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## ASEAN

# The Long Road to Regional Cooperation

by Rolf Hanisch, Hamburg \*

**Cooperation measures conducive to increased integration between developing countries are considered to be necessary from the point of view of development theory as well as beneficial. Such measures are also in general welcomed, and on occasion even supported, by the governments of the industrialised countries. Organizations for the promotion of cooperation and integration of neighbouring countries have been brought into being in almost all regions of the Third World.**

In Southeast Asia efforts in this direction were first undertaken in the late fifties. They attracted eventually all sovereign states in the region except the Indochinese states, namely Thailand, Malaysia, Singapore, Indonesia and the Philippines.

The mentioned countries differ greatly in (colonial) provenance and post-colonial ties, in size, economic potential and rate of development, and the relations between them have not been free of great ideological strains. This was at least the case in the first decade of such relations in the sixties – when even frontiers were in dispute: The Philippines had been a US colony (until 1946) and were still maintaining various kinds of special relations with the former colonial power (until 1974) as did Malaysia (independent since 1957/63) and Singapore (1963) with their former colonial overlord, Great Britain. Indonesia, which had wrested its independence from the Netherlands (in 1948) by a violent liberation struggle, and Thailand, which had always been a sovereign state, were the only countries which were not (or no longer) entrained by a "special relationship" with a state outside the region.

The city state of Singapore (population: 2.2 mn), which is the smallest country in the region, has the most advanced economy. There is even talk (in the IMF) of abrogating its status as a developing country. Indonesia (population: 132 mn) is the most populous country in the group but still relatively most backward. The statistics put its productive power per head in 1974 at \$ 74 (against \$ 1,051 for Singapore). While Singapore has been

making good economic progress in recent years chiefly because of its established entrepôt trade with states in its vicinity and the rapid expansion of its (export-oriented) industry, Indonesia is only just taking the first steps towards industrial development. Singapore consequently depends in great measure upon its foreign trade (for 86 % of GNP). The only other state in anything like a similar position is Malaysia (42 %). In the other three countries the export trade currently accounts for no more than about 15 % of GNP.

**Table 1: Populations of the ASEAN States**

Country	Inhabitants (mn)		Share of ASEAN (%)		Growth rate 1970/74 (%)
	1965	1975	1965	1975	
Indonesia	104.9	132.0	58.5	56.9	2.4
Malaysia	9.4	12.2	5.2	5.3	2.9
Philippines	32.4	42.8	18.1	18.5	3.0
Singapore	1.9	2.2	1.1	0.9	1.7
Thailand	30.7	42.6	17.1	18.4	3.1
ASEAN	179.3	231.8	100.0	100.0	

Source: United Nations, Economic Cooperation among Member Countries of the Association of South East Asian Nations, in: Journal of Development Planning, No. 7, 1974, p. 5.

**Table 2: The Social Product of the ASEAN States**

	GNP in 1974 \$ mn	ASEAN share (%)	Per-capita GNP (\$)		Share in GNP (%) of Industry Exports		
			1969	1974	1960	1974	1970/75
Indonesia	9.77	34.9	50	74	8	9	15.2
Malaysia	3.55	12.7	300	291	9	17	42.0
Philippines	6.49	23.2	150	152	16	20	15.1
Singapore	2.31	8.3	557	1,051	12	25	85.9
Thailand	5.89	21.0	150	138	13	17	13.7
ASEAN	28.12	100.0	121	14.1			

Source: UN, ibid; UNCTAD, Handbook of international trade and development statistics, Geneva 1976.

\* Hamburg University, Institut für Internationale Angelegenheiten.

The foundation of Malaysia (in 1963) gave rise to great conflicts between the states of the region. The new state had been established by the feudal-bureaucratic Malay caste in Malaya together with the British, mainly in order to neutralize the more dynamic Chinese in the Malacca peninsula, and partly also because the Singapore Chinese were at that time led by a socialist party suspected of communist leanings. Indonesia (under Soekarno) did not recognize this "neo-colonial" creation and took up the hatchet by backing a guerilla movement against Malaysia in Borneo. The Philippines resurrected old claims to North Borneo (Sabah) which had once upon a time belonged to the Sultan of Sulu, and demanded the return of this region. Even in the face of this external threat it proved impossible to bridge the internal tensions between Kuala Lumpur Malays and Singapore Chinese in a common state. In 1965 Singapore was excluded from Malaysia, and this was followed by the dissolution of the customs and currency union (in 1967) and the remaining joint services (such as the common airline, in 1975).

The Association of Southeast Asia (ASA) which had been formed by Malaya with the Philippines and Thailand in 1959 ceased its activities because of these conflicts. An attempt to surmount the differences in the framework of a new organization composed of Malaysia, Indonesia and the Philippines — the Malay Confederation (Maphilindo, 1963) — worked only on paper. In reality it did not advance beyond initial steps. Soekarno's fall from power (in 1966) led to a rapprochement between the three states. ASA was revived in 1966, and a year later (in 1967) the ASA states formed a new regional organization including Singapore and Indonesia as well, the Association of Southeast Asian Nations (ASEAN).

The new ASEAN notwithstanding, the Philippines were at first still unwilling to abandon their anachronous claim to Sabah. This went so far that they broke off the diplomatic relations with Malaysia in 1968–72. The old claim was reaffirmed (albeit in a circumlocutory form) in the new Philippine constitution of 1973. Since 1972 this territorial dispute has indeed been aggravated by the fact that the Moslem separatists in the southern Philippines (Mindanao, Sulu) obtained increasing logistic support (especially in the form of aid deliveries from Libya) without hindrance through this same Sabah. Nevertheless ASEAN has in the meantime (in 1977) celebrated its tenth anniversary. The President of the Philippines chose this occasion for a formal renunciation of his country's claim to Sabah.

What then are the ASEAN's achievements in these ten years? First of all, what view do the member states take of the role and function of their organ-

ization, and through which communal institutions do they strive to realize and promote its tasks?

### Aims and Organizational Structure

From all public pronouncements it is clear that ASEAN is not intended to be regarded as a military pact. Nor is it thought of as a political alliance. It is meant to be a grouping of states for purposes of regional cooperation in the economic, social, cultural, scientific and administrative fields, a "non-ideological, non-military and non-antagonistic organization" which all states of the Southeast Asian geographic region are free to join as members<sup>1</sup>. The expectation has been voiced, for instance by Lee Kuan Yew at the summit conference in Bali (in 1976), that an (economically and socially) effective ASEAN could help to prevent "disturbances and subversive activities of a limited scale" from developing into "fully grown revolutions". Ferdinand Marcos put it similarly when he remarked: "The best defence against insurgents is and always will be economic development and social justice"<sup>2</sup>. These quotations from speeches made on festive occasions cannot however hide the fact that — as we shall see shortly — the political élite in the participating countries has in fact shown little readiness for compromise. The frequent declamatory references to the social advancement of the masses as an essential objective of the cooperation efforts are merely a ritual to legitimize the organization; most of the member states give no high priority to this aim even in their national economic policies.

Efforts on the part of Thailand and also of Indonesia to turn the treaty into a mutual security pact have so far been thwarted by Malaysia, Singapore and the Philippines. Meanwhile, however, joint military operations are being carried out increasingly on a bilateral basis (especially between Malaysia and Thailand and between Malaysia and Indonesia). For the past four years the secret and security services of the participating countries have also reportedly engaged in regular exchanges of information<sup>3</sup>.

The ASEAN group has obviously no wish to manoeuvre itself into a position of antagonism to socialist Vietnam but the PR Vietnam — unlike the Chinese People's Republic — has not departed from its opposition to the ASEAN group even though it is maintaining quite amiable bilateral relations with some of its members<sup>4</sup>. The cautious

<sup>1</sup> Datuk Hussein Onn in speech to the second conference of economic ministers in Kuala Lumpur on March 8/9, 1976, reprinted in: National Economic and Development Authority (NEDA), Comparative Information on the Member Countries of the Association of Southeast Asian Nations (ASEAN), Manila (no date), p. 63.

<sup>2</sup> Keesing's Contemporary Archives, p. 27676 (1976).

<sup>3</sup> Ferdinand Marcos as quoted in: Far Eastern Economic Review, Hongkong, February 18, 1977, p. 2.

<sup>4</sup> The Times Journal, Manila, September 2, 1977, p. 5.

approaches by other non-Southeast Asian countries desirous of joining ASEAN such as the Republic of China (Taiwan) in 1962 and 1966 (to ASA) and more recently by Sri Lanka (under Jayawardene) have been turned down. Burma on the other hand has been courted, but in vain.

Chary of surrendering sovereign rights, the ASEAN members have set about the integration process itself with extreme caution. When the organization was first set up, the Foreign Minister of Singapore, which must presumably be more deeply interested in regional cooperation than anybody else, warned his parliament not to expect "a dramatic leap forward in regional cooperation"; he said that he "would be satisfied with no more than a steady if slow movement towards regionalism" <sup>5</sup>.

The original ASEAN treaty of 1967 therefore provided initially for only one annual meeting of the foreign ministers as the supreme organ of the organization. Not before 1971 was it decided to hold summit meetings of the heads of state or government. Chiefly for domestic policy reasons the first such meeting took place only four years later (in Bali in 1976). There has been one further such meeting since (in Kuala Lumpur in August 1977) <sup>6</sup>.

At the meeting in Bali it was decided that the ministers in charge of economic affairs were also to meet once a year. But they were to be subordinate to the foreign ministers in that they should only make "recommendations" to the latter and these would have to decide about their implementation. The ministers of economic affairs have in the meantime called for this restriction to be lifted and for the full competence for decisions as well as the right to engage in contacts with third countries as an organ of the ASEAN organization to be entrusted to the economic ministers <sup>7</sup>. The creation of something like a supranational bureaucracy had been avoided up to the Bali meeting. A "standing committee" attended to the routine work between the foreign ministers' annual gatherings. This committee is meeting throughout the year in the member country where the foreign ministers have held their last annual conference. It consists of the ASEAN ambassadors to that country, the directors-general of the national ASEAN secretariats and the foreign minister of the host country, who chairs the meetings.

The ASEAN secretariat, which it was decided in Bali in 1976 to set up with permanent headquarters in Jakarta and the Indonesian general Harsono Rekso Dhatsono as secretary-general (for

the first two years), was not fully operational until the middle of 1977. It has not yet been assigned any competences or decision-making powers of its own and is therefore little more than a "letter box" for the member states. An attempt by Indonesia at the second summit conference (in 1977) to enlarge the executive powers of the secretary-general failed in the face of opposition by Singapore and Malaysia; they were afraid that this move could give Indonesia too much influence <sup>8</sup>. According to the vague formula in the Kuala Lumpur communiqué agreed upon the ASEAN leaders gave instructions "to continue the efforts to re-examine the organizational structure with a view to greater effectiveness". Possible amendments "must not however affect the status of the ASEAN Declaration (of 1967) as the basic document setting out principles and objectives of ASEAN" <sup>9</sup>.

### Joint Projects

The projects which have been carried out by ASEAN (and previously by ASA) reflect the structural weakness of the joint organization. It is true that the idea of a common market was raised by Singapore at an early opportunity, that Indonesia suggested joint marketing organizations and the Philippines more or less permanent commodity agreements to cover raw materials produced in ASEAN countries, but to start with agreement was reached in the main on exploratory projects, on studies, surveys, and exchanges of information. The ASEAN (and ASA) projects of this kind included:

- ☐ An "ASA Products Display Center" (which was opened in Bangkok in May 1967),
- ☐ The "Airline Pool" which combined the Malaysian Airline System (MAS) with Thai International (in December 1962),
- ☐ The "ASA Express Train Service" between Bangkok and Kuala Lumpur (started in April 1962),
- ☐ The exchange of scientific and technical publications on food production and marketing,
- ☐ A study on fishery stocks,
- ☐ Exchanges of information about statistical data on trade and industry, etc. <sup>10</sup>.

E. Solidum mentions a total of 29 ASA and 88 ASEAN projects (up to the end of 1969); she designates 13 (45%) and 52 (59%) of these respectively as "operational" in the sense that they had been carried out or started or that they had at least been the subject of initial exchanges of information or appointment of committees <sup>11</sup>.

<sup>5</sup> Estrella D. Solidum, *Towards a Southeast Asian Community*, Quezon City, 1974, p. 45.

<sup>6</sup> O. G. Roeder, *Zehn Jahre ASEAN (Ten years of ASEAN)*, in: *Indo Asia*, 19th year, July 1977, No. 3, p. 226.

<sup>7</sup> *Far Eastern Economic Review*, Hongkong, February 4, 1977, p. 28 and February 18, 1977, p. 34.

<sup>8</sup> *Asia Week*, Hongkong, August 19, 1977, p. 13.

<sup>9</sup> *The Times Journal*, Manila, August 9, 1977.

<sup>10</sup> Estrella D. Solidum, *ibid.*, p. 178 ff.

<sup>11</sup> Estrella D. Solidum, *ibid.*, p. 153-155.

However favourable a view one may be inclined to take of these projects, they can hardly have made a great impact on the economic and social development of the member states. A study group was therefore set up in January 1970 on behalf of the ASEAN states but with finance from the UN and the Netherlands (sic)<sup>12</sup> with instructions to trace the opportunities for increased cooperation between the ASEAN states. In their report which was presented in mid-1972 and released for publication in late 1973<sup>13</sup> the UN experts recommended that the ASEAN states should take the following steps for their further integration:

- ☐ Selective removal of customs duties,
- ☐ Conclusion of complementary agreements (between private enterprises),
- ☐ A "package deal" to set up one big industrial project in each of the member countries with preferential treatment in the entire ASEAN market,
- ☐ Arrangements to establish joint services or provide certain services, for instance in regard to payments agreements, research, sea transport, tourism, coordination of national development plans,
- ☐ Other measures designed to combine the national resources, avoid unnecessary duplication of effort, simplify and standardize formal regulations concerning trade and traffic, etc., and generally promote the harmonization of policies through consultations and joint coordinating measures<sup>14</sup>.

These suggestions did not come up for discussion at the highest level until the summit conference in Bali in 1976. A number of statements of intent were included in the "Declaration of ASEAN Accord" which was adopted on that occasion. Among the salient features were agreements to give each other priority in the supply of basic materials, especially food and energy, in "times of crisis"; to set up large ASEAN industrial installations; to aim at mutual trade preferences as a long-term objective; to intensify the common efforts to open foreign markets for ASEAN raw materials and manufactures; to formulate a common platform on global commodity, world trade and international monetary issues, etc.<sup>15</sup>.

The first concrete projects came up for discussion at the economic ministers' conference one month after the Bali summit. It was agreed to make a start with the "package deal" programme under which each of the member countries is to pursue

one big industrial project for the whole ASEAN market. It was accordingly proposed to erect a diesel engine plant in Singapore, a soda ash factory in Thailand, a superphosphate plant in the Philippines, one urea plant in Malaysia and another one in Indonesia. The investment costs are to be covered as to 75% by foreign credits and as to 25% by local equity capital; 60% of the latter is to be raised by the country where the investment is made and 10% by each of the other ASEAN states either from private or from public sources<sup>16</sup>.

Twelve months later next to no progress had been made on any of these projects. Even the feasibility studies had not yet been completed or even begun in all cases. Some projects encountered considerable difficulties: Indonesia is already producing engines of up to 500 h.p. and afraid that the proposed Singapore project may affect its own operation; it has therefore urged Singapore to confine itself to the production of engines of more than 500 h.p. (while Singapore believes that this would leave too small a market for its own production). The Philippines lack the necessary raw material for making superphosphates (rock sulphur). The original plan for siting the soda ash factory in northern Thailand seems to have aroused misgivings on security grounds<sup>17</sup>.

Before no thought had apparently been given to any of these problems. How the decisions were taken has been described by one of those concerned to "Asia Week": "The original plan was to go for prestige projects like steel plants and petrochemicals. When this threatened to create major differences, we literally took second-rank projects out of a hat — and in less than 24 hours. But then, in projects of this magnitude, there are bound to be mistakes and there is nothing to be ashamed of if some projects do not get off the ground"<sup>18</sup>. In Kuala Lumpur it was only possible to reach agreement to go on with the urea projects (for the Indonesian plant plans had been made earlier) and to arrange for feasibility studies to be undertaken regarding the other projects. It seemed by now certain that most of the necessary finance would be available as Prime Minister Fukuda had made a promise that Japan would provide \$ 1 bn for the projects if they were undertaken under ASEAN auspices and their viability was assured<sup>19</sup>. The negotiations on tariff preferences have not made much headway yet because Indonesia in

<sup>12</sup> In the Centre for Development Planning, Projections and Policies of the UN Department of Economic and Social Affairs.

<sup>13</sup> United Nations, Economic Co-operation among Member Countries of the Association of South East Asian Nations, in: *Journal of Development Planning*, No. 7, 1974, p. 260.

<sup>14</sup> United Nations, Economic Co-operation . . . , *ibid.* p. 51 ff. and p. 72 ff.

<sup>15</sup> NEDA, *ibid.* p. 50 ff.

<sup>16</sup> Far Eastern Economic Review, Hongkong, March 25, 1977, p. 48—52 and August 19, 1977, p. 27.

<sup>17</sup> Far Eastern Economic Review, Hongkong, August 19, 1977, p. 27 and June 17, 1977, p. 99.

<sup>18</sup> Asia Week, Hongkong, August 19, 1977, p. 10.

<sup>19</sup> A cabinet minister is said to have remarked sarcastically that Japan would have run no serious risk in promising even \$ 5 bn as long as its commitment was conditional on ASEAN cooperation. Cf. Far Eastern Economic Review, Hongkong, August 19, 1977, p. 20.

particular, but Malaysia as well, are afraid that once they are in a free trade zone, it will be impossible for them to catch up with Singapore because of its head start in industrial development. Singapore and the Philippines have tried to steal a march on the other ASEAN states by arranging a 10% tariff cut for altogether 1,700 products amongst themselves (in January 1977); the Philippines however do very little business with other ASEAN countries. In February 1977 Singapore and Thailand reached a similar agreement<sup>20</sup>. The other ASEAN ministers later gave their consent to tariff reductions of 10–30% for 71 products which were selected by the so-called "matrix" approach<sup>21</sup>, for it was very difficult to arrive at a basic definition for the categories of merchandise. In the end it was agreed that no less than 50% (in the case of Indonesia: 40%) of the value of the goods in question must be of local origin in order to qualify for preferential treatment<sup>22</sup>. On the customs union issue the ministers also took a step (certainly not much more) forward: They decided to set up a \$ 100 mn swap fund financed by equal contributions of the member states from which every member is entitled to draw a sum not exceeding \$ 40 mn for up to six months (at Eurodollar market rates) if its trade with other ASEAN countries is in deficit<sup>23</sup>.

Whether the measures which have been initiated so far can give a lasting impetus to the intra-ASEAN trade is a moot point. At present this intra-regional trade is still relatively unimportant except between Singapore and its neighbours (cf. Tables 3, 4, 5). In relation to the total foreign trade of the ASEAN countries it has increased over the past ten years only in Indonesia (in both directions) and in Malaysia and the Philippines as far as exports are concerned. For the rest the ratio of intra-ASEAN trade to total foreign trade has actually declined in the ASEAN countries (cf. Table 3).

**Table 3**  
**ASEAN Trade as a Percentage of Total Foreign Trade in 1963–66 and 1970–74**

Country	Exports		Imports	
	1963–76	1970–74	1963–66	1970–74
Indonesia	8.3	14.8	0.2	8.6
Malaysia	22.5	25.2	22.3	15.0
Philippines	0.4	1.9	4.4	4.0
Singapore	—	27.2	—	24.7
Thailand	26.3	17.7	5.7	3.1

Source: NEDA, Comparative Information on the Member Countries of the Association of Southeast Asian Nations (ASEAN), Manila (no date); Estrella D. Solidum, Towards a Southeast Asian Community, Quezon City 1974, p. 1964/65.

<sup>20</sup> Far Eastern Economic Review, Hongkong, February 18, 1977, p. 26 and 33.

<sup>21</sup> Each country is offering one or two products in turn for preferential treatment.

<sup>22</sup> Far Eastern Economic Review, Hongkong, July 8, 1977, p. 56.

<sup>23</sup> Keessing's Contemporary Archives, p. 28615 (1977).

**Table 4**  
**ASEAN Trade of ASEAN Member States as a Percentage of Total Intra-ASEAN Trade in 1970–74**

	Indonesia	Malaysia	Philippines	Singapore	Thailand
Exports to:					
Indonesia	—	16.2	5.2	77.7	0.9
Malaysia	2.2	—	4.7	89.5	3.5
Philippines	28.5	10.0	—	52.0	9.5
Singapore	15.3	71.6	2.5	—	10.6
Thailand	17.0	29.6	7.8	45.6	—
Imports from:					
Indonesia	—	19.7	5.8	70.7	3.8
Malaysia	21.5	—	2.2	70.7	3.8
Philippines	20.3	36.6	—	16.2	26.9
Singapore	24.0	64.5	1.5	—	10.5
Thailand	17.8	34.0	6.8	41.4	—

Source: NEDA, *ibid.*

**Table 5**  
**The Most Important Export Markets of the ASEAN States in 1970–75**

Indonesia:	Japan 48.5 %; USA 15.7 %; Singapore 10.8 %
Malaysia:	Singapore 22.2 %; Japan 17.7 %; USA 12.8 %
Philippines:	USA 38.5 %; Japan 34.8 %; Netherlands 6.0 %
Singapore:	Malaysia 19.6 %; USA 13.9 %; Japan 8.1 %
Thailand:	Japan 24.5 %; USA 11.3 %; Netherlands 8.2 %

### ASEAN's External Relations

While the efforts for intraregional cooperation were beset by difficulties, the joint representation of ASEAN interests vis-à-vis third countries seems to progress all the more easily. The aim is to approach the major industrialized countries — especially those close to Southeast Asia and the EC — collectively for an exchange of views and negotiations. The ASEAN countries wish to extend their trade relations and to try to enlarge their export markets by surmounting tariff and non-tariff trade barriers and to safeguard them by a kind of "Stabex" system but they also want to obtain more development aid and to attract private investments. For the long term many politicians in the ASEAN states seem to visualize a kind of Lomé Convention with other countries (especially Japan)<sup>24</sup>. However, they are not yet ready to give to ASEAN projects a higher development aid priority than to ventures in individual states or on a bilateral basis. Cuts in the assistance given to individual countries in favour of collective ASEAN projects are not countenanced<sup>25</sup>.

<sup>24</sup> Rajaratnam speaking to the 10th foreign ministers' conference in Singapore, Far Eastern Economic Review, September 23, 1977, p. 33.

<sup>25</sup> Romulo in conversation with Americans, Asia Week, Hongkong, September 23, 1977, p. 33.

As regards the EC, the ASEAN group started out with a collective external representation. A joint memorandum on improved access for ASEAN products to the EC market has been presented to the EC Commission each year since 1972. An ASEAN representation has been at work in Brussels since 1975 following a suggestion from the EC. Amongst its function is the submission of proposals for regional projects to the EC Commission and, in particular, the maintaining of contacts concerning trade issues<sup>26</sup>. ASEAN circles are apparently not quite as happy with this arrangement as they used to be. It has been urged that the ASEAN group should be able to engage in a direct dialogue with the EC Council of Ministers rather than to have to deal solely with the Brussels bureaucracy<sup>27</sup>. The contacts with ASEAN's neighbours started later. The Prime Ministers of Japan, Australia and New Zealand had already let it be known in 1976 that they were willing to come to Bali for the summit of ASEAN heads of government<sup>28</sup>. A meeting with all of them took place after the Kuala Lumpur summit (in August 1977). Somewhat earlier (in February 1977) there had been a meeting with Canada in Manila. The first talks with the USA (albeit only on a ministerial level) got under way in September 1977.

Joint talks are also being sought with private business firms in the industrialized countries. Such meetings have been held (since 1974) between the ASEAN states and Japan. The first encounter with businessmen from the EC was arranged in April 1977. It is difficult to say how much foreign interest can really be attracted by such means for private capital investments in Southeast Asia but it may be assumed that these gatherings have served a useful purpose by improving the atmosphere. The inter-state contacts on the other hand have led to several major commitments on development aid and trade relations by Japan while the EC has so far offered only some rather limited trade concessions and Australia and New Zealand have expressed their willingness to finance ASEAN development projects. The USA alone have declined to undertake any engagements in the consultations.

No common ASEAN organs have as yet been established in the field of purchasing and marketing although ASEAN businessmen have been pressing for such joint agencies or cooperatives (for world market exports and imports)<sup>29</sup> and the foreign ministers and heads of state have affirmed

that there exists a need for joint action in regard to raw material issues and shipping policy.

Only a federation of ASEAN Shipowners' Associations was formed in November 1975 but this does not mean that the local shipping firms are in any way challenging the (foreign-dominated) shipping conferences on which war has been declared. Even in the field of intraregional transports which still leave a great deal to be desired the ASEAN shipping firms are if anything more opposed to each other since Malaysia and Indonesia have been making moves to break the dominance of Singapore<sup>30</sup>.

Commodity cartels or raw material producers' organizations have not been formed by ASEAN states acting by themselves. Some of them are however members of organizations of this kind which include South Asian countries; most of these are creations under the auspices of the UN Economic Commission for Asia and the Far East (ECAFE). The Asian Coconut Community (since 1969) includes Indonesia, Malaysia and the Philippines (as well as India and Sri Lanka), the Pepper Community (1971) was founded by Indonesia, Malaysia and India, and the Association of Natural Rubber Producing Countries (1970) counts all ASEAN states except the Philippines (as well as Sri Lanka and formerly also Vietnam) among its members.

### Conclusions

In the light of the real achievements to date it is difficult to accept the optimistic assessment of the (in part officially directed) daily press in the region, and also in the literature<sup>31</sup>, that the cooperation has already become an important factor for the ASEAN states. At best it can be said that — ten years after its foundation — ASEAN has taken its first tentative steps. It is true that the pace has been considerably faster in the last two years, but this does not mean that important concrete results have already been achieved. However great the need for regional integration and cooperation may be, the effectuation and implementation of these ideas must be preceded by a prolonged learning process. Former colonial peoples cannot find it easy to surrender sovereign rights over certain areas so soon after gaining independence, especially if they are under a relatively authoritarian and centralistic rule. Conferences and summits which have failed to yield concrete results are not necessarily "non-events" (to use the fashionable British term) but may be seen as stages of a long-drawn "process". It is to be hoped that this optimistic appraisal will be borne out by events.

<sup>26</sup> Far Eastern Economic Review, Hongkong, February 18, 1977, p. 34.

<sup>27</sup> Rajaratnam, *ibid.*

<sup>28</sup> Keessing's Contemporary Archives, p. 27676 (1976).

<sup>29</sup> Jose Encarnacion, Regional Economic Cooperation, in: Philippine Economic Problems in Perspectives (by the same author), Quezon City 1976.

<sup>30</sup> For further details cf. Far Eastern Economic Review, Hongkong, July 15, 1977, p. 50 ff.

<sup>31</sup> Cf. W. S. Hundsberger, W. K. Chan, C. E. Meleky, Economic Cooperation/Integration in the ASPAC and ASEAN areas; in: Asia Quarterly, 1974/2, p. 122/123.