2				1				1	
1956			4	1		1			1	
1957	1				1					
1958			3		1				1	
1959	1		5	1	5				1	
1960	1	3	4	1	7				1	
1961		2	2		3				2	
1962	2		8	2	11	1			6	2
1963	3	4	8	1	7				3	1
1964	3			1	4				2	1
1965	5	2	8	3	3	1	6	1	4	
1966	10		10	4	13	1	4	2	6	
1967	10	2	7	1	8		7		9	1
1968	5	1	12		7		6		6	1
1969	5		6	2	4		3	1	6	1

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