Reproduced from Asian Development Experience Vol. 3: Regional Co-operation in Asia edited by Ryokichi Hirono (Singapore: Institute of Southeast Asian Studies, 2004). This version was obtained electronically direct from the publisher on condition that copyright is not infringed. No part of this publication may be reproduced without the prior permission of the Institute of Southeast Asian Studies. Individual articles are available at http://bookshop.iseas.edu.sg >

REGIONAL CO-OPERATION IN ASIA

The Japan Institute of International Affairs (JIIA) is a private, non-profit, and independent research organization founded in 1959 through the initiative of former Prime Minister Shigeru Yoshida, the first president of the JIIA.

The JIIA's mission is to contribute to the formulation of Japan's foreign policy through organizing study groups on regional and global issues, international conferences, symposiums and seminars, and joint research projects with other domestic and overseas research organizations and universities. The JIIA also invites foreign researchers to Japan and assists them with their research activities, and it issues a wide range of publications as a result of these activities.

The ASEAN Foundation was established by ASEAN leaders in 1997 to boost ASEAN's effort to promote region's co-operation in various fields of social and human development such as science and technology, youth, women, health and nutrition, education, labour affairs, disaster management, HIV/AIDS prevention and control, children, population, and rural development and poverty eradication, culture and information, environment, drug matters, and civil service. The Foundation was established to promote greater awareness of ASEAN, greater interaction among the peoples of ASEAN as well as their wider participation in ASEAN activities.

The ASEAN Foundation deems that the most beneficial and effective means to attain its objectives is focusing on human resources development projects such as education, training, seminars, workshops, exchanges, network-building, fellowships and information dissemination.

The **Institute of Southeast Asian Studies (ISEAS)** was established as an autonomous organization in 1968. It is a regional centre dedicated to the study of socio-political, security and economic trends and developments in Southeast Asia and its wider geostrategic and economic environment.

The Institute's research programmes are the Regional Economic Studies (RES, including ASEAN and APEC), Regional Strategic and Political Studies (RSPS), and Regional Social and Cultural Studies (RSCS).

ISEAS Publications, an established academic press, has issued more than 1,000 books and journals. It is the largest scholarly publisher of research about Southeast Asia from within the region. ISEAS Publications works with many other academic and trade publishers and distributors to disseminate important research and analyses from and about Southeast Asia to the rest of the world.

Asian Development Experience Vol 3

REGIONAL CO-OPERATION IN ASIA

Edited by Ryokichi Hirono







INSTITUTE OF SOUTHEAST ASIAN STUDIES, Singapore

First published in Singapore in 2003 by Institute of Southeast Asian Studies 30 Heng Mui Keng Terrace Pasir Panjang Singapore 119614 http://bookshop.iseas.edu.sg

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechancial, photocopying, recording or otherwise, without the prior permission of the Institute of Southeast Asian Studies, the JIIA and the ASEAN Foundation.

© 2003 Japan Institute of International Affairs and ASEAN Foundation

The responsibility for facts and opinions expressed in this publication rests exclusively with the authors whose interpretations do not necessarily reflect the views or the policy of ISEAS.

ISEAS Library Cataloguing-in-Publication Data

Asian Development Experience. Volume 3, Regional Co-operation in Asia / edited by Ryokichi Hirono.

- 1. Regionalism—Asia, Southeastern.
- 2. Regionalism—Asia.
- 3. Japan—Relations—Asia, Southeastern.
- 4. Asia, Southeastern—Relation—Japan.
- 5. Japan—Relation—Asia.
- 6. Asia, Southeastern—Relation—Japan.
- I. Hirono, Ryokichi.
- II. Title: Regional Co-operation in Asia

HC412 A865 v. 3

2003

ISBN 981-230-204-2 (soft cover)

ISBN 981-230-201-8 (hard cover)

Printed in Singapore by Utopia Press Pte Ltd Typeset by International Typesetters Pte Ltd

Contents

Li	st of Tables	vi
Li	st of Figures	vii
Li	st of Contributors	viii
Ad	knowledgements	ix
1	Structural Changes and Domestic Reforms in Singapore: Challenges and Implications to Regional Co-operation in ASEAN and East Asia Hank LIM	1
2	Asia-Japan Co-operation Toward East Asian Integration Hadi SOESASTRO	24
3	The Impact of External Changes and Japan's Role in Industrializing Thailand Somkiat TANGKITVANICH and Deunden NIKOMBORIRAK	50
4	Confronting Regionalism in Asia: A View from the Philippines <i>Gwendolyn R. TECSON</i>	73
5	Japan's Role in ASEAN-10 Under Globalization: A Japanese Perspective Ryokichi HIRONO	97

List of Tables

2.1	China-ASEAN-6 Early Harvest Timeframes	32
2.2	Progress on the Chiang Mai Initiative as of end February 2003	4 4
3.1	Thailand as a Leader in Automobile Production	55
3.2	Industrial Restructuring Plan during the Chuan Government	61
3.3	Allocation of the Industrial Restructuring Programme Budget	62
3.4	Percentage of Thailand and China Exports to the US	66
3.5	Percentage of Thailand and China Exports to Japan	66
3.6	Percentage of Thailand and China Exports to the EU	67

List of Figures

3.1	Net FDI Inflow to Thailand	52
3.2	Net FDI Inflow to Thailand by Sources	53
3.3	Production Capacity of Automobile Industry in Thailand	56
3.4	Planned Relocation of Production Sites of Japanese MNCs to China	68
4.1	Per Capita Income of ASEAN Countries, 2000	81
4.2	Inward FDI in ASEAN, 1990-2000	82

Contributors

Ryokichi HIRONO is Professor Emeritus at Seikei University, Japan

Hank LIM is Director for Research at the Singapore Institute of International Affairs, Singapore

Deunden NIKOMBORIRAK is a Research Fellow at the Thailand Development Research Institute, Thailand

Hadi SOESASTRO is the Executive Director at the Centre for Strategic and International Studies, Indonesia

Somkiat TANGKITVANICH is a Research Fellow at the Thailand Development Research Institute, Thailand

Gwendolyn R. TECSON is Professor at the School of Economics of the University of the Philippines, Philippines

Acknowledgements

This volume owes much to the efforts and patience of many people including the authors themselves and the organizations associated with a two-year research project, "Asian Development Experience", organized by the Japan Institute of International Affairs (JIIA). Unfortunately, SARS, which became widespread in East Asia in particular, prevented the holding of an interim workshop scheduled for April 2003.

Thanks are due to Matsuo Watanabe and Saori Honma of JIIA who facilitated the progress of the project since its inauguration in November 2001, as well as to the the Japan-ASEAN Solidarity Fund, contributed by the Japanese Government and managed by the ASEAN Foundation, whose financial support made the project possible. A special thanks goes to Hisashi Owada, former president of JIIA, now judge in the International Court of Justice in the Hague, Netherlands, who inaugurated the launch meeting of the project in Tokyo.