

policy, it seems to me, a country would do well to get its macro-economic policies right and see how far they and the market carry it along the road to growth.

CHARLES P. KINDLEBERGER  
*Lincoln Center, Massachusetts, USA*

---

***ASEAN at the Crossroads: Obstacles, Options and Opportunities in Economic Cooperation.*** Edited by Noordin Sopiee, Chew Lay See, Lim Siang Jin. Kuala Lumpur: Institute of Strategic and International Studies, Malaysia (ISIS), 1987.

---

Since the establishment of ASEAN in 1967, there has been a proliferation of articles and books on the Association's development and achievements. ISEAS' *ASEAN: A Bibliography* published in 1984 listed over 6,300 entries on ASEAN-based studies. One of the latest and perhaps also one of the most comprehensive additions to this impressive list is the Malaysian Institute of Strategic and International Studies' (ISIS) publication, *ASEAN at the Crossroads: Obstacles, Options and Opportunities in Economic Cooperation*. This publication contains all the keynote speeches and papers presented at the First ASEAN Economic Congress held in Kuala Lumpur from 13–22 March 1987. The meeting was organized by the Group of 14 on ASEAN Economic Co-operation and Integration and ISIS and was attended by about 400 politicians, civil servants, businessmen and academics from the ASEAN states, the European Community, the European Free Trade Association countries, Japan, Australia, New Zealand, and the United States as well as other countries. It is a credit to the editors that they were able to edit and bring out such a voluminous publication in less than a year following the conclusion of the Congress. (A shorter companion publication, *ASEAN The Way Forward: The*

*Report of the Group of Fourteen on ASEAN Economic Cooperation and Integration* was published earlier and presented to the ASEAN-CCI in Bangkok on 3 July 1987 for transmission to the governments of ASEAN.)

In view of its timely debut there is little doubt that the ISIS publication provided a useful input for the policy-makers and participants at the ASEAN Summit Meeting in Manila in December 1987. A glance at the contents of the book shows that the various papers covered a wide range of issues relating to ASEAN economic co-operation. These issues ranged from ASEAN economic co-operation in trade, industry, money and banking, institutional framework, commodities, energy, minerals, food and agriculture, forestry, transportation, tourism, and education. In addition, the book also contained contributions from the EC and Australian and New Zealand scholars on the lessons of economic co-operation from their home countries. In short, this book resembles a useful and up-to-date compendium on various aspect of ASEAN and other forms of regional economic co-operation.

Many of the papers were well-researched and contain a variety of recent information and data. There were some interesting prognoses and prescriptions for more effective ASEAN economic co-operation. In his paper, Professor Jacques Pelkmans of the European Institute of Public Administration proposed a good mix of integration at the centre and co-operation at the periphery. He suggested that ASEAN should define a collective policy on the General Agreement on Tariff and Trade (GATT) for its future industrialization programmes and shift its orientation from the United Nations Conference on Trade and Development (UNCTAD). Prof Pelkmans implied that ASEAN could achieve a lot of things with such a co-ordinated policy towards GATT. Prof Pierre Maillet from the University of Lille (France) emphasized the need for a well-defined timetable such as for removing regional tariff barriers. He felt that there was a

---

need for a set of regional trading arrangements that go beyond the mere formality of a collective identity. Another EC scholar, Dr Rolf Langhammer, the Deputy Head of the Development Economics Department, Kiel Institute of World Economics, strongly advised ASEAN not to engage in regional industrial planning. His quotation from a prominent British scholar's reflection in the East African Common Market is worth reproducing here for the benefit of ASEAN policy-makers who are preoccupied with the distribution of gains and losses in integration schemes:

The search for a measure of the gains and losses of the East African Common Market is becoming like the search for the philosopher's stone. The effort devoted to the search is not rewarded by success, but failure does not deter other seekers . . . . It is widely acknowledged that the benefits of the common market have not been equally distributed and that some equalising policies are needed. But no one has yet provided a valid demonstration that any country has actually lost, let alone a measure of the loss . . . . Yet this is the answer upon which the politicians are liable to seize. It would be unfortunate, at a time when the future of the common market is in question if the less industrially-developed members should be led falsely to believe it has been proved that they have not only Justice but Science on their side.

Among the more controversial papers presented at the Congress (but not included in the book) was one from Dr K.Y. Chong who proposed the use of unconventional trade methods to enhance ASEAN economic welfare. Adopting a more conventional approach, Ms Ooi Guat Tin suggested various measures for improving the ASEAN Preferential Tariff Arrangements while Dr M. Alagappa recommended several changes to the ASEAN institutional framework. Prof Ungku Aziz, the former Vice-Chancellor of the University of

Malaya, proposed the establishment of an ASEAN education Co-operation Fund which will be responsible for meeting all costs of fellowship schemes for ASEAN scholars.

In short, there is no lack of papers of a prescriptive nature in the book. Thus, whatever policy-makers may complain, ASEAN scholars do not suffer from intellectual anaemia as the ISIS book and the more than 6,000 articles and books which preceded it amply demonstrate.

*ASEAN at the Crossroads* suffers from a few minor deficiencies. For instance, there are four papers on trade but only one on industry. No doubt ASEAN co-operation in trade is important but given the expressed reluctance of several ASEAN countries to liberalize intra-ASEAN trade one wonders whether further discussions on industrial co-operation may be more useful. Similarly, there are two papers on ASEAN's institutional framework but none on ASEAN co-operation in science and technology, human resource development, and investment policies. One might also question the geographic coverage which looks at regional co-operation schemes in Europe and Australia-New Zealand. Would not the experiences of the Andean Pact countries or other regional groupings of developing countries have been more relevant? The contents could have been better organized if the volume had started with H. Hill's paper on an overview of the issues and challenges in ASEAN economic co-operation. H. Hill provided an excellent outsider's perspective. Perhaps it should have been supplemented by an insider's perspective with a contribution from a native ASEAN scholar. The two articles on the institutional framework should have come at the end of the section. The contents could also have been improved with the inclusion of a summary of the discussions which took place following the presentation of the papers at the ASEAN Economic Congress. Finally, the presentation would certainly improve by deleting the phrase "looking back and looking forward" from the titles in several of the papers.

---

Notwithstanding its minor weaknesses, *ASEAN at the Crossroads* is an excellent publication and should be on the shelf of every ASEAN scholar, as well as policy-makers and all those who share an interest in the evolution of this regional organization. The book may not provide any dramatic measure for more effective economic co-operation but it will certainly renew everyone's faith and conviction in the ASEAN concept.

CHEE PENG LIM  
*ESCAP/UNCTC Joint Unit on TNCs*  
Bangkok

---

*Trade and Structural Change in Pacific Asia.* Edited by Colin I. Bradford and William H. Branson. Chicago: University of Chicago Press, for the National Bureau of Economic Research, 1987. Pp. xix, 558. US\$58.

---

There has been a flood of studies in recent years on trade strategies, export promotion policies, industrialization, and structural change in East and Southeast Asia, such that the first reaction of this reviewer was whether this volume could make a substantial additional contribution to the literature. My conclusion is that this is a most useful and comprehensive volume, containing many thorough and original contributions. But one is also left wondering whether the book's organization enables the ambitious agenda, outlined in the overview chapter, to be fully addressed.

The book is based on a conference in Kuala Lumpur in 1984, sponsored by the Malaysian Economic Association and the National Bureau of Economic Research. Two features of the volume are immediately apparent: first, the distinguished list of paper-writers, combining well-known regional economists together with an impressive group of writers from the 'North'; secondly, the sheer size and scope of

the volume—about 580 pages and 18 chapters (including the introductory overview). Following the editorial overview, the rest of the book comprises four sections. The first examines the 'East Asian eight' in international context. There are five chapters focusing on the region's economic relations with the United States (two chapters), Japan, and the EEC, and an application of some of the 'LINK' model results to the region. Then follows a section containing three chapters which seek to relate broad structural changes in the regional economy to various trade theories, mainly variants of the standard HOS construction. The final two sections each consist of four country chapters, focusing on the NICs, and the 'ASEAN Four' as possibly the next tier of NICs.

In their overview chapter the editors state that this set of essays is intended to address three issues. The first is to analyse the factors underlying the NICs' success story: "Can they be imitated or are they *sui generis*?" (p.xi). Secondly, are the 'ASEAN Four' set to become the 'next-tier NICs'? And thirdly, what is the nature of and changes in the OECD-NICs and near-NICs triangle? Will the latter gradually replace the NIC as exporters to OECD countries, or will they initially orient their export drive mainly to the graduating NICs?

The complexity of the issues and the length of the book makes the reviewers job virtually impossible. The best one can attempt to do is to selectively draw attention to a few interesting or puzzling findings.

For this reviewer, the chapter (8) by Krause provides an elegant summary of economic interdependence in the Pacific Basin. Krause classifies the major SITC trade categories according to their factor intensity, and divides the region into three groups—the 'advanced five', the NICs, and the remaining ASEAN countries. An encouraging finding—encouraging, at least, for those who believe that existing trade theories are still useful—is that the revealed factor proportions of trade flows correspond fairly well with the countries' relative resource endowments.