OTHER DIMENSIONS OF ASEAN ECONOMIC COOPERATION

Besides trade and regional industrial cooperative ventures, which constitute major areas of ASEAN economic cooperation, ASEAN countries have also entered into many other areas of economic cooperation. These may be divided into two categories viz., (i) cooperation in food, agriculture and forestry, finance and banking, minerals and energy, transportation and communications, and tourism; and (ii) extra-regional economic cooperation. The nature and scope of ASEAN economic cooperation in these areas may be discussed as follows:

Food, Agriculture, and Forestry

Though ASEAN cooperation in the field of food, agriculture and forestry could be traced back to June 1968, when the first meeting of the Ad-hoc Committee on food production and supply including fisheries was held in Jakarta, yet an important step in this direction was the setting up of the Committee on Food and Agriculture which met for the first time in December 1976. Subsequently, at the ASEAN Economic Ministers Meeting in Manila in January 1977, the scope of this Committee was expanded to include forestry as well, and it was redesignated as the ASEAN-
Committee on Food, Agriculture and Forestry (ASEAN-COFAF). The primary focus of ASEAN-COFAF is to promote development in the food, agriculture and forestry sectors within the overall framework of the economic growth, social progress and cultural development in the region. The main objectives and activities of ASEAN-COFAF include:

(i) to identify, initiate, and intensify specific cooperative undertakings among ASEAN member countries as well as with other third parties in order to promote sound development of food, agriculture and forestry sectors in the region;

(ii) to promote the conduct of periodic reviews of the food agriculture and forestry situation in the ASEAN region and the preparation of studies on the short-term prospects of the food, agriculture and forestry situation in the region as well as the global level;

(iii) to develop effective methods of exchange of information among member countries pertaining to food, agriculture and forestry, with a view to facilitate cooperative undertakings in these sectors of economy; and

(iv) to consider technical projects and future programmes of cooperation for the benefit of ASEAN.

1 ASEAN Secretariat, ASEAN Cooperation in Food, Agriculture and Forestry, ASEAN Information Series, n. 3, (Jakarta, 1986), p. 3.
2 Ibid.
The major framework for cooperation in these areas is provided by the Manila Consensus of the First Meeting of ASEAN Agriculture Ministers in August 1979, and the Jakarta Consensus on ASEAN Tropical Forestry of the Third Meeting of the ASEAN Economic Ministers on Agriculture and Forestry in August 1981. The Manila consensus identified several areas for cooperation such as food security reserve, cooperation and priority in the supply and procurement of fertilizers, pesticides and other agricultural inputs, ASEAN common agriculture policy including ASEAN Quarantine Ring (common plant and animal protection), ASEAN common stand on international matters, and role of ASEAN-COFAF in implementing the agricultural policy in the region. The Jakarta Consensus spells out a comprehensive cooperation plan, covering among others, the adoption of the common forestry policy, the promotion of technical cooperation and the establishment of suitable institutions to implement various forestry projects and activities.

The outstanding accomplishments of the projects under COFAF have been:

(i) establishment of the ASEAN Food Security Reserve (AFSR) which has been operational since July 1981. This scheme


4 For details see, ASEAN Secretariat, n. 1, pp. 5-7.

5 Ibid., p. 13.
provides for a flexible framework for the pursuit of regional collective food security. Central to this is the coordination of national food reserves, arrangements for mutual support in emergencies and the establishment of a food information and early warning system. Under the AFSR scheme, an ASEAN Emergency Rice Reserve was established in 1981, and it had an initial quantity of 50,000 metric tons. The scheme is similar to the one that the World Food Council is promoting for wheat and other grains as an emergency food reserve to meet natural disasters round the world and to take emergency supplies out of the volatility of the commercial markets.

(ii) establishment of ASEAN Food Handling Project under the ASEAN - Australia Economic Cooperation Programme (AAECF) in

7 It may be noted that because of stable food situation in the region, the ASEAN Emergency Rice Reserve has never been released since its inception. However, in order to develop a stronger and more efficient food situation in the entire region, the COFAF has recently agreed to propose a study on ASEAN Food Security Reserves. See, ASEAN Secretariat, Annual Report of the ASEAN Standing Committee, 1990-1991 (Jakarta, n.d.), pp. 7 and 29.
8 However, with Brunei's accession to the AFSR Scheme by Committing 3000 tons of rice in its national stocks for the ASEAN Emergency Rice Reserve, the stockpile now stands at 53,000 metric tons. ASEAN Secretariat, Annual Report of the ASEAN Standing Committee, 1985-1986 (Jakarta, n.d.), p. 23.
1974 (it aims at reducing the post-harvest losses and to improve the quality of food supply), and of ASEAN Food Handling Bureau (AFHB) in 1981. While the Bureau serves as a technical resource base for ASEAN Food Handling Project and provides consultancy and advisory services in the field of post-harvest food handlings, the scope of activities of the Food Handling Project includes: fisheries, livestock, grains, horticulture etc.

(iii) organisation of number of programme on animal quarantine improvement and the eradication of Foot and Mouth Disease (FMD), a deadly killer of hooved animals, like cattle and buffaloes etc. This disease, it may be noted, hinders intra-ASEAN movement of livestock and trade in meat;

(iv) ASEAN Afforestation Project. Initiated in 1979 and located in Tarlac, the Philippines, with New Zealand as a participating partner, the project was successfully completed in November 1988. The primary aim of the project was to establish a forest nursery and pilot pine plantation to demonstrate effective afforestation measures.

For details on the nature and achievements of these projects see, ASEAN Secretariat, n. 1, pp. 8-13.

As a result of COFAF's efforts, Western and Northern Mindanao of the Philippines and the whole of Indonesia have been declared as FMD Free Zone. ASEAN Secretariat, ASEAN Newsletter, n. 23, (September-October 1987), 10; and ASEAN Secretariat, n. 7, p. 28.

by using techniques adopted from New Zealand as well as ASEAN countries;

(v) ASEAN Forest Tree Seed Centre. Initiated in 1982 and located in Muaklek, Thailand, with Canada as a participating country, the first phase of the project was completed in 1987. A MOU for phase-II was signed in April 1988 in Ottawa in which Canada agreed to provide assistance amounting to C$ 9.4 million for a period of five years, and the phase II of the project is actively in operation;

(vi) ASEAN Watershed Management Project. Located in the Philippines and started in 1983 with United States as a participating country, the aim of the project was to promote collaboration and cooperation among ASEAN countries in watershed conservation and management activities, upgrading of manpower expertise and skills. However, the project activities under US assistance were terminated in December 1989, and there was a proposal by COFAF that the project should be continued under ASEAN's own resources. However, a new project, ASEAN Networks for Watershed Management and Upland Development, to be located in Indonesia, with

14 ASEAN Secretariat, n. 12, p. 33.
15 ASEAN Secretariat, n. 7, p. 33.
16 ASEAN Secretariat, n. 1, p. 15.
EC as a participating country was adopted in 1990. The project proposal was submitted to the EC in February 1991.

The other important projects under COFAF include: ASEAN Timber Technology Centre (located in Kuala Lumpur, Malaysia, with the EC as a participating country), Institute of Forest Management (located in Kuala Lumpur, Malaysia, with Canada as a participating country), and ASEAN Agricultural Development Planning Centre (located in Bangkok, Thailand, with the US and FAO as participating countries). All these projects are long-term projects and are in various stages of implementation.

Finance and Banking

Cooperation in finance and banking appears to be vital to facilitate any meaningful regional economic cooperation. ASEAN cooperation in finance and banking, it may be noted, mainly covers customs matters, tax matters and insurance. The Committee on Finance and Banking (COFAB) has been primarily entrusted with the responsibility of initiating and monitoring cooperation in these areas. Some significant

18 ASEAN Secretariat, n. 7, p. 35.
19 For details see, ASEAN Secretariat, ASEAN Newsletter, n. 18, (November - December 1986), p. 5; ASEAN Secretariat, ASEAN Newsletter, n. 25, (January-February 1985), p. 15; ASEAN Secretariat, ASEAN Newsletter, n. 31, (January-February 1989), p. 7; ASEAN Secretariat, n. 17, pp. 41-42; and ASEAN Secretariat, n. 7, pp. 32-34.
20 ASEAN Secretariat, n. 6, p. 10.
Strides made in these areas may be mentioned as below:

(i) Setting up of an ASEAN Swap Arrangement by the ASEAN Central Banks and Monetary Authorities in August 1977. The principal objective of Swap Arrangement is to provide a mechanism for short-term liquidity financing to alleviate temporary balance of payments needs of member nations. The Arrangement was agreed upon for a year and subject to renewal by mutual agreement. Under the Arrangement, each country provided a standby credit of US $ 20 million or a total of US $ 100 million, and was allowed to borrow up to US $ 40 million in times of crisis.

(ii) Establishment of the ASEAN Reinsurance Pool in 1982 and the ASEAN Insurance College in Manila. However, in March 1987, it was agreed upon that the Reinsurance Pool be upgraded to a corporation, to be named as the "ASEAN Reinsurance Corporation Ltd.", with an initial capital of US $ 3 million, i.e., US $ 500,000 per member country. The amount of credit available was also raised from US $ 100 million in 1978 to US $ 200 in 1982, thus doubling each member's obligatory contribution and maximum credit entitlement. The Fourth Supplementary Agreement signed by Governors of Central Banks of ASEAN countries in January 1987 extended the Swap Arrangement till 1992. Amendments have also been made in order to allow for the admission of Brunei into the Arrangement. ASEAN Secretariat, Annual Report of the ASEAN Standing Committee, 1986-1987 (Jakarta, n.d.), p. 17.

References:

21 Ibid., p. 11.
22 However, with the signing of the First, Second and Third Supplementary Agreements on Swap Arrangements, amount of credit available was also raised from US $ 100 million in 1978 to US $ 200 in 1982, thus doubling each member's obligatory contribution and maximum credit entitlement. The Fourth Supplementary Agreement signed by Governors of Central Banks of ASEAN countries in January 1987 extended the Swap Arrangement till 1992. Amendments have also been made in order to allow for the admission of Brunei into the Arrangement. ASEAN Secretariat, Annual Report of the ASEAN Standing Committee, 1986-1987 (Jakarta, n.d.), p. 17.
24 ASEAN Secretariat, n. 22, p. 18.
agreement, it may be noted, was the result of a major initiative of the ASEAN private sector, and was formally endorsed at the Third ASEAN Summit, in 1987;

(iii) signing of ASEAN Customs Code of Conduct in 1983, which aims at improving all areas of customs work in promoting intra-ASEAN trade and economic cooperation;

(iv) study of ASEAN Financial and Banking System, Structure and Prospects, and

(v) training of Supervisory Staff for ASEAN Insurance Commissions.

Minerals and Energy

In the field of minerals, an ASEAN Minerals Cooperation Plan was formulated in 1981, and within this framework, various projects have been formulated for implementation in areas such as beneficiation and marketing of Kaolin and barite, mine safety, mining technology and mineral exploration.

25 ASEAN Secretariat, n. 12, p. 18.
26 ASEAN Secretariat, n. 6, p. 10.
27 The project document was signed in June 1987 and the work on the project commenced in 1989. ASEAN Secretariat, n. 17, p. 31.
28 With the United Nations Development Programme as participating partner, the project has been operational since 1985 and extended to the Fourth Cycle. ASEAN Secretariat, n. 12, p. 26.
29 ASEAN Secretariat, n. 6, p. 13.
As far as cooperation in energy is concerned, cooperation in this field seems vital for the economic development of ASEAN region. It is so argued because there appears to be a direct linkage between per capita energy consumption and Gross National Product (GNP) of a region. For example, in 1965 while North America and Western Europe consumed 37.3 per cent and 20.4 per cent of global energy and accounted for 33.3 per cent and 26.1 percent of the world GNP respectively, Asian countries (including the ASEAN countries) had a relatively low energy consumption per capita (11.8 per cent) and therefore, accounted for only 12.9 per cent of the total global GNP.

Thus, economic significance of the availability of energy seems enormous because any energy scarcity would proportionately reduce the prospects for economic development. But ASEAN region, it may be noted, faces the prospects of energy scarcity and it was, perhaps, against

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31 Although ASEAN region does possess non-renewable energy resources such as oil, natural gas, and coal and also has the potential of exploiting renewable resources including hydro-power and geo-thermal power, there is an asymmetrical distribution of energy resources within ASEAN. While the Philippines, Singapore and Thailand are dependent upon imports of oil for the bulk of their energy requirements, Indonesia and Malaysia have to import Arabian crude oil for mixing with their low-sulphur crude. Moreover, ASEAN'S oil reserves amount to less than 3 per cent of the world's known reserves, and at the current rate of depletion, they are expected to exhaust relatively soon. Ibid., pp. 347-48.
this background that the meeting of ASEAN Heads of Government in February 1976 and the ASEAN Concord of 1976 laid particular emphasis on the need for regional cooperation in the field of energy. Following the Bali Summit, in order to enhance cooperation in the field of energy, an ASEAN Emergency Petroleum Sharing Scheme was approved by the national petroleum companies of the member nations in 1977. Under this scheme, member nations with surpluses were obliged to give first priority on the sale of their Petroleum products to the member countries facing a petroleum supply shortage of 20 per cent or more. The scheme has since been improved to allow an emergency supply to those member nations facing a 10 per cent shortage.

The Emergency Petroleum Sharing Scheme was given the form of an agreement at the Nineteenth Annual Ministerial Meeting in Manila in June 1986. Known as the ASEAN Petroleum Security Agreement, it provides means for member countries to accord each other priority of supply or purchase of crude oil and/or petroleum products in times of either shortage or over-supply. At the meeting, the Foreign Ministers also signed an Agreement on ASEAN Energy Cooperation which provides the framework for cooperation in


33 ASEAN Secretariat, n. 23, p. 14.
the efficient development and use of all forms of energy.

The more significant projects in the fields of ASEAN cooperation in minerals and energy are:
(i) Stability Problems in Open Mines of Soft Ground. It is a short-term project, with EC as participating country and is in the implementation stage;
(ii) Cooperation Among Power Utilities. Under this project, there are 10 sub-projects (micro-mini-hydro-development; computer applications; research development and training; geo-power thermal development etc.) and all of them are in the implementation stage;
(iii) Assessment of Mineral and Energy Resources in the ASEAN Region; a long-term project in the implementation stage;
(iv) Study on the Benefication, Utilisation and Marketing; a short-term project in the preparatory stage; and
(v) Exploration of Bentonite Deposits and Studies on its Benefication, Utilisation and Marketing; a short-term project in the preparatory stage.


35 For details see, ASEAN Secretariat, n. 12, pp. 45-46 and 47; ASEAN Secretariat, n. 17, pp. 53-54; and ASEAN Secretariat, n. 7, pp. 41-42.
Besides these projects, the ASEAN Economic Ministers on Energy Cooperation have recently approved a Programme of Action for the Enhancement of ASEAN Cooperation in Energy (PAECE) which is expected to serve as the basis for formulating energy projects for ASEAN cooperation in future. The PAECE seeks to enhance cooperation in the areas of coal, electricity, petroleum and natural gas, geo-thermal resources, new and renewable sources of energy, energy conservation, research, development, and energy policy and planning etc.

Transport and Communications

ASEAN'S regional cooperative efforts in transport and communications may be classified into four major areas viz; shipping and ports; land transportation; civil aviation and related services; and post and telecommunications (COTAC) has been entrusted with the task of initiating, monitoring, and implementing these projects. To accomplish this task, Integrated Work Programmes (IWPs) have been formed in each of the four areas of cooperation under transport and communications. These are Integrated Work Programme in Shipping (IWPS, 1987-91), Integrated Work Programme in Land Transportation (IWPLT, 1987-91); Integrated Work Programme in Civil Aviation and Related Services (IWPCARS, 1987-91), and Integrated Work Programme on Post and Telecommunications (IWPTT, 1987-91). The COTAC

36 ASEAN Secretariat, n. 7, pp. 7 and 37.
has identified 93 projects (IWPS-29, IWPLT-18, IWPCARS-22 and IWPPT -24) for cooperation in these fields. While some of these projects have been implemented, others are in the various stages of implementation.

Cooperation in the area of shipping and ports seems important in view of the fact that 80 per cent of ASEAN trade is reliant on maritime transport, and an improved and more efficient shipping and ports system is likely to act as an important catalyst in accelerating ASEAN intra-regional cooperation and economic growth of the region. Probably, that is why the need for an accelerated cooperation in shipping and ports has been duly recognised by the ASEAN. The main objective of cooperation in this field is to achieve regional self-reliance, particularly with regard to reasonable and stable freight rates, as well as adequate, efficient and economic shipping services for the carriage of freight within and beyond the region. With this objective, COTAC has undertaken numerous projects under IWPS, 1987-91. The more significant are ; (a) Study of ASEAN Merchant Fleet Structure ; (b) Establishment/Strengthening of National Freight Booking and Cargo Consolidation Centre (FBCCC) ; (c) Study on Fuel and other Cost Saving Measures ; (d) Assistance in Organising

37 Ibid., pp. 48-65.
38 ASEAN Secretariat, n. 12, p. 52.
39 ASEAN Secretariat, n. 23, p. 15.

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Data Bank on Pollutants from Ships; (e) Simplification of Port Documents and Procedures; (f) Point to Point Shipping Services; (g) Integrated Harbour Management Programme; and (h) Maritime Transport Development and Cooperation in ASEAN Countries.

As far cooperation in land transportation, the objective of cooperation is to improve and harmonize the island transportation system of member countries and the standardization of national usages and regulations in order to facilitate the intra-ASEAN movement of people and goods. An important development in the direction of an accelerated land transportation seems to be the ASEAN Agreement on the Recognition of Domestic Driving Licences issued by ASEAN countries reached at the ASEAN Foreign Ministers Meeting in Kuala Lumpur, in July 1985. The Agreement has been ratified by the ASEAN members, and it is expected that it will facilitate a greater movement of people within the region, and thereby, contribute to an acceleration of intra-ASEAN economic cooperation in general.

The important projects under IWPLT include; English Translation for Domestic Driving Licences of the ASEAN Region (completed); Standardisation of Road, Design,
Weights, and Dimension of Vehicles used in International Traffic (implementation stage); Exchange of Technology in the Field of Railway Engineering (implementation stage); and Establishment of Training Centre on Land Transportation in ASEAN member countries (implementation stage).

In the field of Civil Aviation and Related Services, the main thrust of IWPCARS has been to promote ASEAN as a tourist destination through introduction of cheaper services and rationalized routing. Two important measures taken in this respect have been the introduction of the ASEAN Circle Trip Fare and the ASEAN Promotional Fare.

The more significant projects under IWPCARS include; Establishment of Centres of Excellence, and Exchange of Research and Information or Meteorology (completed); Implementation of the Agreement for the Search and Rescue of Survivors (SAR) in Aircraft Accidents (implementation stage); and Civil Aviation Training Programme.

43 For objective of these projects see, ASEAN Secretariat, n. 17, p. 74; and ASEAN Secretariat, n. 7, pp. 55-56.

44 Originally these arrangements were among the five founding ASEAN members. However, in 1986, Brunei was also included as a stop-over point in the ASEAN Circle Trip Fare and the ASEAN Promotional Fare, thus making these measures attractive as well as placing Bandar Seri Begawan, Brunei on ASEAN tourist map. ASEAN Secretariat, n. 22, p. 45.

45 Initially, four centres of Excellence were established in Indonesia, the Philippines, Singapore and Thailand. Two more centres are being established. One centre is in Brunei to provide training in Disabled Aircraft Removal Discovery/Recovery Techniques and Aircraft Emergency Planning. The other is in Malaysia, specializing in Aviation Security. ASEAN Secretariat, n. 12, p. 51.

46 ASEAN Secretariat, n. 7, pp. 58-60.
In the area of Post and Telecommunications, the most significant project is the ASEAN Submarine Cable Project. Started in 1974, the project was deemed to be completed in 1986, and three of the four segments of the project (except that linking the Philippines, Malaysia and Thailand) became operational in 1986. The last segment of the project was deferred to the early 1990's and later substituted by an ASEAN Optical Fibre Submarine Cable Network, the MOU for which was signed in March 1990. The network is expected to be ready for service upon the completion of its various segments as follows:

(a) Kuantam-Kota Kinabalu - December 1990
(b) Brunei - Malaysia - Philippines - 3rd Quarter of 1991
(c) Brunei - Singapore - 4th Quarter of 1991
(d) Malaysia - Thailand - 1992
(e) Malaysia - Singapore - 1993-95
(f) Indonesia - Singapore - 1993-95

The other important projects that are currently under various stages of implementation include: Satellite Communications Developments; Standardization of Regional Signaling System in Telecommunications Network; and Development of Cellular Radio Telephone System Applications.

47 ASEAN Secretariat, n. 23, p. 16.
48 The decision was made in view of the rapid development of the optical fibre submarine cable system in the region. ASEAN Secretariat, n. 8, p. 41.
49 ASEAN Secretariat, n. 17, p. 60.
50 ASEAN Secretariat, n. 7, p. 47.
Tourism:

In the present era, tourism seems to have assumed an important role not only in promoting cooperation among people through increased interaction, it has also become an important industry, and is perceived as an important source of foreign exchange earnings. Perhaps, that is why ASEAN, too, has laid due emphasis on cooperation in tourism, though it is still a quite young and growing industry in the region. Cooperative efforts in tourism have focused on joint programmes and activities both within and outside the region to promote ASEAN as a tourist destination. The ASEAN Circle Trip Fare and the provision of Two-Week Visa-Free Travel for ASEAN Nationals appear to have helped to stimulate tourism within ASEAN. Further, in order to encourage tourist industry, an ASEAN Tourist Information Centre has been set up in Kuala Lumpur, Malaysia. Another important decision to promote tourism was an agreement reached at the Third ASEAN Summit 1987, to declare the year 1992 as "Visit ASEAN Year", and the period 1988-1992 as a promotional and preparatory period to encourage intra-


52 ASEAN Secretariat, n. 23, p. 16.

ASEAN and inter-ASEAN travel. Thus, it seems that vigorous efforts are being made to promote tourism in the ASEAN region as a whole.

**Appraisal:**

Thus, it may be inferred from the above discussion that notwithstanding the fact that it is the ASEAN economic cooperation in trade and regional industrialization that has been the prime focus of attention among the scholars who have made an in-depth study, and analytically examined ASEAN economic cooperation, economic cooperation in these welfare activities appears quite advanced and encompassing. It, therefore, merit more attention.

However, besides economic cooperation in these areas, it seems of relevance to add, ASEAN has also made successful efforts for regional cooperation in non-economic areas and established various committees to achieve the desired objectives. These include; Committee on Science and Technology (COST) for cooperation in science and technology; Committee on Culture and Information (COCI).

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54 ASEAN Secretariat, ASEAN Newsletter, n. 22, (July-August 1987), p. 10; and ASEAN Secretariat, n. 12, p. 7.

55 For example, see ASEAN Secretariat, ASEAN Newsletter, n. 37, (January-February 1990), p. 7.

56 For details of scope and activities of COST see, ASEAN Secretariat, ASEAN Cooperation in Science and Technology, ASEAN Information Series, n. 2, (Jakarta, 1987), pp. 1-12.
for cooperation in culture and information; Committee on Social Development (COSD) for cooperation in social development; ASEAN Senior Officials on Drug Matters (ASOD) for cooperation in Drugs and narcotics control; ASEAN Senior Officials on Environment (ASOEN) for cooperation in environment.

Thus, given the advanced stage as well as the nature of wide-ranging functions (which are normally performed by national institutions) performed by these 'regional committees' in different fields, it seems that there has been a perceptible accretion of functions from national institutions to regional institutions in the case of ASEAN. It further appears that if these regional institutions continue to perform these economic and welfare functions effectively and perhaps, more efficiently than the national institutions, although it may not, at present, result in the shifting of peoples' loyalties away from national institutions to regional institutions across the national frontiers and in the emergence of a "Political Community" (as the regional integration theorists would make us believe), yet it would certainly go a long way in further strengthening regional ties amongst the people of the ASEAN region.

57 For details of recent activities and status of numerous projects under the purview of these committees see, ASEAN Secretariat, n. 17, pp. 93-122, and ASEAN Secretariat, n. 7, pp. 75-121.

58 See, Chapter I, pp.68-73.
EXTRA-REGIONAL ECONOMIC COOPERATION

The need to adopt regional approach and strategy to deal with the extra-regional powers seems vital for the health of any regional organisation for two reasons. First, it enhances the bargaining power of a regional organisation and thereby, helps to secure a better leverage for furthering organisation's common economic and political interests vis-a-vis the extra-regional powers. Second, a regular pattern of collective approach to extra-regional stimuli seems to help accentuate regional ties among the members of a regional organisation.

So far as ASEAN is concerned, despite the rhetoric contained in the Bangkok Declaration for the need to develop a collective approach vis-a-vis external powers, in the pre-Bali era ASEAN countries could not effectively harmonize their policies vis-a-vis external powers. The bilateral tensions and schism among member nations, zealous pre-occupation with their national interests, absence of a clearly formulated coherent guide-lines for the conduct of external relations, and lack of strong institutional structure required to facilitate dialogue with external powers seem to explain for the lack of coordination of policies among ASEAN countries in this respect. However, it appears that the gradual tearing down of psychological

59 "The ASEAN Declaration (Bangkok Declaration), Bangkok, 8 August 1967", ASEAN Secretariat, n. 23, Article 7, p. 25.
barriers to cooperation, and lessening of mutual distrust and bilateral tensions among ASEAN members as well as a steady economic growth achieved during the first decade of its existence imparted the Association with maturity and desired confidence to harmonize their policies vis-a-vis external powers. Probably, certain significant international developments such as the oil price rise in 1973, unification of Vietnam and the US military withdrawal from the region, the beginning of the Sino-US and Sino-Japanese rapprochement also contributed to the realization for the need to harmonize their policies to demonstrate "their resilience in the face of external uncertainty and threat". It was, perhaps, against the backdrop of such a realization that the Bali Summit of 1976 duly emphasised the need for synchronization of policies and exploration of "all avenues for close and beneficial cooperation with other states as well as international regional organizations outside the region". Also, it provided certain guidelines as well as an institutional mechanism for the smooth conduct of extra-regional relations. As a consequence, we find that ASEAN has established dialogues with select developed countries as well as regional and international organisations such as Australia, Canada, the EC, Japan, New Zealand, Republic of Korea, the US and the UN agencies.


61 See, "Treaty of Amity and Cooperation in Southeast Asia", Malaysia, n. 32, Articles 7 and 9, p. 18.
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through the United Nations Development Programme (UNDP) and Economic and Social Commission for Asia and the Pacific (ESCAP).

Of these the most important seems to be Japan which has emerged as the largest trading partner of ASEAN. As Table-I indicates, Japan accounted for 24.2 per cent and 20.5 per cent of ASEAN's exports and imports. Similarly, in the year 1990, ASEAN's exports and imports from Japan stood at 24.6 per cent of total ASEAN trade, whereas Japan's exports to and imports from ASEAN constituted 11.5 per cent of its total trade. Next comes the United States. As table shows, in 1987, whereas ASEAN exports to the US stood at US $ 18052, constituting 22 per cent of total ASEAN exports, US exports to the ASEAN were in the tune of US $ 9953, comprising 13 per cent of ASEAN imports. Further, 1988, ASEAN was the seventh largest trading partner of the US and the two way trade between ASEAN and the US grew from US $ 21.7 billion in 1980 to US $ 28 billion in 1988, registering 29 per cent increase. Similarly, the US investment in ASEAN region swelled from US $ 4.7 billion in


<table>
<thead>
<tr>
<th>ASEAN-Dialouge Partners</th>
<th>Total Projects</th>
<th>Category - A</th>
<th>Indicative Status - B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>A-1</td>
<td>A-2</td>
</tr>
<tr>
<td>ASEAN-Australia</td>
<td>19</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>ASEAN-Canada</td>
<td>18</td>
<td>8</td>
<td>10</td>
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<tr>
<td>ASEAN-EC</td>
<td>47</td>
<td>24</td>
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</tr>
<tr>
<td>ASEAN-Japan</td>
<td>10</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>ASEAN-New Zealand</td>
<td>14</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>ASEAN-ROK</td>
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<td></td>
<td>4</td>
</tr>
<tr>
<td>ASEAN-UNDP</td>
<td>56</td>
<td>22</td>
<td>34</td>
</tr>
<tr>
<td>ASEAN-US</td>
<td>35</td>
<td>11</td>
<td>18</td>
</tr>
</tbody>
</table>

A - Category of Project  
A-1 - Short - term  
A-2 - Long - term  
A-3 - Not indicated  
B - Indicative Status  
B-1 - Preparatory stage  
B-2 - Implementing stage  
B-3 - Completed  
B-4 - Withdrawn  
B-5 - Agreement reached but yet to take off  
B-6 - No information available

1980 to US $9.8 billion in 1986, registering an increase of 109 per cent.

Although, initially, the objective of ASEAN'S dialogue with the external powers was confined to gaining market access for ASEAN commodities in the markets of dialogue partners, these dialogues seem to have eventually come to serve as fora for securing assistance for development projects in the fields of science and technology, energy, agriculture, forestry, culture and information etc. At present, ASEAN is in the process of implementing, jointly with its dialogue partners and UNDP, about two hundred programmes and projects in various fields (See Table - II). Several more joint projects are in the pipeline. Thus, it seems that for ASEAN, the conduct of extra-regional relations is crucial for achieving national and regional resilience. Emphasising these common interests vis-a-vis appears to have proved less contentious and divisive than forcing the pace of intra-ASEAN cooperation because


65 ASEAN Secretariat, n. 6, p. 17.

immediate national economic interests are not at stake while achieving a consensus on extra-regional economic issues.

However, it may be noted that despite important strides made in ASEAN's relations with dialogue partners, they leave much to be desired. The important bottlenecks in this context seem to be the refusal of the dialogue partners to yield to ASEAN's repeated requests for the establishment of Stabilization of Commodity Export Earnings Scheme 67 (Stabex), the problem of gaining better access to ASEAN manufactured products in the markets of these countries, existence of non-tariff barriers in these countries etc.

Notwithstanding these constraints, however, ASEAN's collective approach in the conduct of external relations seems to be an important avenue for achieving accelerated economic growth. It appears to have not only served as an instrument for the expression member nations more or less common economic perceptions, but has also helped member nations to successfully take resort to the strategy of "collective bargaining" and thus, secure some tangible economic concessions from its trading partners. Clearly, ————————————————————————————————————

67 An export earnings stabilization scheme, known as Stabex, was included in the Lome' Convention agreed between the EC and the African, Caribbean and the Pacific (ACP) countries. It provides aid to make up for loss of export earnings by the ACP countries for any forty four agreed commodities (non-mineral) which are particularly vulnerable to price fluctuations, depending upon the amount of short-fall and the relative importance of the commodity in the country's total export earnings. Stuart Harris and Brian Bridges, European Interest in ASEAN (London, 1983), p. 87.
the ability to speak with one voice on regional matters, seems to have given the Association an internationally recognized corporate standing, not anticipated at the time of its inception. Thus it appears that in the years to come not only ASEAN's economic ties with the dialogue partners would grow stronger, particularly with Japan, the EC and US, more and more countries are likely to develop closer relations with the Association by becoming its dialogue partners. In this context, India which has a sectoral partner's status with ASEAN seems to be one of the potential candidates.