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PASCN Discussion Paper No. 99-19

**The Use of One Within the Other: A Theory-
Based Study of the Effectiveness of ASEAN as a
Collective Action Group Within APEC: 1989-1995**

Malcolm Cook



The *PASCN Discussion Paper Series* constitutes studies that are preliminary and subject to further revisions and review. They are being circulated in a limited number of copies only for purposes of soliciting comments and suggestions for further refinements.

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September 1999

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Executive Summary

Research Problem: Drawing from the interlocking social science theories of collective action, economic regionalization, regime maintenance, and bargaining, this study evaluates; 1) the rationale for the ASEAN states to join the wider APEC regime collectively, and 2) the strength and limitations of the ASEAN states as a group within APEC.

Limitations of the Study: This study only looks at the formative stages of the APEC regime from the public airing of the idea of APEC by Australian PM Hawke in Seoul in 1989 to the Osaka Action Agenda of 1995 where the nature and modalities of APEC as an economic regime were laid out at the end of the APEC Leaders Meeting in Osaka.

As well, the focus of this study does not analyse the effectiveness of the APEC regime itself in fulfilling its stated goals or the supplementary expectations of interested parties. Rather, the focus is on how well ASEAN as a regime has performed in pursuing its states' common interests within APEC, during the key formative stages of APEC.

ASEAN States Interests in the Formation of APEC

- Strengthen/regularize ties with states of the largest sources of ASEAN-bound foreign direct investment, portfolio investment, and foreign loans (Japan, NIEs, USA, etc.)
- Enhance ASEAN's "global voice" and relevance, and that of its individual states
- Guarantee US state and firms' interest in East and Southeast Asia after the successful formation of NAFTA and ASEAN fears of its investment and trade diversion potential
- Add further impetus to a successful conclusion to the Uruguay Round of GATT through APEC collective action within GATT and the threat of potential alternation from the GATT modality to an APEC one
- Guarantee the new APEC regime does not "overwhelm" ASEAN and lead either to its dissolution or growing irrelevance in addressing regional economic issues
- Broaden APEC's concerns from solely market access issues favoured by the "Western" states to one that also addresses issues of human resource development and technical assistance for APEC's "Southern" states and economies

Limitations of ASEAN States and ASEAN as a Regime within APEC Negotiations

- Origin of the APEC concept and much of the preparatory work not developed within ASEAN or by ASEAN states but by the states of Australia and Japan
- Individual ASEAN states lack bargaining leverage to pursue interests when in conflict with those of more powerful states or groups of states
- Limited bureaucratic resources of most ASEAN states undermine their ability to fully participate in all of ASEAN's and APEC's fora of negotiations
- ASEAN, as a group of states, lacks bargaining leverage vis-à-vis powerful APEC states (USA, Japan) when faced with a conflict or non-convergence of interests
- Differing levels of economic development and forms of market structures amongst ASEAN states limits issues of common concern; and thus effective collective action

- Differing interpretations of the effect of the formation of APEC on ASEAN as a regime amongst ASEAN state leaders undermines ASEAN cohesiveness and assertiveness within APEC (i.e, PM Mahatir's EAEC agenda and non-attendance at 1993 Seattle Summit)
- Full consensus-requirement of intra-ASEAN negotiations, and ASEAN communication limits issues within APEC where ASEAN can effectively act as a group
- Slow nature of intra-ASEAN discussions limited ASEAN assertiveness and agenda-setting abilities within APEC

ASEAN Regime's Gains within APEC

- ASEAN regime's past success in representing the region diplomatically and the economic dynamism of the ASEAN region led both the Japanese and Australian states to see ASEAN membership in APEC as necessary for APEC's success
- Longevity of the ASEAN regime and its ability to institutionalize co-operative relations amongst diverse states at a low cost and level of bureaucratization led its loose organizational structure to be the blueprint for APEC's
- Able to have custom adopted that every second annual APEC leaders' meeting would be held by an ASEAN state, providing said state with control of preparatory work and agenda-setting power
- Effective in expanding APEC's stated goals to include those of technical assistance and human resource development
- Able to slow down institutionalization of APEC process and development of a rule/target based modality, as desired by "Western" states
- Strengthened ASEAN states and regime's co-operative ties with major powers, especially Japan and PRC
- Spurred EU interest in co-operative ties with East Asia and helped lead to ASEAN initiated Asia-Europe Meeting (ASEM) regime.

Prescriptions for ASEAN Collective Action within APEC

- ASEAN states should continue to increase efforts to make concrete APEC's goals of human resource development efforts and technical assistance for developing states and economies
- Institutionalize pre-APEC Summit ASEAN fora amongst relevant bureaucratic leaders to develop common bargaining positions and strategies for ASEAN states
- Further strengthen co-operative ties with PRC and Japan on economic issues as both these states have similar APEC-related interests and have superior bargaining leverage
- Consider "softening" the absolute consensus requirement of intra-ASEAN negotiations and ASEAN communication to limit hindrance of the differing economic interests and perspectives of ASEAN-APEC ties that divide ASEAN states
- Consider pooling of bureaucratic resources of ASEAN states within APEC to reduce the demands individual state bureaucracies as is practices within ASEAN itself.
- Further integrate ties amongst ASEAN, APEC, ASEM, and the WTO to allow the individually trade dependent and "weak" states of ASEAN to maximize

bargaining leverage within all of these regimes, especially the most substantive and broadest one, the WTO.

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The Use of One within the Other: A Study of the Effectiveness of ASEAN as a Collective Bargaining Group within APEC¹

Malcolm Cook
Ateneo de Manila University

Abstract: This paper, through the further fusion of formal bargaining and collective action theories with the more inductive theories of regionalization and regimes, will attempt to gain a fuller understanding of the roots and the level of the impact the ASEAN regime has had on the shaping of the larger APEC regime's agenda, institutional makeup, and actions on certain substantive issues. The paper will begin with a theoretical section in which the sociological theories of bargaining and collective action will be integrated with the theories most often used by economists and international relations scholars to analyze economic regionalization and its inter-state groupings such as ASEAN and APEC; regionalization and regime theories. After this integrated framework has been set out and shown to be useful, it will be used to address the interface between the ASEAN economic regime and the larger and fully encompassing APEC economic regime to evaluate the effectiveness of the ASEAN regime in achieving its stated and assumed interests during the formative stages of the APEC regime (1989-1995). To arrive at this, the paper will address the strengths and weaknesses of the ASEAN grouping as a collective action group within the economic regime of APEC, the nature of the bargaining situation and structures within APEC, and finally the influence of the ASEAN regime participation within the APEC regime on the ASEAN regime itself. From a definitional standpoint, this paper will delineate conceptually between ASEAN and APEC as economic regions and economic regimes, and as political regimes and bureaucratic regimes to help clarify the nature and different usages of the terms ASEAN and APEC.

For all observers, analysts, and internationally focussed state officials of the Asia-Pacific region and its sub-regions, one of the most fascinating and necessary to contend with trends over the last two decades has been the explosion in number, depth, complexity, and overlaps of economic and political relations amongst regional actors and the consequent institutionalization of these sets of relations into regime structures. While much has been written on the reasons behind the timing and magnitude of this explosion and its impact of on the international economy and inter-state system, as well as predictions for the future of this newly-coined region and its particular inter-state institutions, relatively less has been written on a most important and complex issue; that of the existence within the region of independently created but interacting institutions that overlap in terms of shared membership and shared or similar institutional goals.

This paper will attempt to look at a specific institutional overlapping of membership and foci of great salience to Philippine, among others, foreign policy and its interest attainment; that of the relations between the ASEAN regime and its

¹ This study is part of the research project, "Coalition Building and APEC", funded in whole by the Philippine APEC Study Center Network (PASCN). The author would like to thank PASCN for its support and Dr Ponciano Intal and Dr. Bil Hansen for their useful insights.

The Use of One within the Other: A Theory-Based Study of the Effectiveness of ASEAN as a Collective Action Group within APEC; 1989-1995²

Malcolm Cook
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economic efforts and the larger and more diverse grouping known as the APEC economic regime. This case is especially interesting given the fact that until 1995 (the end point of this study) all members of ASEAN were also members of APEC, making the membership overlap complete. As well, to further the strong links amongst ASEAN member-states and their appreciation of ASEAN as an effective regime, the ASEAN members agreed to become members of the APEC fold not as individual states, but as a collective groupⁱ, hinting that the ASEAN member-states saw it to be in their advantages to act as collective body within APEC. As well, during the preparatory stages for the formation of APEC, the key planners in Australia and Japan saw that APEC would consist of 4 legs; 1) The United States of America, 2) Japan, 3) People's Republic of China, and 4) ASEAN,ⁱⁱ with the other three being single states and ASEAN the only inter-state regime. These latter two facts both suggest that others saw ASEAN as a single collective actor and ASEAN member-states saw themselves to some extent as part of a greater whole within APEC.

In contrast to these impressive overlaps between APEC as a regime and ASEAN as one, there are numerous differences between the two groupings which suggest that this overlapping isn't complete and that important differences in regime characteristics and areas of concern make their interaction more complex and in some senses conflictual. In terms of the regime characteristics, the first difference is that the formation of the ASEAN grouping preceded that of APEC by over a quarter of a century,ⁱⁱⁱ meaning that the history and development of ASEAN as an inter-state organization has been much greater than that of APEC.

As well, while ASEAN preceded APEC by such a long span of time and became so institutionalized that it was treated as a single unit by APEC planners, the stated and assumed purposes behind the member-states agreement to form ASEAN were much larger and fundamentally different in scope than those of the member-states of APEC. APEC is largely seen to be an economically-focussed mechanism developed to help support the reburgeoning^{iv} of market-based, mutually beneficial economic ties amongst actors within its member-states' legal boundaries and to help support the global economic system during the tensions of the Uruguay Round. On the other hand, ASEAN's stated and assumed prerogatives, especially at the time of formation, were more focussed on intra-ASEAN conflict resolution, against the encroachment of Communism, and support for economic development of its member-states as an aid to regional stability and security. On top of these original security-oriented concerns, ASEAN over its long life has been seen to take on the role of helping its member-states gain larger voices for themselves in the inter-state system and become more economically integrated. A third and most noticeable difference is in the size of each grouping's membership and the diversity of interests contained within these memberships.

To better understand how these differences between the two groupings interact with the noted overlaps between and fusion of ASEAN within APEC to affect ASEAN's role in APEC and the ASEAN member-states' use of ASEAN membership within the larger APEC arena, a good integrated understanding of the theory behind regionalization and regimes is called for. As well, given the fact that ASEAN is encompassed by APEC in terms of membership, for the time frame of this paper, and that ASEAN treats itself and is often treated by other APEC members as a single unit,

a glimpse into collective action theory is necessary. Finally, as certain APEC-based interests of certain ASEAN member-states are not held by other ASEAN member-states and some shared interests of the ASEAN grouping within APEC are not fully shared, but rather opposed, by other members of APEC, bargaining theory will also be looked into so as to provide a solid theoretical basis from which to evaluate the effectiveness of ASEAN as a cohesive unit within APEC and the effectiveness of said unit in achieving its interests.

The coverage of each of these 4 theoretical areas will not be comprehensive but rather strictly limited to those points that are seen to be relevant to the research topic and to those points which help integrate these 4 interlinked theories into one conceptual framework. While this endeavour is certainly neither simple nor parsimonious in focus, it is felt that much of the present literature on the institutionalization of the Asia-Pacific region has suffered from either being simply descriptive in tone or from adopting an ideal form of regionalization and regime theories that ignores the important explanatory nuances that collective action and bargaining theory add to regime theory and its ontologically preceding and macro-level theory of regionalization.

I CONCEPTUAL SECTION

Clarification of Terms:

One indication of the need for more theoretical depth and of the superficial use of regionalization and regime theories to analyze the Asia-Pacific region and the formation and dynamics of both ASEAN and APEC is that, often, the terms economic region and economic regime are used interchangeably when, though closely related, there is a crucial difference between the two. The most noticeable and potentially problematic interchanging of these two terms is when an acronym for an inter-state regime^v (i.e. ASEAN or APEC) is used to describe the region (i.e. Southeast Asia or the Asia-Pacific) or even the unilateral actions of actors within these regions. Such interchangeability infers that these actions are regime-based when in fact they may have little of nothing to do with the regime and the actor's reasons for being a member of said regime.

Roughly put, an economic region is an area within which geographical proximity, and other factors such as cultural similarity, historical closeness and/or depth or relations, harmonization of relevant state policies, etc.^{vi} work to lower both the objective and subjective transaction costs of economic relations amongst regional actors leading to or are assumed will lead to a high level of inter-actor economic activity. Thus, an economic region is defined and is delineated by the high level of economic activity that takes place amongst the actors within its space and how the mutually shared and harmonizing characteristics of these actors help explain this level of activity. Whether a geographical area is an economic region is thus determinable by the level of economic activity within it and what characteristics are shared by all

actors within the region that lead to this level of activity; i.e. the level of inter-actor activity and the reasons for this level define the region.

In counterpoise, Aggarwal defines regimes as, “arrangements that regulate the imposition of unilateral controls and the negotiations of bilateral accords,”^{vii} with economic regimes being focussed on arrangements dealing with intra-member and extra-member economic issues. Krasner argues that actors choose to form regimes and submit to these limitations on unilateral action as regimes help increase information flows, facilitate the monitoring of relations and the arrangements concerning them, and create valuable reputations for each actor and of the other actors; ideally leading regime membership to become a virtuous circle for each member.^{viii} Regimes are seen to draw their member-actors closer together through explicit rules or by unwritten but universally understood rules or customs that bind all actors to organize their shared relations in certain ways. All regimes are assumed to have been purposively created and maintained by the member-actors to help organize their shared relationships and to help assure that they are mutually beneficial and predictable. An economic regime is thus a group of economic actors or their representatives that purposively come together to organize their existing and future relations in a more predictable way through the adoption of rules and or universal customs; i.e. the actions of actors defines the regime, making it fundamentally different from an economic region.

While conceptually quite different, it is a common and well-supported assumption that when actors identify themselves as being in an economic region and/or strive to increase the level of activity amongst themselves, they often try to organize themselves into regimes thus creating a practical causal linkage between the two terms. However, it is equally possible for externally or internally defined economic regions to have no corresponding economic regimes, especially ones that are inter-state in nature,^{ix} or for areas that would be difficult to define as economic regions to have economically focussed regime structures.

Another important difference between these terms is that, even if a region is also bounded completely by the areas of jurisdiction of the members of a regime organized to facilitate economic activity in the region, the term regime, or its official acronym, should only be used when referring to the actions of this organization and not for all that takes place between actors or by actors within the region. Thus, the region in this sense is a conceptually greater entity than the regime and the regime should be treated only as an entity within the region. Hence, it is possible for the region to witness an increase or decrease in economic activity (i.e. in its “regionalism”) independent of regime actions and/or for the regime to become more institutionalized or less irrespective of changes in the level of economic integration amongst regional actors.

This clarification is of more than academic interest for this work as it focusses not on economic regions and, thus, regional overlap, but on economic regimes and regime overlap. A support for the differentiation between these two terms and their relationship is already found in the literature on ASEAN and APEC as it is widely understood that the formation of the APEC regime stemmed from the internally developed definition of the Asia-Pacific region as an economic region in need of an inter-state regime to help support this regional character.^x On the other hand, in 1967,

it would have been difficult to see geographical area bounded by the original 5 member-states of the ASEAN regime as an economic region or to see that the development of the ASEAN regime and its rules as stemming from the member-states definition of the region as an economic region.^{xi} Simply put, for APEC the economic region came before the economic regime, while for ASEAN, the regime with its economic component and rules came before the region..

A further term that is intimately connected to but separate from both region and regime is the collective action group. The theory behind the term collective action group is most often seen to have stemmed from Olson's work The Logic of Collective Action^{xii} in which Olson tries to determine why some of these groups fail to achieve their organizational goals while others obtain them. Olson assumes that each member of the collective action group is a self-interested actor that chooses to join and remain in the group only as long as it suits said member's interests and the other members allow said member to remain within the group (a set of assumptions shared by this paper). Collective action groups are argued to be formed when it is in the interest of a group of actors to provide a collective good that is not in the interest or capability of any member-actor or smaller grouping of member-actors to supply this collective good unilaterally.^{xiii}

What is necessary for a collective action group to form and be maintained is the identification by potential members that they share a collective action issue and that enough of them agree on how to distribute amongst themselves the costs of the creation of the collective good desired by all. As one can easily view the noted increase in intra-group information flows etc. that regimes offer their members as a collective good, then certain actions taken by economic regimes can be treated as forms of collective action and the regime itself as a collective action group. This fusing of terms and the conceptualization of economic regimes as collective action groups is already established within the literature on regionalization and regimes if not well developed yet.^{xiv} This elaboration, though, may allow observers of economic regimes to use the more refined quantitative and qualitative tools of the sociological research on collective action to better analyze regime dynamics and outcomes.

One caveat pertaining to this paper to note is that in most of the sociological works perused, the study of collective action groups dynamics has been internally focussed where the group and its collective goods created are treated as a closed system within which the goods can be actualized fully within the group. However, the collective action group (ASEAN) and its desired goods cannot be treated in isolation but rather must be seen in relation to other actors within the larger collective action group, APEC. This different approach is necessary as the key collective action good sought by ASEAN members within APEC is the incorporation by the larger collective action group of APEC of ASEAN interests in terms of APEC's organizational nature and its treatment of issues; a collective good that cannot be achieved solely within the smaller group of ASEAN but that can only be achieved through dynamic interaction with the non-ASEAN members of the APEC collective action group. Further clarification of this changed focus for collective action and its ramifications on the use of collective action theory will follow in the theory section.

A final term to be operationally clarified before outlining the theoretical framework of analysis, is that of the state. This is necessary as there is no consensus definition of the state in any field of study, but rather a plethora of definitions that are often contradictory and/or that conceptualize the state at different levels of abstraction and in reference to different issues exists. As the two economic regimes to be dealt with in this paper are largely inter-state in nature and much of the dynamics of each regime and between them stem from this inter-statal nature, such a clarification is key. The state here will be defined as the set of authoritative bodies which collectively have recognized legal monopoly over a bounded territory and is tasked to represent the members of this bounded society in inter-state relations with other bounded communities' authoritative bodies. It will not be defined as said bounded society or as all of actors identified with that society. As well, the definition of the state here will not be limited to the nonelected executive bodies and their actors but incorporate both the legislative and executive actors of this set of authoritative bodies.

To further refine this definition, the state will not be treated as a single unitary actor with a full, internally-developed understanding of the interests it is to pursue in different inter-state fora, but rather the state and the interests of its bodies will be divided between political state actors and bodies and bureaucratic state actors and bodies where the elected or appointed legislative leaders of the state will be termed political state actors and those non-elected leaders who are appointed by the political state leaders to head the executive bodies will be treated as the bureaucratic state actors. It is important not to assume that the legislative and bureaucratic state actors are fully united in purpose or even share the same definition of state interests in inter-state relations but rather that the member-states of the two regimes have both political and bureaucratic actors involved in the regimes with the political level and its leaders having the final say over state actions vis-à-vis the regimes. Thus, while the term inter-state regime infers negotiations and relations amongst states, the term state itself infers a set of negotiations and relations amongst the political and bureaucratic actors of the state.

For this paper's definition, the state will also be seen as the nexus for the set of relations between political and/or executive bodies of the state delegated to deal with state interests in a specific issue area and influential non-statal groups within the state's bounded society with interests, often in opposition to each other, in the same issue area. This definitional complexity stems from the assumption that the state, while having legal monopoly over its bounded society, its bodies do respond to social demands on itself and state policy meaning that state interests in any issue area are partially defined by the articulated interests of influential non-statal social groups. Thus, the state, as a member of an inter-state regime, is involved in at least three key levels of relations that work together to define both what a state's interests are within the regime as well as how effective said state will be at achieving them; 1) relations between the relevant state bodies and key non-statal social groups (state-society level), 2) relations between the political and bureaucratic bodies of the state (intra-state level), and 3) relations with other member-states (inter-state level, the one most often analysed in regime studies). It is further assumed that at all three levels, relations are most often relations of negotiation and that a clear determination of which level of state negotiation is being dealt with at which time is analytically necessary as well as

the understanding of how one level of negotiations affects the state's relations at the other levels and the state's overall ability to maximize its interests within a regime.

To integrate this complex disaggregation of the state as an inter-state regime member with the research problem, both the ASEAN and APEC regimes have both bureaucratic fora where personnel from each member-state's relevant bureaucratic bodies meet to negotiate amongst each other and political fora where the political leaders of member-states also negotiate. As well, both regimes include purposively institutionalized channels of communication and influence for non-statal groups with interests that are either national or international in scope; thus, each of the regimes dealt with also systematically incorporate the three levels of negotiations identified with the state as integral parts of the regime itself. Therefore, if one looks at a single member-state of ASEAN and its individual interest definition and maximization efforts within the APEC regime there are four levels of negotiations or sets of relations it is involved with; 1) between relevant bodies of the state and relevant, influential non-state social groups in reference to the definition of state interests, 2) between the bureaucratic and political aspects of the state in reference to the definition and operationalization of these interests into policy with the political one being seen to be in control of the bureaucratic aspect, 3) between the state and other members of the ASEAN regime in reference to using ASEAN as a collective action group within the larger APEC regime, and 4) between the state as a member of this ASEAN collective action group and non-ASEAN members of APEC in reference to the nature and actions of the APEC regime.

Theoretical Insights:

To best set out the rationale behind the usefulness of treating regimes as collective action groups and how such an approach may lead to a better understanding of both how ASEAN and APEC function as individual regimes and the effectiveness of ASEAN as a regime within APEC, the overarching theory of collective action will be integrated with the two most common approaches to regime studies, regionalization and regime theory. After this tripartite fusion, the final theoretical stage will highlight how both regime theory and collective action theory assume intra-group bargaining as a variable and how the insights of formal bargaining theory are thus also useful for the study of regimes. Again, it must be noted that the treatment of each theory will not be exhaustive or attempt to break new ground, but rather will focus on the integrative elements of all four in the hope of presenting a more nuanced approach to the study of regimes and regime interaction.

Collective Action Theory:

Collective action theory's main concern is to arrive at generalizable explanations both for why individual actors choose to or choose not to form or join voluntary groups and why certain of these voluntarily formed groups are able to achieve their stated or assumed goals while other groups fail to. In many senses, the origins of collective action theory started from a pessimistic basis as Olson's seminal work's conclusion, according to Hardin, is that large groups will always fail while

small groups may succeed,^{xv} suggesting that failure is more likely than success and that success is dependent on the convergence of numerous factors. While not directly in line with the focus of this work, such a conclusion would seem to cast doubt on APEC's long-term success as a collective action group given its large number of member-states and organizations and their diversity of origin and interests.

This seemingly negative conclusion of Olson's stems from the key assumption of collective action theory, which is common to most social science approaches, that each individual actor in an arena of action controls only limited resources and allocates them to try to maximize self-interest. Hence, an actor will only continue an action or set of relations if that actor perceives it or them to be in its own overall interest. This assumption means that all groups are assumed to be derivative entities with the shape and success of any group dependent on its ability to insure that all or enough members perceive that they gain absolutely from their involvement and that others within or without of the group do not act to reduce said actor's overall interest due to the actor's membership in the group. Olson's assumption of absolute self-interest led him to the strong conclusion that the collective goods provided by collective action groups are merely inadvertent by-products of each actor's drive to maximize its consumption of selective incentives available due to membership and to minimize the cost to itself of offering these to other members of the group.^{xvi} This assumption of self-interest and its consequent assumption that group members attempt to maximize the benefit to themselves of group membership while minimizing the outlay of resources necessary to attain these gain^{xvii}, suggests that collective action groups can be best seen as negotiating structures and ones where the relative power of members is a key explanatory variable of group dynamics.

Sociologists in the area of collective action theory (many of them not so "negative" about the potential for successful collective action as Olson) have isolated certain conditions which help explain why self-interested actors meld into voluntary groups in the first place. One key determinant is whether or not potential group members are involved in pre-existing and harmonious social networks that link them together. The existence of these networks aid potential group members to identify shared interests in voluntary cooperation as well as providing potential members with an understanding of the other members and a basis from which to predict their potential actions and reactions vis-à-vis each other and the identified collective action interests. Thus, such networks are key both for the process of identifying shared interest and in fostering a sense of predictability for each potential member concerning the actions of other members and consequently group results as well. The essential nature of this condition for the formation of collective action groups leads to the counterintuitive argument that even failed attempts at collective action have "silver linings" as they can help set the stage for similar groups being successful in the future by providing each potential group member with lines of communication with and information about the other s.^{xviii}

A second determinant of collective action group formation and group size is that such groups only form if no potential member or outside actor is willing and/or able to supply the collective good unilaterally and, thus, said good can only be provided through voluntary cooperation. As a corollary, the creation of this collective good cannot be opposed by relatively powerful non-members as this would raise the

potential negative spill-over effects for individual group members of membership by threatening other interests and their resource allocations that are tied into to relations with this powerful non-member. The minimum size of the actual group is seen to be largely correlated to the smallest number of self-interested actors necessary for the provision of the mutually desired collective good and the maximum number of members it would take to maximize the individual member gains from its provision at the lowest individual member cost. It must be remembered that the efforts to relate with each other within a collective action group is a cost itself and the larger the number and/or diversity of members the higher this particular cost may become.

Apart from these initial conditions for the formation of groups, collective action theorists have identified certain group and collective good characteristics that impact upon the maintenance of group unity and its success in achieving its collective goals. In terms of group-based characteristics, one key one is that a sub-section of the potential or actual group members choose to act as promoters and strong supporters of the specific set of collective actions by working to lower the costs and/or increase the gains of membership for others. Some examples of said efforts are the building of solidarity amongst group members, advertising to others the present gains and potential future gains from collective actions, helping organize structures which link members together, and structuring them to maximize harmony while minimizing opportunities for friction or disharmony^{xix}. In line with the assumption of self-interest, these “promoters” expend their resources to promote collective action to others either because they have a narrower margin of acceptance between potential interest attainment and its opportunity cost when deciding on an action or their perception of their individual gains from the particular collective action or sets of actions is greater than that of others. This “promotion group” concept of collective action theory dovetails very closely with a concept often used in regime formation theory, that of an “epistemic community,”^{xx} again exemplifying the integration possibilities between these two theories and their respective academic fields of study.

Another key group-based characteristic that is seen to be instrumental in determining the lasting potential of a collective action group and its ability to harness individual member self-interest for the attainment of collective goals is that of the presence and credibility of collective sanctions; i.e. ability and willingness of all other group members to sanction group member/s who act against the interests of the group as a whole. Good examples of contra-group selfish behaviours are “free riding” and acting so as to turn the outside environment against the group. These group-based sanctions can either be informal, but universally understood, or regulated by express agreement and codification by the group. The importance of these sanctions again highlight the assumption of self-interest and its ramifications for the group as well as the potential costs for each member of joining any group.

Heckathorn thinks that said sanctions are of such importance to the group’s ability to achieve the desired collective goods that he sees them as a second-level collective good of the group itself.^{xxi} To add depth to this insight, Heckathorn elaborates that peer approval, a fundamental aspect of any group, is a very easy to administer and materially costless form of positive sanction with the threat of expulsion from the group being very effective form of negative sanction.^{xxii} Both of these sanctions are of course often informal in nature and inherent components of any

group, suggesting that groups wield certain powerful sanctions even without direct discussions concerning sanctions amongst members.

A third group-based characteristic of note is the level of interdependence amongst the group members and whether or not the interdependence is tied to the issue on which the collective action is being pursued or is present amongst the members but outside the focus of group action. It is argued that high levels of interdependence amongst members, especially when related to the concerns of the collective action, is beneficial as this condition of interdependence may lead to situations where a gain or reward attained by one member positively affects others leading to the development of an altruistic orientation of the group and its internal relations.^{xxiii} This argument concerning interdependence connects very well with much of regionalization theory and its contention that national economies and their actors are growing increasingly interdependent which spurs them to develop closer and more harmonious relations amongst themselves. This interdependence argument can also be integrated with the social network point above by arguing that the condition of interdependence encourages mutual communication which aids the development of strong social networks and thus increases the potential for collective action amongst these socially networked interdependent actors. Consequently, the presence of interdependent relations can be seen both as a characteristic supporting the creation of collective action groups and their maintenance.

A final group-based characteristic developed by Kim and Bearman that is germane to the research problem is that the interests of individuals members are variable over time on two levels. Firstly, at any time in the collective action group's existence, different members have differing interests and/or levels of interest in the collective good being provided as well as differing levels of malleable resources to contribute to the group; leading to intra-group heterogeneity and a need for the group to be able to redefine relative contributions to maintain group unity. As well, member interests in the group and the goods themselves may be altered by members' dynamic interaction with each other in pursuit of said good/s. When this process of interaction leads to a harmonizing of interests and/or behaviors amongst interactors, it is said to create a situation of "frame alignment" amongst the interacting members.^{xxiv} These insights means that there is a key temporal element to actors' definition of group-related self-interest with the nature of the group's interaction mechanisms being of prime importance for a group's longevity and success.

The first three group-based characteristics all help support the group and its effectiveness while this last one suggests a large potential for problems of heterogeneity, especially over time. The impact of this last factor leads Kim and Bearman to conclude that there are only a limited number of group structures that aid group longevity by sustaining dynamic inter-member discussions and actions which yield new and/or increased shared interests, thus helping to strengthen the group^{xxv}

In terms of the good-oriented characteristics, there are three main characteristics with one supporting the maintenance of the group while the presence of the others makes maintenance more problematic. Goods which have either pure or partial jointedness of supply are seen to be particularly suitable goods for collective action groups to cooperate on. Pure jointedness of supply refers to goods whose cost

of supply does not increase at all with an increase in the number of users of the good (i.e. all costs are fixed, and none are variable) while partial jointedness refers to goods where the cost rises less than proportionately with an increase in the number of users.^{xxvi} These goods are seen to be supportive of collective action efforts as the costs are all or mostly fixed and thus easier to measure for each individual member and an increase in the number of members leads to a reduction in the individual cost of the good for each member while not risking their level of benefit from said good. This facet of the good thus calls for larger groups by lowering individual member cost thus working to counterbalance the rise in cost in terms of relational complexity and interest heterogeneity amongst members associated with increases in group size.

The second good-related characteristic deals with its changing nature vis-à-vis the interests of the group members over time. Heckathorn, in his definition of collective action efforts as production functions,^{xxvii} notes that the nature of the good being provided by the group changes its nature to the members' individual interests over time as the curve of the returns versus cost relations for each member of the production and consumption of the collective goes through 3 stages; 1) period of acceleration with increasing marginal returns as start-up costs are absorbed, 2) marginal return becomes the same for all contributors regardless of when they joined the group, and 3) decreasing marginal returns when all potential returns from the good have been realized.^{xxviii} Thus the benefit of the provision of the good changes over time for each member and is often assumed to decline after a particular time.

While the nature of a collective action good may not always lend itself to being categorized in such a manner (especially if the good is not concrete in nature but purely intangible and thus may have no problem of depreciation or certainly a different less quantifiable one), Heckathorn's 3-level division is useful as it highlights that the good itself and its usefulness to individual members may not be same over time as the returns from the good may change. As a corollary to this, it is common that at the beginning of any endeavour, endeavour participants may be more willing to endure higher costs or receive lower actual gains in the hope of future potential gains which may not be fully knowable or quantifiable. However, once a group and its actions has achieved "normalcy," this enthusiasm may rapidly diminish and once all the members believe that they have a full understanding of the good's benefits and costs may disappear all together. This changing nature of the members' interpretation of a good and its relationship to member interest calculations again suggests the need for a group ability to redefine its structures over time.

The third and final characteristic of the collective good to be dealt with may be both the most complex to use analytically as well as the most influential to the success or failure of collective action groups. While much of the discussion and theoretical elaboration of collective action assumes that a predetermined single good or set of goods is produced by the group for the use of all its members equally, this by no means is a "truth" of collective action. Olson delves into the situation where a collective action group may be formed to supply a range of collective goods some of which may not be accessible or in the interest of all actors to access in his discussions on selective incentives. Selective incentives, while being part of the group's overall production of goods, by definition, are only usable or used by certain of its members. Such a complex situation would mean that members' individual gain calculations

would rest on which collective goods they can extract gain from and how much gain is attainable from each. Logically, a similar calculation of costs would be necessary where each member must determine which goods they must contribute to and to what extent. Needless to say this significantly clouds the analytical picture and puts a much greater strain on each members' interest definition and their collective action cost/benefit calculation skills (a cost of collective action in itself).

This brief list of some of the identified conditions necessary for the creation of collective action groups and of certain of the characteristics or variables that affect formed groups' longevity and success has hopefully clarified at least two interlinked aspects of collective action groups that must be appreciated to analyse them properly. Firstly the very nature of the fusion of self-interested actors into a group to work together collectively toward a common good or set of goods is a potentially volatile one. As mentioned, the process of interaction between members may lead to a change in a member's or members' definition of their interest in the group endeavour and the *quid pro quo* necessary for it or them to continue contributing to the group. This variability is further increased by the fact that, while the collective action group itself is treated as a closed system (this assumption itself may not be a practically tenable one itself), its members are actors within a larger system and thus their definition of their individual interests may change over time given changes within the member itself or in its relations with non-group actors.

A final contributor to this noted variability is that the nature and number of good or goods provided to each member by means of its membership may also change over time. This suggests that the study of collective action groups is a complex matter and it demands observation over a long period of time. Secondly, given this high potential for variability of member interest in the group, regular and structured negotiations amongst group members - especially if the group provides more than one good and the contributions of each member and/or usage of the provided goods are not equal, - over contribution levels, addition or reduction of goods provided, and the focus of the group's efforts would seem to be necessary. The necessity of regular member interaction and interaction which may change the quality of relations amongst members and toward the group as a whole would further suggest that the nature of the group's structures and channels of communication is of key concern. However, as the self-interest assumption determines that any member of a collective action group has concluded (for the span of its membership) that membership suits its overall interest, these forces of heterogeneity and variability are only active within a larger condition of constancy.

As noted before, this paper's case study is a particularly complex one as the collective action group being studied is being looked at as a member within a larger collective action group. Thus, the closed system assumption has been discarded and the focus is rather on the effectiveness of the collective action group in a particular set of relations with actors from its external environment and the changes this set of relations causes within the smaller group itself. This focus will hope to add to the depth and applicability of collective action theory and is seen as important as few if any active groups are perfectly autonomous from their external environment or desire to be. As well, foreshadowing regime theory, most regimes studied are ones who form both to attain intra-group goals and goals which call for the group to attempt to alter

the dynamics of the external environment which encompasses the collective action group of concern and all of its individual members.

Regionalization Theory:

To further the modeling of regimes in general and ASEAN in particular as collective action groups, an understanding of the relationship between regionalization and regime theory with the subsequent melding of both into collective action theory is called for. Tying regime and regionalization theories, together, in the study of the formation of economic regimes and their maintenance, it is a commonly held contention that the processes of international economic change recently have spurred sovereign states within loosely defined regions to organize amongst themselves inter-state structures to help regularize and enhance relations amongst economic actors.^{xxix} A strong indication of the spread of regionally organized economic regimes is that from 1990-4, 33 new regional trading agreements (RTAs) were recognized by GATT with most GATT members, excluding some trading powers like Japan and South Korea, being a member in at least one and often more of these arrangements or ones previously formed.^{xxx}

The explosive increase in the number of regionally bounded (as different from bounded by a single state or a majority of the world) trading arrangements is seen to have been partially due to some fundamental shifts both within the international economy and inter-state system in the W.W.II period. In terms of the international economy, under the generic rubric of “globalization,” scholars and policy-makers argue that the growing internationalization of capital and production networks has undermined the effectiveness of solely national-level policy tools and forced states to seek regional policy mechanisms to replace or supplement said weakening national policy tools.^{xxxi} This is especially true in the area of international credit transfers as while the volume and diversity of these flows have exploded recently, there is a distinct lack of mechanisms linking capital importers and exporters or even tested formulae for forming them.^{xxxii}

In terms of states choosing to join RTAs instead of focussing their efforts on the development of global-based policy tools through multilateral institutions like the IMF or GATT/WTO, it is widely argued that states and commercial actors tend to choose the regional option as geographical proximity (often paralleled by cultural proximity) substantially lessens the cognitive barriers to the organization of such mechanisms/regimes. Noticeably, historical trade and service provision patterns^{xxxiii} have tended to concentrate themselves amongst geographically contiguous political entities. Through these pre-existing harmonious ties, these contiguous actors have developed well-established social networks and lines of communications which ease the development amongst themselves of shared institutions to deal with the new forces in the international economy. This point of historical ties amongst geographically proximate entities as a key support of regionalization mirrors the collective action theory argument of the importance of pre-existing social networks for the formation of collective action groups; exemplifying the integration of these two theories.

Supplementing these international economic forces pushing for regional inter-state institutionalization and the movement away from sovereign insularity, certain changes in the inter-state system of late are seen to have encouraged regionalization as well. Amongst Realist International Relations scholars, the perceived decline of American hegemony worldwide and in the Asia-Pacific region specifically is seen to be a key explanatory variable for the process of regionalization. It is posited that with this decline, the provision of systemic and/or regional public goods such as a liberal trading order can no longer be credibly guaranteed solely by the self-interest of the hegemon but rather that groups of cooperating states must provide them.^{xxxiv} Along with this lack of hegemon-supplied systemic or regional goods, with the hegemon's asymmetrical surplus of power vis-à-vis other states declining, the interest of the hegemon to partake in inter-state institutions instead of relying on unilateralism is seen to have increased.^{xxxv}

This structuralist argument is most germane to the Asia-Pacific region as it has been long accepted that, excluding short spans of time, in the last 30 years the relative economic and political power of the national political economies of Japan and more recently of the People's Republic of China have increased vis-à-vis the United States with the United States' state's hegemonic interests in the region having consequently declined as well. This view of hegemonic decline as a key variable in explaining the spread of inter-state regional organizations again shares a strong conceptual similarity to the collective action argument that self-interested actors will only voluntarily work together if no single actor is able or willing to provide these actors what voluntary cooperation will. As well, it echoes perfectly the collective action argument that groups will only form if no powerful actor in the extra-group environment strongly opposes the formation of the group.

A final inter-state level factor that is seen as a spur to regionalism and as a good partial explanation for the explosion of RTAs in recent years is the perpetual problems of supra-regional inter-state bodies in delivering promised reforms (collective goods) to the international economy and inter-state system. Given the coordination and collaboration problems of these multilateral institutions, it is argued that regionalism and its regional institutions are an important aid to multilateralism as they eases the formation of bargaining coalitions (collective action groups) for multilateral bargaining,^{xxxvi} while also being good "laboratories" for new approaches to achieving reform that may be transferable to the multilateral level. While the complexity of the multilateral level and its problems of coordination are seen as a "negative" support for regionalization, the multilateral level and its organizations like the UN, IMF, IBRD, and GATT/WTO also play a "positive" role in regionalism. It is a noted fact that all RTAs have asked to be officially recognized by GATT/WTO while almost all regional economic institutions also swear to be true to the spirit of the relevant multilateral institution while often forming formal linkages with them.

One reason such linkages and recognition is sought is that multilateral institutions can and do play the role of a 3rd party monitor and mentor to the smaller and often enclosed regional grouping.^{xxxvii} This "institutional nesting" is important as without it the regional groupings would only be self-regulating according to their ability to monitor member actions and their possession of effective sanctions. Such a necessity for comprehensive self-regulation would certainly raise the costs of

membership for each member and create a greater chance of friction within these regional groupings, thus hindering group formation and group longevity. This point concerning 3rd party monitoring may also be usefully incorporated into collective action theory, even if it is somewhat undermining of the closed system assumption of some of its theorists.

Thus, regionalism posits numerous interlocking reasons for why states choose to organize themselves into voluntary regional organizations and shift their resources and interest attainment strategies away from the national and/or multilateral levels to the regional one. In terms of individual states expanding their scope from the national level to the regional one, the international economic changes, most often packaged under the term “globalization,” are seen as economically determinant with the perceived decline of a hegemon-dominated inter-state system also playing a key role. In terms of the choice of region over globe, the positive and negative supports of multilateral institutions for regional institutionalization and the cohesive power of geographical proximity work together to again favour regionalism as the approach for self-interested state action. This brief description of regionalization theory fits well into collective action theory as it explains why regional organizations are formed and how the shape of and number of participants in them is arrived at while being true to the assumption that all voluntarily cooperating actors are self-interested.

Regime Theory:

While regionalism theory is quite powerful in terms of explaining, at the macro-level, why states and other actors choose to create regional institutions to pursue their interests, regime theory allows us to look inside these formed institutions and evaluate how actors, most often states, choose to work together and how their individual self-interest is molded to pursue collective action. To frame this within the overarching theory of collective action, while regionalism explains why groups are formed (i.e. conditions of creation), regime theory, which stems partially from regionalization theory itself, explains how these groups are structured, and provides insights into which ones are or may be successful and why (i.e. variables of longevity and success).

Regime theory presents three benefits for self-interested actors in setting up regimes as well as some insights into which issues or foci of concern are most supportive of regimes and which ones may prove more problematic. The first noted benefit is that upon agreement by the actors to work together in a structured and non-temporary manner, this act creates within the group a mitigation of zero-sum modes of defining self-interest for the issues to be dealt with by the group by developing within each actor a vested interest in the regime itself, and its longevity and success.^{xxxviii} Thus, through the institutionalization of a regime, each member-actor’s definition of self-interest has an added dimension and one in which said actor must take into consideration the effects of its actions on the others in the regime and their own determinations of self-interest.

The salience of this vested interest in the regime (i.e. in pursuing a form of “enlightened self-interest,” in which the externalities of an actor’s actions are

considered as relevant to the interests of said actor) may be increased if one sees each actor and institution as active parts of a larger environment. With the commitment of any actor to participate in a regime, the perception of that actor by other regime members and non-members will be partially based on their perception of the success of said regime and the role the actor played or plays in the success or lack of success of the regime. The force of this factor is further enhanced by the fact that this altered perception by other actors of the regime member will become part and parcel of every other relation of said member as the perception of an actor held by others partially defines the nature of present and future relations they will pursue with said actor.

Stemming from the assumed condition of each regime member having a vested interest in the success of the regime and in their contribution to this success is the second benefit of regimes for each self-interested actor. It is argued that regimes lessen the potential for volatility within relations amongst group members, thus decreasing tension and bargaining difficulties, due to the fact that the political costs for each actor of a regime collapse or its failure to achieve stated goals of these relations are much higher than if these relations amongst the same actors collapsed when no regime existed.^{xxxix}

Adding significance to this point, the threat of expulsion from the regime of a member or members whose actions are seen to work against the interests of the regime as a whole by the other regime members is seen to carry a very heavy political cost for those expelled. If this is true, then all members (especially if they gain much from the regime, have many other relations with the expelling regime members, and/or can find no replacement regime to join to provide the gains of the regime they were expelled from), in their regime-based self-interest attainment strategies will be constrained from actions that either objectively hurt the interests of other members or more ambiguously may be perceived by other actors as being against their interests. Thus with the benefit for each actor of setting up a regime and not relying on unilateral approaches or non-institutionalized relations with others, each actor's self-interest and the strategies for attainment becomes "enlightened" and the benefits of pursuing zero-sum based games are reduced. This second one reflects very closely the contention of formal collective action theory concerning the necessity and power of intra-regime sanctions as a check on group-damaging manifestations of member self-interest.

The final benefit of regimes and their maintenance is only relevant if the regime is one that does not provide a single uni-purpose collective good, but rather provides multiple goods or a good that has different uses for different members. Again to fully grasp the import of this benefit, one must appreciate that, without regimes, actors must either follow unilateral strategies or pursue non-structured less predictable sets of relations with the other actors. Fearon argues that regime formation and maintenance allows for the institutionalized clustering of issues with its subsequent increase in the ability to offer side payments and selective incentives to specific actors to encourage them to maintain and/or enhance mutually beneficial relations with other regime members.^{xi} This side-payment benefit harks back to Olson's definition of collective action groups and the derivative nature of collective goods. Taking this point to its logical extreme, it is possible to posit that regimes may only offer the collective good of the creation and maintenance of a predictable forum in which

selective incentives are distributed and pursued by the various members; i.e. a single good defined by its multiplicity of uses for group members.

Integrated with these three noted benefits of regime membership are two observations on which kinds of regimes and/or issues around which regimes may be formed add to the potential longevity and success of a regime itself. In terms of the kind of regime, scholars have divided the regimes identified in today's international economy and inter-state system into two distinct categories; 1) explicit or rule-based regimes, and 2) implicit or policy-based regimes.^{xlii} Explicit regimes are differentiated from implicit regimes by the existence of either externally or internally developed sets of codified rules with reinforcing sanctions, the presence of effective monitoring bodies with the power of rule enforcement, and by the fact that the regime-based actions of the members are bound and shaped by said rules. While it may be that such regimes are more difficult to create as they would demand a greater loss of "independence" for each actor and thus demand a greater intensity of shared interest, it is argued that these rules and their enforcement credibility cause within the regime the propensity to develop and entrench focal principles and these principles' "enlightening" force over member actions of such principles.^{xliii}

Extrapolating from this point, such focal principles and their purported force aid regime maintenance by; 1) enhancing in the eyes of members and non-members the credibility of the regime while clarifying for all the scope and limitations of regime action, 2) providing the regime a codified and relatively fixed benchmarking system to identify which individual member or sub-group actions are tolerable for the membership and which would call for expulsion, and 3) Stemming from 1&2, increasing the political/reputational costs of expulsion for erring members given this clarity of rules and reasons for expulsion. These assumed benefits of explicitness and strictness of rules reflects well the collective action argument that well understood and effective sanctions are, in the long-run, strongly conducive for group success. However, if this assumption is granted, then once again the relevance of negotiation and bargaining, especially during regime formation, and the need for an understanding of the factors involved in successful bargaining results is strongly highlighted.

In terms of which issues may be best suited for regime longevity and regime success, Stein and Snidal divide all regimes into those that focus on problems/issues of coordination and those of collaboration.^{xliiii} Examples of coordination regimes would be ones formed to harmonize standardization and measurement methods amongst actors to lower the costs of trade and sharing of research. This kind of regime good can be seen to possess high levels of even a purity of jointedness of supply as once the harmonization is agreed upon by even two members, the cost for those original members of others joining would be few if any while the benefits for each would increase with each new member. These regimes would thus easily allow for or even encourage large numbers of members and may reduce the need for strong sanctions, and thus inter-member bargaining. As well, given the lack of large variable costs, the problems of "free-riding" and the potential for decline in member interest in the third stage of the production function are often precluded or at least minimized. This lack of a need for contentious bargaining over allocation of differentiated benefits and costs amongst its members and over the development of sanctions and monitoring mechanisms is a good explanatory variable for the large number of

coordination regimes and their longevity. This non-conflictual nature also leads such regimes often to be treated as “technical” rather than political institutions even though they are often formed by states. This lack of a distributive element also often leads to these regimes being solely under the purview of bureaucratic state bodies and rarely if ever involving, in a more than ceremonial manner, the political state.

For scholars who study the political side of the state and/or international relations, the regimes most often studied by them are what Stein and Snidal call collaboration regimes. Examples of these regimes would be redistributive regimes (such as the UNCTAD originated NIEO,^{xliv} weapons reduction agreements, cartels etc.). The goods and the costs associated with the provision of them are not necessarily equal for all members and the usage of the goods may be of a much different nature than the costs associated with them and differentiated amongst the members. This differentiation amongst members in terms of usage and cost of the good or goods along with their redistributive nature means that there is a lack of jointedness of supply with the consequent need for more intense and regular bargaining amongst members to form the regime and to maintain it. As may be obvious by the examples of arms reduction regimes and cartels, these regimes often require high levels of intra-group monitoring and sanctioning of “free-riders,” while suffering more from third-stage interest erosion than the above cooperative regimes.^{xlv} The importance of anti-“free-rider” sanctions and the problems of monitoring the faithfulness to the regime of other members in collaboration regimes has led them to be analysed as “Prisoner’s Dilemma” games. Such a framing and its call for treating the success of these regimes as intra-group enforcement based depicts well the tension within in each member and thus the regime as a whole between support for mutually integrated action and zero-sum defined self-interest, as noted by Olson.^{xlvi}

Combining this with the above point on kinds of regimes, it is logical to postulate that collaboration-based goods, due to their lack of jointedness of supply and the need for more intrusive monitoring by regime members of other members, would benefit to a greater extent from an explicit regime and suffer more with an implicit one than coordination good-based ones. As well, collaboration regimes would discourage large numbers of members as well as low barriers to entry given the complexity of determining relative cost/benefit allocations and the monitoring of said allocations when members are added. Collaboration regimes, thus, present more opportunity for intensive “zero-sum” game like bargaining, more need for effective sanctioning, and less chance for longevity and survival. These three characteristics also provide a good explanation for why they are the focus of more academic study and discussion amongst member-state political leaders or member-organization heads.

While most regimes are seen to be either coordination ones or collaboration ones thus encompassing all the characteristics of their type of regime and excluding those of the other, this analytical delineation may not be that practical. Often, especially for inter-state ones, regimes may bind members together not solely for prescribed sets of goals and a strict adherence to action only on these goals but rather are formed with members promising only to adhere to a vague set of common principles to guide their shared relations and/or attempt to address a wide set of overlapping issues. The first condition, formation around vague principles, can be seen as partially the cause of the second as principles are used to shape interactions between actors

concerning various issues, some which may be coordination ones in nature, while others call for collaboration. As well, regimes often add new issues to their agendas over time and expand the repertoire of issues being dealt with by the regime and the collective goods it offers. This noted expansion of the scope of regimes over time may also stem from the fact that actors are not perfectly rational and thus mutually beneficial collective action in one area may suggest new paths of collective action in other areas which were not deliberated on at the formation of the regime. This temporal change factor again demands that, for a full understanding of the success of a regime and even the very nature of it, study over a long period of time is necessary; assuming the regime under study lasts for more than a short time or is not stillborn.

While it is quite easy to tie regime theory to collective action theory, as in many ways regime theory is a political-science based application of aspects of collective action theory, and to identify the sequential relationship between regionalization and regime theory in the areas of international economics, the brief description above of all three theories suggest a need to delve into formal bargaining theory. Such a need is especially noticeable for inter-state collaboration based regimes and ones which are not bounded by a common cultural space. In terms of culture, a common culture is supposed to ease relations by creating “frame alignment” amongst actors in terms of how issues are defined and in *a priori* priority lists, while cultural dissimilarity is often seen to lead to “frame unalignment” in these areas. Regimes themselves, at the very least, call for bargaining amongst potential members and later actual members over which good or goods to supply, how many members to allow, what kinds of entrance criteria to be applied to applications for membership, how to structure mutually integrated actions to make them predictable and optimal for the attainment of the good, etc.

As well, given the predilection of inter-state regimes to be formed on incomplete and/or vague foundations, they necessitate negotiations over the practical operationalization of these principles, which policy issues should fall under them and how and when new issues and/or collective goods should be added. In terms of collaboration regimes, the redistributive nature of them again suggest intense bargaining given the assumption of member self-interest and member commitment to the group being based solely on individual cost/benefit calculations. As the subject collective action group of this paper and the larger collective action group within which it will be analysed are inter-state regimes encompassing both coordination and collaboration regimes, the analytical tools of formal bargaining theory would be of great use.

Bargaining Theory:

As with the integration of regionalization and regime theory into collective action theory, the integration of regime theory with bargaining theory is not done in the belief that this is new theoretical ground but rather with the full understanding that the exact opposite is true. What is hoped to be achieved again is just a selective sampling of these past efforts and to add some more depth and precision to these integration efforts. As is well, understood, bargaining amongst any two or more actors (much of bargaining theory unfortunately assumes a 2 player-game framework)

requires both that the actors involved share some commonality and/or convergence of interests while not being in perfect agreement. Nash and Schelling thus define bargaining games as “situations where there are multiple self-enforcing agreements or outcomes that two or more parties would all prefer to no agreement, but the parties disagree in their ranking of mutually preferable agreements.”^{xlvi}

In a very similar manner, Sebenius argues that the traditional analysis of negotiation^{xlvi} assumes three interlocking constants; 1) a given set of parties, 2) a given set of issues, and 3) the parties’ fixed value or preference orderings for different possible settlements.^{xlvi} From these very sparse definitions it is clear that collective action groups can be seen largely as structures of bargaining, and the subset of inter-state collaborative regimes even more so. Such a view of collective action group both goes back to Olson’s argument of selective incentives as the core of these groups while suggesting our previous study of collective action groups and regimes may already have presented some insights into bargaining itself.

To start off, the third constant of Sebenius’ description of the common approach to negotiation analysis (one which he himself does not abide by) seems to be a very static one and not particularly applicable to the study of inter-state regimes. As noted in the regime theory section, regimes, after formation, often choose to address new issues and attempt to provide new uses of existing collective goods and/or new goods, suggesting that their rationally bounded members did not have a strictly fixed set of priorities at the formation stage that was the only guide to their actions thereafter within the regime. Furthering this criticism, as noted by Heckathorn, the nature of collective goods and their value to different group members alters over time which would again seem to challenge this assumption of permanence unless said members, at the stage of regime formation, were able to properly decipher the changing value of regime membership over time and integrate this into their original preference orderings. As well, for the case of regimes (especially explicit ones), it is argued that the creation of these regimes create focal principles which work to enhance and/or reshape individual member interest in the regime while developing a vested interest for each member in the longevity of the regime itself suggesting that upon the decision to form a regime, the interests of each member are altered.

These altered interest calculations of each member caused by the existence of the regime logically create a strong likelihood that such a change may impact on these actors’ preference orderings by lessening the preference of the withdrawal from the group option. While one may argue that the Heckathorn nuance of declining interest in membership over time may counterbalance the membership interest amelioration of the other two, all three show that regimes’ dynamics and the interests of actors and their attainment strategies are not static or fixed except at a single point of time.

Apart from the group-based aspects of collective action groups, certain actor based aspects of group membership may also add depth and complexity to the this simple definition of bargaining/negotiation. Drawing from the section on regime theory, it is noted how each regime member and its self-interest maximizing interactions with others are not isolated to regime-based interactions but that this set of relations is often only a small subset of every members’ relations with others, members and non-members. Given this open-system nature of actor interest

calculation, regime membership often can be seen to replace for each actor pre-existing non-regime based sets of relations aimed at the same or similar goals as those of the regime. In the similar case of an actor shifting from one regime to another regime that offers similar collective goods, it should be clear how such a shift would both alter this actor's relations with ex-regime members and its relations with new regime members.

Taking this a step further, as the preference orderings of any actor within any set of relations is partially defined by the effect of these relations on its other relations and their preference orderings, with any change in relations, such as the joining of a regime or leaving regime, all relations affected by this action and their related preference orderings may be altered. This interconnected volatility of preference orderings of each actor and the effect on them of joining a regime is well noted by the arguments of the high political cost of expulsion and the importance of the credibility of the regime for each actor, and the "frame alignment" argument of collective action theory.

On a less abstract level, the presence or non-presence of a group of "promoters" may also be seen to affect the preference ordering of parties as well as the intensity of their previously noted willingness to join the "game" in the first place. As these promoters act to ease the relations amongst themselves and other group members and amongst all group members, this lowers the costs of the negotiation for all non-promoters, thus logically changing non-promoter calculations of the cost/benefits of group actions and thus, potentially, their preference ordering as some preferences may become less costly and thus more preferable.¹ These "promoters" also actively disseminate information, often in a biased manner, so as to encourage members to join and after membership to work together more intensively. As preference orderings are lists of interests and the acceptable costs for attaining them, assuming the actor is rational, they must be based on analysis of available information, and the "promoters" work to add to the body of information available and in a way that may not be balanced.

These points act to suggest two insights into bargaining theory and its relation to regimes. Firstly, the dynamic nature of regime and the purposes they serve for members suggest that formal bargaining theory at its simplest level suffers in terms of explanatory power from its static assumptions as actor preference orderings in general and for any sub-set of its overall set of relations cannot be conceived as permanent or fixed. Such assumptions may be only useful for studying regimes at a single point in time and thus rather limiting. As well, these points further strengthen the validity of seeing regimes as institutional settings that serve to alter the bargaining game amongst its members and in such a way as to ease the "transaction costs" of bargaining while raising the costs of non-bargaining strategies vis-à-vis regime concerns for each regime member.

Before laying out some of the useful aspects of formal bargaining theory, it should be noted that not all bargaining games or fora are "serious" in nature. The concept of non-serious bargaining is a particular concept tied to the general phenomenon of the presence of gaps between actor rhetoric and practice. While almost all actors involved in bargaining situations and those organizing the bargaining

situations themselves claim that they are negotiating in good faith with the desired end being an agreement, it is possible for actors in bargaining situations not to want an agreement as the end or for them to stick to such intransigently held, divergent preference orderings that no agreement is feasible. Thus, while on the surface it seems that real bargaining is taking place, in reality no actions or proposals focussed on feasible, mutual agreement are proposed. This “non-serious” element to bargaining theory links back well to Olson’s argument that many collective action groups fail as non-serious bargaining, while on the surface indicates a functioning game and thus a group, in reality, signifies failure to achieve the goals set out by the interacting group.

This gap between rhetoric and action in certain bargaining situation and its contrary nature to the essence of bargaining itself is transferable to regimes in four ways. If regimes are focussed on a single set of issues and the desire to produce a single collective good and no substantive progress is made toward the settling of the set of issues and the production of the good with no corresponding disbanding of the regime, this regime could be seen as a non-serious one. If a regime addresses more than one issue of common concern and seeks to provide one or more collective goods and no substantive progress is made in any of the relations based on the issues and collective goods then this would be a non-serious regime.^{li} Thirdly, if in some stated issues and production of collective goods substantial progress is made while in others none is, then the areas of non-progress could be called non-serious aspects of the regime. Finally, reflecting back to possible changes over time within regimes, if after a particular point of time no further progress is made in regime relations while the goals of the regime remain not fully achieved, then after said point in time, the regime may be treated as no longer a serious one. Again, it should be noted that the settling of issues of concern within a regime may be seen as a regime provided collective good itself assuming that without a regime structure, the members could not address these same issues as successfully. This concept of non-serious bargaining, and its corollary non-serious regimes, suggest that any analysis of a regime or regimes must first determine whether it is a serious one or not and if so on which issues is it serious.

In terms of the tools of bargaining theory that may be of use to the treatment of regimes, they are best seen as variables that affect bargaining outcomes for the bargaining group as a whole and for each member. The type of issue under negotiation is seen to be a key variable and, in the case of the “selection effect,” a hard to identify one. The “selection effect” concept originates from the observation that different issues may have different strategic structures (ways in which they can be dealt with) and that this difference may lead to only issues with particular strategic structures to be bargained over in a serious manner.^{lii} This ties in well with the delineation between coordination and collaboration regimes and the observation that coordination issues are more likely to spawn successful regimes than those of collaboration.

Another issue-based variable tied to the “selection effect” and the assumption of actor self-interest is the differences of depth of commitment and expenditure of resources by bargaining parties amongst the issues being negotiated over within a game. This difference of level of commitment and effort to an issue is seen to be caused by the calculation of each member of the ability to enforce the terms of agreement with the greater the perception of enforceability being, the deeper the commitment to bargaining.^{liii} Thus, non-serious bargaining by an actor or actors

occurs over issues where agreements are perceived to be relatively non-enforceable given the resources of the actor or actors.

A final issue-based variable of note for regimes is the presence or non-presence of complementary issues and/or goods on the bargaining agenda. Complementary issues or goods are those which in isolation of each other are not as beneficial to the actors involved than if they are dealt with or provided in tandem.^{liv} A relevant example of such issues/goods for economic regimes would be the intra-group sharing of economic data (good 1) with the standardization of its formatting (good 2) as the usefulness of any actor's information for others would be maximized if it came in a standardized manner.^{lv}

The presence of these complementary issues or goods is seen to increase the chances of a successful bargaining outcome by increasing the benefits of cooperation and by making preference orderings dynamic in nature. This complementarity of issues also relates to bargaining tactics, as the addition of issues to a bargaining agenda which are complementary to already present agenda issues is an oft-used tactic to increase the chances of a positive bargaining outcome, and can be seen as a manifestation of Olson's selective incentives argument.

A second set of variables that are seen to have great impact on bargaining games are actor-based ones. Given the fact that preference orderings of actors are assumed not to be completely in line and that each actor attempts to maximize the attainment of their preference orderings through interaction with the other actors, the method each actor uses to pursue preference orderings is key.^{lvi} Risk-averse actors may choose to respond by offering more selective incentives to other actors who threaten to leave the negotiation or become non-serious, thus lowering their attainment goals and expending resources to allow other actors to further their attainment. Risk-taking actors may threaten to accept the costs of expulsion from the game to increase the probability other actors will "bend" and accept agreements that enhance the interests of the threatening actor. Thus, one reason for non-serious bargaining or very tortuous bargaining is a surfeit of risk-averse actors and a large percentage of aggressive risk takers.

Tied to this risk/reward balancing, as bargaining requires interaction with other self-interested actors, the level of certainty of each actor about the minimum preference ordering attainment necessary for the continued serious bargaining of each other actor is also a key concern. If the level of certainty is very low or incalculable for another actor, the uncertain actor may choose a more risk-averse strategy so as to protect the continuance of said actor in the game. On the other hand, the uncertain actor may take purposefully extreme bargaining positions to test the other actors' resolves and strategies. With a higher level of security, such extremes of risk aversion or risk taking are seen to be moderated. This point again seems to support the argument that prior social networks encourage formalized groups as prior relations work to increase the level of certainty for each actor of the other actors and their preference orderings and bargaining techniques.

These two points beg the question for political scientists of how do power asymmetries amongst actors affect these actor-based variables. To answer this, an

operational definition of power within bargaining situations is necessary as the nature of actors' power is often issue and situation-specific. Yamaguchi defines power within exchange relations as based on the ability of each actor to substitute the subject set of relations with another to achieve the same preference orderings as well as the ability of the other actors to achieve their bargaining goals with or without the presence of the subject actor. Thus the substitutability of the relations for the actor and the substitutability of the actor itself are key elements of its power. An actor that are "weak" is one that lacks a large array of potential exchange partners in the given issue area and/or who is easily substitutable for by those it relates with in said issue area.^{lvii} This operational definition of power seems to add much depth to the regime theory argument of the role of the hegemon in regime formation as the very definition of a hegemon is an actor who cannot be substituted for by others within the system and who is able to attain its value preferences in many ways including unilateralism; the negation of exchange or bargaining.

The relative power of each actor vis-à-vis the other actors would seem to have a great impact on the level of risk it is willing to accept in the pursuit of its goal as if others need its presence, they will be willing to expend resources to keep it in and if it can substitute alternative relations to achieve its goals, the costs of having one's risk become reality is not so damaging. Powerful actors may be more willing to take strong self-interested positions which threaten to turn the bargaining game into a non-serious one as the costs of non-serious bargaining for them would not be so high. Tying this more closely to our chosen case study, by ASEAN agreeing to work as a collective action group within the APEC regime, it is trying to combine the resources of its members and make each member less substitutable for by non-ASEAN APEC members thus increasing one aspect of each ASEAN member's relational power within APEC. This would thus mean that such an approach may allow each ASEAN member to take less risk-averse strategies; if ASEAN can work effectively as a collective action group and produce this collective good of more power for each of its members.

A bargaining structure-based variable known as "the shadow of the future" also plays a key role in defining bargaining processes and outcomes. This concept can be defined as the amount of time each actor believes potential agreements will be in place and enforceable. As agreements are only agreed upon by each actor if it suits the actor's self-interest, the "shadow of the future" is the length of time each actor calculates the collective agreement will affect its self-interest positively.^{lviii} The longer this shadow is the more each actor may fight to attain an agreement most beneficial to its preference orderings and the more serious it will be toward the game as a whole. Regimes can be seen to work to increase the length of the shadow as members expend resources to set up and maintain the regime and thus may be more willing to work within it for a long time. As well, within the formalized structure of the regime (especially explicit ones), bargaining between members may become routinized and thus more predictable which again may further the life of the bargaining situation and the agreements reached.

Tied to these variables, especially that of the relative power of different actors, are a set of strategies and tactics used by actors within bargaining games to maximize the attainment of their preference orderings. The addition of complementary goods to

encourage further participation has already been mentioned and serves as a good introduction to the set of tactics known as issue addition and subtraction. Issue subtraction and addition to the bargaining agenda can be used by the adding or subtracting issues to both strengthen the likelihood of bargaining success or to turn the bargaining game into a non-serious one. In terms of issue addition, issues may be added as selective incentives for certain actors to either continue negotiating by promising them, through these new issues, more returns or to change their bargaining position vis-à-vis other issues already on the agenda to ease agreement amongst the bargaining actors overall. Within labour negotiations, this kind of issue addition is noticeable when management (or an arbitrator) agrees to include issues such as retraining programmes, severance packages, etc. to encourage union flexibility over issues such as retrenchment and/or salary deductions.

Issues may also be added by certain actors in a bargaining situation to turn it into a non-serious game by introducing issues over which the bargaining actors are unable to come to an agreement over.^{lix} This strategy of destroying the bargaining situation may be difficult to delineate in practice from high-risk strategies as the introducing actor or actors, since they are unable to fully predict the preference orderings, level of commitment to a successful outcome, and risk calculations of the other actors, may introduce a contentious issue of great importance to them in the hopes it becomes part of the serious bargaining agenda but through a miscalculation render the whole exercise non-serious. On the other hand an actor or group of actors that feels its preference ordering is not being strengthened through negotiations with others may choose to introduce knowingly such a destructive issue to end the bargaining game.

Issue subtraction works in a reverse way where issues that are seen to have no role in leading to an overall agreement may be removed to allow the now narrower bargaining agenda more chance of leading to an agreement. On the other hand, issues that are seen to be key to the participation of an actor or group of actors may be subtracted so as to encourage those actors to leave. The role of relative power enters into this strategy as actors with greater individual power or collective power when acting as a group may choose issue addition and subtraction strategies that risk turning the whole game non-serious as they are less committed to the game itself and would suffer less from it ending. Thus, issues that are costly to them may be asked to be removed in return for their continuing participation and issues added that would favour their preference orderings greatly added.

Similar to these issue-based strategies are ones based on the size of the bargaining group. It is a well-known strategy of actors within a bargaining situation to attempt to add like-minded actors to the bargaining game so as to bolster their ability to maximize their preference ordering attainment. Apart from attempting to expand the number of actors by including those with very similar preference orderings as the actors pushing for said expansion, bargaining actors may push for the inclusion of parties that, given their reputation, would add legitimacy to the game itself and help solidify any agreement reached and its enforcement.^{lx} Going back to collective action and hegemonic stability theories, it may be a strategy of the original actors of a bargaining to include the most powerful actor not yet included and who has an interest in the issues being negotiated so as to ensure they will not oppose any agreement

reached. As well, such an inclusion may make all the actors in the game take the game more seriously as any agreement reached that includes this hegemon would logically be more likely to be enforced with the hegemon at the table.

Actors whose commitment to serious bargaining is suspect or whose risk-taking approaches are seen to work against the achievement of an overall agreement may be subtracted by the other actors. Thus, actors that introduce issues that are purely self-serving or add greatly to the chances that no agreement will be reached may be subtracted to preserve the seriousness of the game itself. Reflecting back on regimes, the development of procedural rules and well-understood sanctions may make such subtractive group strategies less likely as such rules and consequent sanctions may impact upon each actor's self-interest maximizing calculations by concretizing the risks of expulsion. On the other hand it may make expulsion more likely as said rules provide a clear rationale for expulsion thus making the expulsion of one effect on the confidence of others in the bargaining game and its predictability less damaging. This again highlights codified or universally understood rules of procedures affect group actions and their success. However, the negotiations over these rules and sanctions themselves may threaten the bargaining game itself before the substantive issues of mutual concern are ever breached, suggesting that a "loosely" structured game may at times be preferable to ones that attempt to set down rigorous rules of procedure.^{lxi}

Drawing on our definition of the state and its two level nature, one strategy that links both the issue and actor based ones above is worthy of note. Issues which are seen to be important to the overall success and credibility of a bargaining agreement but that are contentious for all or some of the bargaining states can be shifted from negotiations amongst the political leaders to the leaders of the states' bureaucratic departments in charge of that specific issue area.^{lxii} This subtraction of the issue from the political agenda and its addition to the bureaucratic one through the changing of bargaining actors may have certain benefits for the success of the bargaining over said issue itself and for an agreement in general. It is a widely held assumption in political science that when issues are dealt with purely at the bureaucratic level, they are "sheltered" from the public eye and thus less susceptible to shaping by public opinion and/or interested non-state interest groups.

Accepting this assumption, the shifting of issues from one level of the state to another would mean that the interest calculations by each state vis-à-vis that issue and its effect on the preference ordering of each state would be altered as its relationship to the state and its external environment (in this case; state-society relations) is altered.^{lxiii} As well, the strength and dynamics of the social networks existing amongst the political leaders of the bargaining states and the leaders of their bureaucratic departments are most likely quite different which may affect the different levels' abilities to reach consensus. This difference in social networks between the two levels may be greatest if the political or bureaucratic leaders of the bargaining states change over the period of bargaining thus adding an element of disruption to the respective social networks.

Issues that are on the agenda but are not crucial for the overall agreement and cause disagreements amongst the bargaining states may also be moved from the political level to the bureaucratic one as, given the "sheltered" nature of the

bureaucratic level, it is easier to allow these issues to become non-serious or “shelved.”

Issues may also be shifted from the bureaucratic to the political level to ease achieving consensus over them and their role in the overall agreement. This reverse argument stems from the noted fact that the political level officially reigns over the bureaucratic one and thus can force agreement when the actors at the bureaucratic level are unable to achieve consensus or are seen to be delaying a final agreement. This possibility of delay at the bureaucratic level is made more cogent if one views the bureaucratic level not as a unitary level but one made up of departments that are self-interested themselves and define overall state interests by their own departmental interests.^{lxiv} This assumption of bureaucratic self-interest adds another difference to the preference orderings of the two levels and these differences’ effect on bargaining.

This last strategy also suggests how treating the state as a single unit limits one’s understanding of how states interact with each other and the alternatives available to them when working together to achieve collective goods. It also hints at how complex inter-state interaction is given the dynamics of each state’s relations to its bounded population and within itself.

The final set of strategies that actors may adopt to affect the results of a bargaining game in favour of their preference ordering revolves around the use of time. An actor or a group of actors, at the risk of the others reaching an agreement excluding them, may choose to delay the proceedings in hope that others will come to an agreement more favourable to their interests so as to speed up the resolution of the game itself. This strategy is seen to pay more dividends, and run higher risks of actor exclusion, if the issues on the bargaining agenda have a long “shadow of the future,” and call for a speedy agreement to maximize this agreement’s benefits for each actor. However, such delaying tactics also work to erode the credibility of the bargaining game itself as it raises the opportunity costs for all actors of participating in the negotiations.

Again, such delaying tactics can be reduced through the development of rules of procedure and sanctions for excessive delaying on an agreement by one actor or group of actors. Single actors can also threaten the delayers with ultimatums of the “take it (agree to this result) or leave it (exclusion)” variety. Notably, the effectiveness of delaying tactics as well as the use of ultimatums is greatly dependent on the actor or actors relative power and the support for their tactics by other bargaining actors or external actors with influence over the bargaining actors.

To sum up, this theoretical section envisages economic regimes as entities whose actions can be best understood by analysing them through the integration of four theories. Collective action theory is seen to provide many tools for understanding why any self-interest maximizing actor would choose to work with others and the dynamics of these interactions. Regionalization theory provides the explanation for why states, as self-interested actors, choose to work together to pursue common economic ends and the limitations to this cooperation. Regime theory provides insights into how these states choose to work together and structure these relations in pursuit of the ends of regionalization. Finally, referring back to the primacy of self-

interest and the fact that collective action groups and their sub-group regimes have different costs and benefits for different members, bargaining theory's insights into how actors pursue self-interests within groups were touched upon.

The linkages between these four theories and their analytical usefulness will be further clarified through the analysis of ASEAN's effectiveness as a collective action group within the bargaining game of the formation of the encompassing economic regime of APEC. Some of the theoretical insights will be used to clarify the rationale behind the individual ASEAN member-state's action within this bargaining game, the importance of the structuring of both ASEAN and APEC economic regimes in this game's outcomes, and the rationale behind non-ASEAN APEC member-state actions within the chosen bargaining game, especially their responses to the initiatives of ASEAN member-states. As well, some of the above insights will be used to evaluate ASEAN as a collective action group and how it could have fared better in achieving its preference ordering as an economic regime and those of its member-states. This last part may be helpful in studying post-1995 ASEAN regime actions within APEC, Asia-Europe Meeting (ASEM), and any other regime ASEAN member-states may choose to join.

II. ASEAN WITHIN APEC:

The study of the interaction between the ASEAN economic regime and the APEC one will be limited to the formative stages of the APEC regime from 1989 (when, in January, Australian Prime Minister Hawke officially announced the idea of forming such a Asia-Pacific spanning regime while speaking in Seoul) to 1995 and the adoption of the Osaka Action Agenda as "the template for future APEC work toward our common goals."^{lxv} On top of this, from 1995 Vietnam became a recognized member of ASEAN but not APEC (until 1998), thus ending the perfect overlap of membership between ASEAN and the encompassing APEC. While many argue that APEC is still in its formative stages, it is felt that even by ending in 1995, it is still possible to gain a good understanding of how ASEAN, as a collective action group, impacted the structure, foci, and rules of APEC. Finally, this endpoint was chosen for two other reasons. Firstly, the periods of initial construction of regimes (i.e. agenda-setting), especially those with distributional implications, are seen to be both the most meaningful for understanding the preference orderings of each actor and their ability to maximize them within the regime and (consequently) the most contentious.^{lxvi} Secondly, with the ongoing nature of ASEAN's actions within APEC, no endpoint is perfect but academic resources on this topic for the post 1995 period are few and often schematic in nature.

Within this time period, the case study section will be divided into four different parts so as to clarify the nature of both economic regimes under study as well as the effects for both of their interaction. The four parts of the case study are; 1) a brief look into the rationale behind the formation of APEC and that of certain of its original members joining, 2) the development of the ASEAN economic regime and an evaluation of its strengths and weaknesses, 3) the actions of the ASEAN economic regime and its member-states within APEC and an evaluation of whether its

preference ordering attainment was maximized, and 4) the impact of its role within APEC on the development of the ASEAN regime itself.

Regionalization and the Formation of APEC:

Reflecting back on regionalization theory, the formation of the APEC economic regime and the reasons for member-states joining it stem from the increasing intensity of economic relations amongst actors in the Asia-Pacific region, the lack of pre-existing inter-state structures to support this heightened interaction, and problems with the multilateral inter-state organizations supporting global trade liberalization. The importance of these economically-based forces for the formation of APEC and the agreement of the 15 original member-states to join can be best understood by first looking at how seemingly “unsuitable” the Asia-Pacific region is for the formation of inter-state regimes and their pursuit or collective action goods.

In terms of pre-existing social networks connecting the states of the region and a history of working together or even interacting with each, the Asia-Pacific region’s states do not have strong history of much mutually beneficial interaction. The need to address this lack of region-spanning inter-state groups had often been noted by different political leaders within the region. For example, Lyndon B. Johnson, in 1961 and 1965, called for a Pacific organization “amongst free nations” (i.e. US allies in the Cold War inter-state system) to focus on security and development.^{lxvii} This call was echoed in 1967 by Prime Minister Miki of Japan with his call for a Pacific Free Trade Area (PAFTA), which spurred the development of the non-state Pacific Basin Economic Council (PBEC) and the 1968 Pacific Trade and Development Conference (PAFTAD) in Tokyo.^{lxviii} Looking even further back, the development of elite level social networks in this region was a concern of scholars, businesspeople, and bureaucrats and led to the formation of the Institute of Pacific Affairs (IPA) in the 1920s (it, however, became defunct in the 1950s).^{lxix} However, even with this long-standing desire of social elites within the region to set up institutionalized contacts with each other, very little progress was made and inter-state actions vis-à-vis other actors and inter-state relations in the region largely remained either unilateral or bilateral in nature.^{lxx} This historical lack of successful voluntary formed inter-state institutions, despite stated desires, is also true for the East Asian region as well.

This lack of historical support for the treatment of the Asia-Pacific as an identifiable region with the convergence of interests necessary for regime formation has led some to see the present “region” of the Asia-Pacific, as bounded by APEC member-states, as only a notion in the minds of a select group of regional elites, mostly made up of scholars and internationally-minded bureaucratic state leaders.^{lxxi} To buttress this argument that the region, if a region at all, is unsuitable for regime formation, it is pointed out that the diversity of countries present in the region is huge in terms of culture, and in terms of levels of per capita income (even on a PPP basis) and integration into the international economy. This extreme diversity amongst regional countries and the large number of countries covered by the region is seen to be aggravated in terms of regime formation potential by numerous intense historical antagonisms amongst actors within the region.^{lxxii} In their totality, these factors suggest that even if APEC is an economic region as it seems to be since its recent

annual levels of trade intensity are higher than that of the EU,^{lxxiii} that its potential for successful regime formation and inter-state collective action is not good. As well, given the large number of countries in the region, the lack of long-standing and comprehensive social networks amongst state leaders, and the cultural and economic diversity of its societies, collaborative regimes dealing with issues with distributional implications would seem to be especially difficult to organize and maintain.

The economic forces that are seen to have overcome these noted socio-political problems of regime formation within the Asia-Pacific region are seen to originate within the states themselves, within the region, and at the multilateral level. In terms of the states themselves, many states in the region changed their economic policy direction from the 1980s onward. In the case of both New Zealand and Australia, starting in the mid 1980s, the states shifted their economic policy from one based on protectionism and selective opening of the domestic market to the international market to one based on encouraging much more comprehensive international integration. This intra-state change of economic philosophy and consequent legislation was supported at the bilateral level by the formation, in 1983, of the Closer Economic Relations (CER) inter-state policy regime.^{lxxiv}

A similar policy direction change took place in key Southeast Asian states (like the Philippines and Indonesia, the two most populous countries in Southeast Asia) from an import substitution industrialization development policy to one more based on economic liberalization and export orientation during this time period.^{lxxv} A further intra-state move of importance to the expansion of the Asia-Pacific economic region and the development of an inter-state regional economic regime was the earlier and more radical shift in state economic philosophy in China from autarkic self-reliance to the “open door” policy of Deng Xiaoping from 1978 onwards. These intra-state moves, while partially in response to changes in the regional and global economy, strengthened the region’s potential for regime formation in 3 key ways.

With this change in focus, the domestic economies of the region became much more open and thus the integration of the economic region through increased cross-border interaction was greatly sped up. For example, in the case of South Korea, its 1990 international trade levels were 600 times its 1960 figures.^{lxxvi} This helped create a virtuous circle of more integration amongst economic actors and their respective states leading to larger state interest in economic regime formation within the region to manage and enhance these increasing ties, while also raising the costs of non-cooperation/nonmembership for each liberalizing state.^{lxxvii} Thus, with this intra-state change of economic interest definition, these states’ individual interests in economically-focussed collective action increased. Also, through these policy changes, the social networks between both market and non-market actors within the region have been strengthened due to heightened contact and the greater potential for a commonality or convergence of individual economic interests.

A second noticeable change in many states during this time that may be both a reason behind this shift in economic policy and a result of it was the increasing role of businesspeople from internationally -minded firms within state economic policy making. This state-society change^{lxxviii} again can be seen to have helped shift the interests of states in the region by changing the information accessed by the state to

determine their interests and “first-best” means of pursuing them. Thus, a change in the structure of economic policy-making can be seen to have shifted the interest definition of states and thus their interests in participating in regional economic regimes.

Tying these two intra-state factors together is one benefit of regime membership in a member-state’s pursuit of both economic liberalization and domestic, popular legitimacy. By laying the noted economic policy shifts and their consequent opportunity costs for domestic market actors at the feet of its membership in an inter-state regime, each liberalizing state, and especially their political leaders, can deflect criticism caused by these opportunity costs from the state itself to the regime.^{lxxix} Thus, by joining a regime, each state can benefit from the collective good of being able to identify the source of the policy shift as the requirements of membership and not as the “voluntary” choice of the state itself. This last point highlights both the complex sets of interests and relations a state and its actors are a part of and one of the intangible collective goods of regime membership.

As noted above, this set of intra-state policy shifts toward a more intense integration into the international market are seen to have been spurred by changes within the regional economy and the intensification of contacts between economic actors within the region. The Asia-Pacific economic region, as bounded by the borders of the 1995 members of APEC, (using 1994/5 statistics) encompasses about 40% of the world’s population, more than 50% of global GDP, 40% of world exports, and incorporates the world’s three largest national economies^{lxxx}. This collective economic weight makes this single region a considerable part of the global economy, and that regional moves for closer political-economic cooperation have global impact.

Apart from the very size of the region, which would support the establishment of collective action groups to supply goods with a high jointedness of supply, the post-WWII economic growth of the region (especially in its East Asian sub-region), has encouraged regime formation by increasing the potential benefits of cooperation for each state. The strong growth of the East Asian sub-region has led to other members of the Asia-Pacific economic region to identify it as a more important economic region, while also allowing for a greater convergence of interests amongst all of its actors and thus greater interest in regime formation.

This reunifying power^{lxxxi} of recent East Asian economic growth and maturation is seen to have had a great effect on North American and Oceanic states’ interest (and consequent willingness to spend resources supporting their interest) in the region. Starting in the 1980s, exports from North America to East Asia grew faster than imports to North America from East Asia, and East Asia became the world’s prime regional destination of agricultural exports.^{lxxxii} With the United States being the largest agricultural goods exporting domestic economy in the world and with the importance of agricultural exports for Canada, Australia, and New Zealand, economic ties to actors in East Asia and support for Asia-Pacific economic integration became much more important. This growing attention by the “non-Asian” members in the Asia-Pacific region is noticeable in the fact that the states of US, Canada, Australia, and New Zealand in the late 1980s officially noted the importance of exports to East Asia for their own domestic economies and their future.^{lxxxiii} Within the Oceanic

states, the growing importance of East Asia for state interests can be seen in government programmes such as New Zealand's push for identifying itself as part of Asia and official state publications like Garnaut's 1989 policy paper, Australia and North East Asian Ascendancy, which argued Australia's economic future would be more and more integrated with that of the Northeast Asian region.

In the case of Australia and New Zealand, this orientation toward East Asia was given extra importance due to the fear that their domestic economy's traditional export markets were drying up (seen to be partially due to the formation of the NAFTA economic regime and the closer integration of the EU region and regime), and the fear of having no other alternative than a free trade agreement with the United States to ensure their future economic stability.^{lxxxiv} Thus, the formation of a Asia-Pacific spanning regime would provide them an alternative means of achieving their goals of increased exports and export market stability to the less desirable option of bilateral free trade agreements with the US and its less dynamic import market. Referring back to Yamaguchi's definition of power, the support for a Asia-Pacific regime in the case of Australia and New Zealand can be well explained by their desire to set up a more satisfactory substitute set of relations to maximize their preference orderings. This is especially true, as in the "second-best" bilateral scenario, the US market and state actors could more easily substitute other relations for those with Oceanic actors than vice versa, leaving Australia and New Zealand with little relational power. This relative power point and its recognition by Australia and New Zealand is given credence by the fact that the earliest proposals from the Australian state and academic actors for Asia-Pacific regime formation focussed solely on the institutionalization of ties with East Asian states, purposefully excluding those of United States and Canada.^{lxxxv}

This intense interest from the 1980s within Oceania for the formation of Asia-Pacific economic regimes, was also echoed by the Japanese state, and especially its bureaucratic department, the Ministry of International Trade and Industry (MITI). Starting from the 1980s, and especially after the Plaza Accords of 1985 and the consequent rapid appreciation of the yen vis-à-vis the US dollar and other regional currencies, Japanese manufacturing corporations and banks greatly expanded their investments in Southeast Asia and later China. This explosion of Japanese private investment in Southeast Asia is most noticeable in the fact that Japanese private investment in Asian countries in the 1986-1989 period exceeded the cumulative total of Japanese private investment from 1951-1985, while increasing at an annual rate of 62% from 1984-1989.^{lxxxvi} This explosion of new ties between Japanese market actors and those outside Japan's borders is seen to have fundamentally reorganized the regional economic structures of East Asia, and those of Japan and the destinations of Japan sourced investment. With this massive outflow of investment capital, it is argued that East Asia became a single, meta-level production system with Japanese mother-companies as the R&D and managerial headquarters, and their East Asian affiliates as centres of production. This conceptualization of East Asia as a single production system can be expanded to the Asia-Pacific as the largest export market for these East Asian produced "Japanese" goods has been the US.^{lxxxvii}

The Japanese state responded to this rapid increase in the internationalization of its market actors by increasing its support for regional institutionalization^{lxxxviii} as

noticeable by the 1987 MITI New Asian Industry Development Plan calling for intensified Japanese state efforts to help form a regional economic regime.^{lxxxix} Japan's interest in regime-building varied in terms of coverage to that of Australia as it called for active US participation in any regime. This support for a much larger geographical and cultural scope for the desired regime stems from 3 state interests of Japan. First, reflecting back to the historical antagonism point, the Japanese state was very concerned that any regime proposal that excluded the US and Canada would suffer from East Asian states and societies' fears of Japanese hegemony.^{xc} In this sense, the Japanese state recognized the predominant exchange power of Japan within the Asia-Oceanic sub-region and how this predominance would make others less willing to join any regime to further integrate the sub-region, unless counterbalanced by expanding the regime to cover the whole region.

As well, it is argued that the Japanese state saw the development of an Asia-Pacific regime as a way of rearranging future relations between Japanese state and market actors and those of the US. Firstly, similar to Australia and New Zealand, it wanted to develop a counterweight to the growing integration of the NAFTA and EU economies by providing an institutional mechanism to encourage further integration of the US economy within the Asia-Pacific.^{xcⁱ} This need for a "competing" regime to maintain and enhance existing links between Japanese and North American actors becomes more salient when combined with the collective action theory assumption that all actors have numerous sets of relations to maximize their self-interest, with each set carrying consequent opportunity costs and resource expenditures. With the development of NAFTA, the US and Canadian ties with Mexico became much more predictable and institutionalized, logically leading to the affected actors focussing more on their interrelations than those with others in less predictable environments. To top this off, the United States market has been, by far, the largest destination of Japanese private investment, exports, and the exports of Japanese overseas affiliates.

Finally, this worry of a degradation in Japan-US ties was exacerbated by the Japanese state's worries over US state's economic policy moves vis-à-vis East Asia. Again, similar to Australia and New Zealand, the Japanese state was concerned about US state's potential increased economic bilateralism in the region and its use of "aggressive unilateralism."^{xcⁱⁱ} This aggravated concern over the effects on Japanese market actors and relations between the US and Japanese states of US state economic policy stemmed from the growing number of acrimonious trade disputes between the US and Japanese state, and the US and other East Asian states, like South Korea. It was hoped with the development of an economic regime that included the United States both the fear of isolation from the US market and the costs of US aggressive trade policy could be minimized. Thus, the Japanese state strongly supported Asia-Pacific regime formation to help alter the perceived future relations between Japanese and American actors, but through including the US state in the planned regime, not excluding it like Australia had planned.

The high levels of concern for the future of economic relations with the United States and the desire to support the rapid market-based increase in ties between domestic actors and East Asian ones led Japan and Australia (state, academic and market actors), in a complementary manner, to play the role of "promoters" of regional, inter-state collective action. Upon the publishing of the 1987 MITI Plan, the

Australian policy paper on Northeast Asian ascendancy and Prime Minister Hawke's speech in Seoul, both MITI and the Australian state sent out envoys to prime other states on their desire for an Asia-Pacific economic regime and convince them of the benefits of membership.

As well as these state-to-state promotion efforts, the Japanese and Australian states previously had been instrumental in the establishment of the Pacific Economic Cooperation Conference/Council (PECC), an organization that links key bureaucrats, academics, and market actors of the region together. This APEC-related NGO had its first meeting in Canberra in September 1980 and has served the function of creating social networks amongst regional elites and allowing, through discussions, for different actors and their respective states to "align their frames" in relation to economic cooperation. The role of this NGO in the build-up to APEC is seen to be so important that membership in PECC is seen as the "entree" into APEC.^{xciii} Both the strong diplomatic and financial resources of Japan and Australia and their definition of a regime as the best means to satisfy their individual economic interests led them to adopt this role of regime "promoter" and lower the costs of formation for other potential regime members.

As is noticeable in the parts on Japan and Oceania, the role of the United States in the region and its interest calculations played an important part in these states' own interest calculations and preference orderings. The United States interest in supporting regime formation in the Asia-Pacific and the consequent costs associated with this are seen to stem from three interrelated factors. As noted before, the markets of East Asia have become much more important for American exporters since the 1980s and especially to certain politically powerful groups such as agricultural lobbies and airplane manufacturers. Tied to this increase in East Asian directed exports, the United States economy has increasingly become more "dependent" on international trade since WWII and more noticeably since the 1980s.

The combination of these two closely linked factors suggests that the American state, in its interest calculations, has become more Pacificist in focus^{xciv}, especially as US trade with Asia in 1995 had already become 1.5 times larger than US trade with the EU bounded region.^{xcv} To add to this, the United States from the 1980s on has run a trade deficit with almost all other domestic markets in the Asia-Pacific region, adding to domestic interest -group pressure on the US state to reorganize trading relations within the region. Due to this greater integration of the US economy with that of East Asia and the dynamic growth of the latter, the costs to the US state and market actors of using such tools as the Super 301 sanctions threats and other forms of "aggressive unilateralism" were seen to have become both less effective and more costly.^{xcvi}

On top of these new domestic interests of the US state in institutionalizing trading relations between US market actors and those in East Asia and the declining utility of both unilateral and bilateral means, the final factor was the potential isolation of the United States from East Asia. At the same time as the floating of the idea of an Asia-Pacific economic regime, Prime Minister Mahatir floated a third proposal (second one being the Australian one that excluded North American participation) for a Japan-led East Asian regime coined the East Asian Economic Grouping (EAEG), in

Beijing.^{xcvii} This “Asian only” regime proposal stemmed from Prime Minister Mahatir and certain Malaysian scholars’ belief that the construct of an Asia-Pacific region was rooted in the traditionally powerful Pacific members’ (the United States, and Australia especially) desire to link themselves more tightly with the newly dynamic East Asia.^{xcviii} This proposal, while ignoring the historical antagonisms of regional actors toward Japan and the importance of the American market for East Asian economies, was buttressed by two forces.

Firstly, as noted above, the trade-oriented relations between the US state and most East Asian ones had become very strained with the US state aggressively calling upon these states to radically alter economic policies and market practices for the perceived benefit of US firms. Tied to this commonality of “negative” experiences with “the Pacific” was the increasing belief that there was an identifiable, culturally-bound form of Asian “collective capitalism,” which was the reason for East Asian economic dynamism.^{xcix} The EAEG idea offered both a chance to shelter the East Asian states from US unilateral pressure through the development of alternative means and through presenting a united front against US pressure and a chance to limit the cultural diversity present in the regime by cutting out the “Western” states.^c The EAEG proposal and its was seen as instrumental in shifting US state interest definition away from focussing mostly on NAFTA toward including the APEC option.^{ci}

The combination of these three factors along with the growing sense of an East Asian identification of itself as a culturally coherent and unique region, and the relative decline in the American market’s global share to Japanese and other East Asian markets lead certain authors to see US interest in APEC as tied to the decline of the US state as a hegemon.^{cii} This argument, while wed to the assumptions of Realist International Political Economy, dovetails nicely with the arguments of collective action theory about power asymmetries and the problems of collective action group formation. It is also supported by the contention that the 1967 PAFTA proposal of Prime Minister Miki failed to be realized due to US state’s (then seen to be a clear global and regional hegemon) unwillingness to join.^{ciii}

Another change within the regional economy of the Asia-Pacific and its relation to actors’ interest in APEC membership relates to the ASEAN member-states. As noted above, starting in the 1980s, due to regional and intra-state factors, all ASEAN member-states’ economies (excluding those of already fully-integrated Singapore, and the Sultanate of Brunei) became much more integrated within the Asia-Pacific region, especially in terms of cross-border private investment flows. This obviously increased the interests of the respective states in pursuing closer and more predictable sets of relations with the states of the investors. To add to this urgency, with the opening of China , India, Eastern Europe, and the revival of Latin American economies, the ability of ASEAN member-states’ economies to attract this development spurring investment came under renewed threat. In terms of Asia, the threat can be seen to have been realized as from 1989-1994 ASEAN region’s share of foreign investment absorption fell from 44% to 28%.^{civ} A similar threat has been present since the 1980s vis-à-vis the ASEAN states with developing economies’ ability to attract ODA.

The increasing role of foreign investment (both private and public) in the economies of most ASEAN member-states and the increasing problems of continued attraction is seen to have had two interest-altering impacts of relevance to ASEAN and APEC. Firstly, these investment flows and the integration of East Asian economies with the Japanese and American ones, increased the potential benefits of individual ASEAN member-state participation in an Asia-Pacific regime. Their participation would allow for both the development of more standardized and predictable relations with the states of the sources of investment and allow them to address developmental issues within a new forum; one large enough to include key “Northern states,” and yet smaller than the cumbersome and acrimonious UNCTAD. The second impact of these factors was to encourage a more economically active ASEAN regime as it became well understood within the ASEAN regime that Southeast Asia as a unified region can offer potential investors a combination of attractions that no individual ASEAN member-state economy can individually.^{cv} This encouraged both a more economically focussed ASEAN regime in general and one that would act as a collective action group within APEC, a regime that would bring the source states of investment together with the recipient actors’ states.

ASEAN member-states joining APEC and acting as a collective action group within it was further supported by the shared goal of ASEAN member-states for ASEAN not to be simply a Southeast Asian regional regime but also to be a global player.^{cvi} This desire of individual member-states to use ASEAN as a vehicle for increasing their importance within the inter-state system and to increase member-states links with other organizations and states has been a long-standing goal of ASEAN, and one which active membership in APEC would enhance. This use of the ASEAN regime by its member-states also points to an interesting avenue of study in collective action; how membership in one collective action group can increase the importance of each member in the group’s external environment and help each member establish more relations with non-group members.

With the intra-state and regional forces covered and their effect on key original members of APEC interest in forming and/or joining APEC, the multilateral (or global) level can be addressed. Two factors, one of a temporary nature and one assumed to be more permanent, are seen to have been important in understanding the timing of member-states’ interest in APEC formation, APEC’s geographical scope, and its form. The permanent factor has already been partially addressed above and ties into the earlier formation of NAFTA and the EU. From the 1980s on, the regional bloc argument of international political economy^{cvi} gained much favour and it was widely assumed that the global economy would become more and more regionalized. With the development of NAFTA and the impressive unification of Western Europe through the EU, the lack of such institutionalization in the Asia-Pacific was seen to be both dated and not in the interests of “non-bloc” states.

This sense of worry over the future economic impact of this lack of inter-state institutionalization was exacerbated by the apparent failure of the multilateral regime of GATT to support further liberalization of the global market. The problems of coming to an agreement in the Uruguay Round and its simmering disputes over a wide range of issues are seen to have encouraged the formation of APEC in three ways. Firstly, as many of the more contentious issues pitted the United States and the EU

over EU market access, such disputes were seen to unite all of Asia-Pacific region's states against the concept of "Fortress Europe," and through the desire to pressure the EU.^{cviii} Tied to this, as many of the APEC member-states are very trade-dependent and much of their continued economic growth was dependent on continued and predictable access to markets in Asia, North America, and Europe, the costs of a breakdown at the multilateral level would have been very costly and thus great efforts to help resolve the Uruguay Round were seen as justified.

This second point of the export-dependence of many of APEC's original member state economies ties in well with the third point, that of APEC's form of regionalism. As elaborated by Ross Garnaut in 1989, APEC was set up under the principle of "open regionalism." Open regionalism, as different from the exclusive regionalism of NAFTA, the EU's economic efforts, and ASEAN's AFTA, calls for the institutionalization of "regional economic integration without discrimination toward outsiders."^{cxix} It is argued this kind of non-discriminatory regime focus was adopted to help spur the multilateral level's attempts at increased trade and investment liberalization by advancing it in an "open" manner on a smaller, more manageable scale. In this sense, APEC can be seen as a conservative regime fighting to maintain progress at the multilateral level and working against the "blocing" of the global market into exclusive regional economies.^{cx} This close and purposively supportive relation between APEC and WTO has led Aggarwal to argue that APEC is "institutionally nested" within GATT/WTO, something WTO's first chairman, Renato Ruggiero, also posits.^{cx}

These three sets of factors that cover all levels of international relations from within the state to the globe itself are seen to have been the forces behind the formation of APEC and its vast geographical, cultural, and economic spread. APEC may be seen as one of the best "real-world" validations of the arguments of regionalization theory and its focus on actors' rationale for forming economic regimes. Tying APEC to the theory section, the cultural diversity amongst its member-states, especially in terms of organizational principles and economic philosophy, suggest that a tight rule-based regime may be difficult to successfully negotiate. As well, given the encompassing of both "North" and "South" within the structure of APEC, it suggest that the incorporation of selective incentives to increase support for the group and the possibility of complementary goods are highly possible given the high potential for different individual member-state preference orderings. However, the instability of the forces that are seen to have led to APEC and the temporal nature of some of them, when combined with the "inadequacies" of the region to support a regime, suggest that the problems of changes in members' interests and a decline in support for regime membership over the span of the APEC production function must be noted .

ASEAN as an Economic Regime:

With the identification by the APEC "promoters," Japan and Australia, of the ASEAN member-states, as a group, as a key player in the desired regime and the official acceptance by ASEAN member-states, as a group, of APEC membership, the question of how effective an collective action group has ASEAN been within APEC is

raised. As noted above, the ASEAN member-states identified certain strong reasons for acting as a collective action group within APEC. To this list can be added the limited potential power of each ASEAN member-state within any Asia-Pacific regime and the increase in power for each of these states that could be gained by effectively working together. To address this question, the ASEAN economic regime and its potential to be a collective action group will be tackled by looking at three aspects; 1) the suitability of the ASEAN economic region to support a commonality of economic interests amongst its states, 2) the economic policy efforts of the ASEAN regime and their effectiveness, and 3) the interface between the security, diplomatic, and economic strands of the ASEAN regime and its support for ASEAN as an economic collective action group.

When comparing the economic region that is bounded by the original ASEAN member-states and the Sultanate of Brunei to that of the APEC one for the years of 1989-1995, two similarities are striking. Firstly, within the ASEAN region, the per capita income, level of integration with the international market, and level of economic maturation of regional domestic economies is very diverse with the Singaporean per capita income being about 23 times larger than that of Indonesia during this time period.^{cxii} This diversity amongst domestic per capita incomes has not been reduced, but actually increased over the post-colonial period (and over the life span of the ASEAN regime) as certain domestic economies (Singapore, Malaysia, and Thailand) have grown more rapidly (especially in per capita income terms) than others (Indonesia and the Philippines). While the growing differences in wealth and economic structures, theoretically, should encourage closer regional integration, it questions the ability of all states in the region to have similar economic preference orderings within the larger APEC regime.

Stemming from this point, while ASEAN is often presented as a regime of developing economies and “Southern “ states, it may be more accurate to see it, like APEC, as a region and regime that incorporates both North and South. This differentiation of economies and consequent interests is aggravated by the fact that the two most populous countries, Indonesia (often seen to be the *de facto* leader of the ASEAN region and regime^{cxiii}) and the Philippines, within the region have been also its poorest and least external trade oriented.^{cxiv}

Another similarity between the ASEAN and APEC economic regions, which can be viewed as somewhat contradictory to the above point, is the intra-state shifts of economic policy toward more integrative ones. Echoing the section on APEC and with almost identical timing to that of Australia and New Zealand, the Indonesian, Malaysian, Philippine, and Thai states shifted their policies in this direction.^{cxv} Within the Philippines, this was crystallized in the Ramos’ administration’s Philippines 2000 program that sought, through liberalization, to spur sustained high growth rates and make the Philippines a “Tiger economy” by the turn of the millennium. In a similar, if more ambitious, vein, the Malaysian state adopted the economic liberalization policy platform of Vision 2020, which sought to boost the Malaysian economy and allow it gain the status of a developed economy by 2020. Very similar state-led programmes and publicized expectations were noticeable in Thailand and Indonesia at the time as well. While these programmes are noteworthy for the symbolic shift away from

“dependency-oriented “ rhetoric to more “international market-friendly” slogans, there is another important element to them.

With the political leaders of these states publicly announcing such goals for their societies and attaching themselves to increased economic liberalization as the means of achievement, these political leaders’ own reputations and power became strongly wed to the functioning of the market. Thus, their own-self interest and preference orderings for state policy and resource expenditure fell more in line with economic regime formation and inter-state harmonization of economic policies. However, given the long protectionist history of many of these states and markets, and the accepted fusing of the concepts of post-colonial political sovereignty and economic nationalism^{cxvi}, this rapid shift caused strains both in state-society relations and within these states themselves.

Examples of such strains to domestic political relations include , at the state-society level, the opposition to both Philippine membership in APEC and participation in AFTA by such business groups as the Philippine Federation of Industries.^{cxvii} At the intra-state level, conflict over this rapid policy shift and its consequent reordering of the state’s foreign policy preference orderings and foci of attention is most noticeable in the large difference in levels of enthusiasm for APEC membership between President Suharto, a leading supporter of the APEC regime, and the Indonesian bureaucratic bodies in charge of foreign affairs and their leader, Ali Alatas.^{cxviii} Finally, this shift also seems to have been both a result of and aggravated feuds within the bureaucratic state level of many ASEAN member-states, including feuds during the Aquino administration between NEDA (Philippines’ National Economic Development Agency) - a supporter of the shift - and DTI (Philippines’ Department of Trade and Industry) - wary of it.^{cxix}

It can be argued that this shared shift to liberalization helped undermine the divergent effects of the different levels of economic maturation amongst domestic economies and led to some level of “frame alignment” amongst ASEAN member-states’ political leaders over economic issues. This “frame alignment,” while certainly not complete as there is a still much differentiation amongst the level of openness of domestic economies in the region, helped spur within states and non-state actors both more interest in regime formation within the Asia-Pacific economic region and a strengthening of the ASEAN regime’s economic efforts.^{cxx}

While there was a noticeable shift in both the Asia-Pacific region and the Southeast one towards support for economic collective action, the recent history of the ASEAN bounded economic region has certain crucial differences to that of the encompassing APEC one. Reflecting back on regionalization theory and the definition of an economic region, the economic space bounded by ASEAN member-states may be hard-pressed to be seen as a region, and certainly one that is becoming more integrated. In terms of intra-ASEAN trade as a percentage of its domestic economies’ overall international trade, the region has been becoming less integrated.^{cxxi} This lack of concrete integration amongst regional economic actors is most noticeable by the fact that in 1991 only 7% of Philippine exports were destined for the ASEAN region and but 9% of its imports were sourced from this region.^{cxxii} The declining trade integration of the region is also not fully explainable by the earlier noted dramatic

increase in trade “dependency” of domestic economies, as the absolute volume figures of intra-ASEAN trade have not flourished either. In the 1980s, intra-ASEAN trade figures were largely stagnant and only showed some signs of growth in the 1990s.^{cxxiii}

Adding further doubt to the “economic region” status of the ASEAN region is the fact that much of intra-regional trade is heavily skewed to particular sets of bilateral trade relations. About 50% of intra-region trade is actually Singapore-Malaysian trade and 30% is the combination of Singapore-Indonesia and Singapore-Thailand trade.^{cxxiv} In total, 80% of intra-regional trade involves the city-state economy of Singapore, thus supporting the theoretical argument of integration through complementary comparative advantage, but questioning the real level of regional integration.^{cxxv}

This very unequal distribution of intra-regional trade integration suggests two key points for ASEAN as a collective action group within APEC. Firstly, this lack of economic integration amongst market actors (especially for those from the Philippines) and the limited resources these states have to maximize their economic interests suggest that individual state efforts to develop closer economically focussed ties and common positions may not be so great. Secondly, going back to collective action theory, the lack of integration within the region, and the higher levels of extra-regional integration of these economies makes it logical to assume that the state leaders should expend most of their economic goal-based resources on extra-regional economic relations (such as within APEC and the WTO). This call for more focus on alternative sets of relations than intra-ASEAN ones is strengthened by the fact that the region has not become substantially more integrated over time.

Finally, much of the recent increase in intra-regional trade figures is more tied to changes within the Asia-Pacific economic region than endogenous changes within the ASEAN economic region itself. With the inflow of Japanese, South Korean, Taiwanese, etc. sourced foreign direct investment, much of the new intra-regional trade is also intra-industry trade.^{cxxvi} As much of this intra-industry trade is actually amongst manufacturing affiliates of extra-regionally based MNCs, apart from the fact that the ASEAN region is not that economically integrated, the integration that is going on is more due to extra-regional than intra-regional dynamics. This last point is supported by the fact that intra-regional investment flows, as a percentage of total flows of investment into the domestic economies, of the region are even less significant than the previously mentioned intra-regional trade flows.^{cxxvii}

While these statistics and observable trends suggest that the ASEAN region should not be seen as an “economic region,” these very factors encourage ASEAN states to work together as a collective action group within larger economic fora. Due to the lack of substantial growth in intra-regional trade and the growing integration of domestic markets with extra-regional ones, the commonality of interests of regional market and state actors vis-à-vis their relations with extra-regional actors have been enhanced. As well, as many of the domestic economies (including Singapore, but excluding Brunei) are increasingly “dependent” on foreign investment (private and public, direct and portfolio),^{cxxviii} this commonality in forms of relations with extra-regional economic actors further supports regional actor “frame alignment” and interest in acting as a collective action group when addressing these relations. Thus,

while the economic trends in the APEC region strengthen its definition as an economic region and work to weaken said definition for the ASEAN one, these same powerful forces support the ASEAN member-states as a collective action group within APEC.

This last point reflects back on the collective action theory part as it is a good example of how actor interests change over time. As well, it shows how actors' interest in collective action group membership (in this case ASEAN) can change due to alterations in extra-group relations, and why collective action groups should not be treated as closed systems.

This historical lack of intra-regional market forces pushing for economic integration, and the noted commonality in forms of relations with extra-regional markets is well-exemplified in the kinds of economic activities the ASEAN regime has embarked upon and the effectiveness of these endeavours. In terms of efforts to increase intra-regional economic integration and economic policy harmonization, the ASEAN regime has not been very successful. This apparent lack of success is more salient as, from the beginning of this regime, calls for collective inter-state actions to spur said integration have been a part of the ASEAN discourse.^{cxxix} The first attempts by the ASEAN regime to enhance intra-regional economies ties through exclusive regionalism was the Preferential Trading Agreement (PTA) adopted at the Second ASEAN Conference in 1976, and activated in 1977. Following the arguments of regionalization theory, supporters of closer economic integration of this time argued that regionally bounded economic liberalization would create a much larger market with no dominant political-economic power and allow domestic firms and industries to expand and become more competitive globally. As well, it was posited that the creation of a more liberal internal market would allow the different domestic economies of the region to specialize in different economic niches, lessening the disintegratively competitive nature of ASEAN domestic economies (again excluding Singapore and Brunei).^{cxxx}

However, the PTA proposal and its stated aspirations ran up against this problem of domestic market similarity as each member wanted to protect similar industries from intra-regional as well as extra-regional competition. The PTA's exclusion list (areas not to be covered by reductions in intra-regional tariffs) was thus very long, and included most of the key export-oriented and import substituting industrial sectors of the domestic economies of ASEAN member-states. In the end, PTA tariff reductions have been calculated to have benefitted less than 5% of trade within ASEAN.^{cxxxi} The minimal impact of the PTA on lowering intra-regional trade barriers would seem to support the collective action theory assumption that actors will expend few resources and accept few costs for strengthening relations that are not seen as important to its interest maximization strategies and the regime theory arguments on the difficulty of collaborative action with distributional effects.

The effects of this lack of pre-existing economic integration and the great differences between domestic economic wealth and maturation were also present in the death of the 1986 proposal for an ASEAN customs union. The customs union proposal, which called for a reduction of tariffs amongst regional states and the adoption of a common regional set of external tariffs, was unsuccessful due to

opposition to these two features of a customs union. Singaporean state and market actors strongly objected to the union's common external tariff as this would have forced the Singapore state to raise its external tariffs (damaging its trade "dependent" domestic economy) so as to harmonize them with the regime's more protectionist member-states. The Indonesian state rejected the proposal due to its perception that the timetables for intra-regional tariff reductions were too strict and did not allow enough time for adjustment.^{cxxxii} This mutual refusal of this proposal by Singapore and Indonesia, and the divergent state reasons for it highlight the different economic interests present within ASEAN states, and the difficulty of regime cooperation on intra-regional economic cooperation.

In recognition of the minimal impact of the PTA, the growing attachment of regional political leaders to "low politics," and the greater role of market actors in domestic policy-making, ASEAN political leaders agreed in 1992 to AFTA, which became active on January 1993. Based on the same line of justification as the PTA proposal, AFTA is best seen as an extension of the PTA, like the WTO is of GATT. Similar to the WTO/GATT example, AFTA is a more comprehensive and rule-based set of policies than the PTA. In terms of it moving the ASEAN regime's economic efforts to a more rule-based approach, it strengthened the dispute settlement mechanism (DSM), and was the first ASEAN set of economic actions to include a fixed timetable for individual state tariff reductions.^{cxxxiii} In reference to its more comprehensive nature, AFTA assumes that, if it is not mentioned in either the inclusion list or the exclusion list, a sector is included in the tariff cut inclusion list; a reversal of the PTA practice. As well, these inclusion and exclusion lists are not item-based, as in the PTA, but rather sector-based, lessening the latitude for targeted intra-regional protectionism by member-states.^{cxxxiv} Finally, the AFTA agreement covers more economic areas than the PTA as it includes sections on the harmonization of customs procedures, and standards and measures.^{cxxxv} The inclusion of these last sections means that the AFTA agreement incorporates not only trade liberalization issues (tariff reductions) like the PTA, but also trade facilitation issues, unlike the PTA. With the high jointedness of supply nature of these trade facilitation, vis-à-vis the low jointedness of liberalization issues, AFTA may be more trade "easing" than the PTA and easier to implement.

While the fact that the AFTA agreement was the first official ASEAN document to mention free trade,^{cxxxvi} and its noted enhancements to the institutionalization of intra-regional liberalization are noteworthy, AFTA also suffers from the problems of the PTA. Firstly, while AFTA's treatment of the exclusion list is "stricter" than its PTA predecessor, the sectors that are excluded by it are still numerous and important.^{cxxxvii} As well, the DSM of AFTA lacks enforcement or sanction measures, which, drawing on Heckaworth's arguments in the collective action theory part, questions the real import of these changes.^{cxxxviii} Finally, while more comprehensive than the PTA, AFTA is still calculated to only cover from 12-18% of intra-regional trade.^{cxxxix} Again, the exclusion list dynamics mirror the difficulty certain member-states have accepting the costs of regional free trade, while the limited impact of AFTA underlines the fact that intra-regional economic collective action within the ASEAN region produces little overall impact.

This seeming lack of major progress on intra-regional integration, with its highlighting of individual-state preference ordering differences, is contradicted by the success of the ASEAN regime's efforts to act as a economic collective action group in its extra-regional environment. As noted earlier, it has been a long-standing goal of ASEAN member-states to act as a group in the external environment and to use this "groupism" to enhance individual impact of member-states on said environment. This cooperative good-based desire also ties in very well with the noted similarity of member-state economies' relations with the international market. The earliest signs of such a focus involved ASEAN member-states relations with the EC regime as in the early 1970s the ASEAN regime set up an office in Geneva to liaise with the EC over shared interests and disputes.^{cxl} This engagement by the ASEAN regime of actors in the external environment continued with the granting of the ASEAN regime to the EC (1972), Australia (1974), New Zealand (1975), and Canada, the US and Japan (1977) the status of ASEAN dialogue members.^{cxli} These extra-regional linking initiatives deepened even further with the invitation of Australian and New Zealand economic ministers to the relevant bureaucratic level ASEAN Conferences.^{cxlii} This relating of the key extra-regional states to the ASEAN regime and the incorporation of select political and bureaucratic level leaders of these states into the ASEAN regime has become so comprehensive that it is argued that, before APEC was established, the annual post-ministerial meetings of ASEAN with its Pacific dialogue partners were a quasi-official, quasi-Asia-Pacific regional economic forum.^{cxliii}

Apart from this impressive tying together of ASEAN member-states, as a group, with Asia-Pacific and global powers, ASEAN has also been successful working as a collective action group in extra-regional economic fora and trade disputes. Most noticeably, ASEAN member-states were able to successfully work as a single unit during the international discussions over the Multi-Fiber Agreement,^{cxliv} and as a member of the Cairns group of agricultural exporters during the Uruguay Round.^{cxlv} This combination of linking ASEAN as a group of states to important relating states and regimes and working as a group in multilateral trade disputes is, by definition, a mutually supporting one. Looking at the Cairns group example, this group included Australia, New Zealand, and Canada; all dialogue partners of ASEAN. With this prior institutionalization of ASEAN dialogue partners relations, the social networks between these states and the ASEAN member-states state were enhanced, which allowed for greater relational predictability and understanding of each other's interests and strengths. This mutual confidence-building may have aided the working together of the ASEAN member-states and their dialogue partners within the Cairns group and thus its ability to impact the GATT negotiations. Similarly, the Cairns group negotiating experience further strengthened the above social networks and the utility of these ASEAN dialogue partner relations for all states involved.

Thus, it appears that the intra-regional economic differences and similarities amongst domestic economies have been echoed in the successes and limitations of the ASEAN regime's economic efforts. Elaborating on this, while the ASEAN region is not necessarily an economic region, these regime efforts and their results do seem to support the self-interest assumption of collective action theory and the noted consequences of this in terms of relations between actors. The areas where the individual states' interests in working together were limited (trade integration), success was limited, and areas of common interest (stronger extra-regional voice)

sprouted effective regime efforts and the production of desired regime-based collective goods. The ability of the ASEAN regime to offer its member-states multiple potential collective action goods - i.e., intra-regional integration, stronger links with external powers, collective diplomacy, etc. - has meant that even if one is not fully produced, the success in other areas allows the regime to remain relevant to its member-states. Two more important regime factors that need to be addressed to fully understand the ASEAN regime's economic efforts is how these have been affected by the other areas of the ASEAN regime concern, and by the institutional make-up of said regime.

Contrary to the limited effectiveness of the ASEAN regime in encouraging intra-regional economic integration, overall, the ASEAN regime is seen by many as the most successful and influential "Third World" regional groupings.^{cxlvi} Much of the praise of ASEAN stems from three interlinked factors. Firstly, and most powerfully, when compared to the intra-state and inter-state instability and strife of the Southeast Asian region before ASEAN was established, the ASEAN period has been very stable and peaceful. This assumed connection between the development of the ASEAN regime and the increased stability of the region is buttressed by the fact that two previous attempts in the Southeast region to foster inter-state harmony failed; ASA of 1961 and Maphilindo of 1963, both of which failed due to intra-regime inter-state feuds. This long-standing recognition amongst state leaders of the need for some kind of regional grouping to both mediate regional conflicts and ease intra-state insurgencies along with the failure of the first two attempts to pass muster harks back to the point that even previous failed collective action attempts have a "silver lining" for future attempts.

This "silver lining" phenomenon can be seen in the establishment of ASEAN through the fact that ASA and Maphilindo experiments were popularly legitimized by the individual member-states by claiming to be based on a shared and unique culture and need for regional unity against threats from outside. Through these arguments, popular expectations were created that collective action by these states was both possible and necessary for the region's future; two strong expectations that acted to bring the leaders (new and old) back to the table for the formation of ASEAN. As well, even though they failed as regimes, the first two attempts set the groundwork for the formation of ASEAN by creating linkages between state bodies, and by the clarifying the ways agreement over certain issues amongst the participating states can be reached achieved (and can fail to be reached).

The second factor supporting this celebratory view of ASEAN is the belief that the ASEAN regime has been able to give both the ASEAN region as a whole and its individual states a larger voice in East Asian diplomacy (most noticeably in dealing with Cambodian and Vietnamese conflicts^{cxlvii}) as well as globally. This "bigger voice" in the East Asian region and the globe is tied to the first factor as its intra-regional successful diplomacy is seen to have sheltered the ASEAN "front-line" states from becoming involved in the above conflicts or having these revolutionary movements being successfully exported to ASEAN societies. This ability of ASEAN to limit the destabilizing influences for member-states and societies of the ASEAN region's immediate surroundings was bolstered by the practice of member-states sharing information on terrorist and insurgent movements within their borders; a good

example of a collective good with a high jointedness of supply. This willingness to share security information has been raised to the stage of secret meetings of all ASEAN states' bureaucratic leaders of intelligence agencies.^{cxlviii} In comparison to the economic efforts, intra-regional security integration have been more successful and more due to regime efforts themselves than extra-regionally-based forces.

This gaining by individual states of relational power and the ability to maintain regional stability through collective action within ASEAN leads to the final factor. ASEAN has been praised for its ability to entrench itself in the region and its member-states' diplomatic actions (and not be tied solely to the personalities of its founding political leaders), while also being institutionally flexible enough to address new issues and remain relevant^{cxlix}. As noted above, on the economic front, ASEAN, through its existence, has been able to both develop itself internally (through AFTA) while branching out to set up regime-based ties with important extra-regional actors. This impressive institutional expansion is not only true for the economic concerns of the regime. Overall, from having a 9-year span between the first two ASEAN political leaders summits, they have now become an annual event; strengthening the social networks amongst member-state leaders and making the ASEAN regime more salient to the societies of the ASEAN region.

To help organize these summits and establish ASEAN as a permanent body, during the 1976 meeting of political leaders, an ASEAN Secretariat was formed.^{cl} Such a permanent body had become necessary as the ASEAN regime institutionalization had flourished at the bureaucratic state level, with meetings amongst member-state bureaucratic bodies increasing to more than 200 a year. Finally, true to ASEAN's primary focus on security concerns, its most noted institutional additional has been the 1993 development of the ASEAN Regional Forum (ARF).^{cli} This innovation (strongly supported by extra-regional actors such as Japan and Australia) allowed the regime to be at the heart of a regularized series of meetings between Asia-Pacific state leaders in which security issues are addressed (the first set of meetings of its kind). This last institutional innovation, of course, contributed to ASEAN's goals of helping to minimize threats to the region, while adding to its weight as an actor in the international system.

The noted success of the ASEAN regime as a diplomatic actor and insurer of intra-regional stability has affected the economic activities of the ASEAN regime in two ways. Firstly, while largely ineffective as an intra-regional economic actor, the positive impact of said regime on regional dispute settlement and stability is argued to have been a major support for much of the economic dynamism of the region since the formation of ASEAN.^{clii} Tying back to the part on the Asia-Pacific economic region, certainly, the comparative intra-state and inter-state stability of the ASEAN region helped encourage the huge inflows of foreign investment from the 1980s onwards as investment flow directions are partially determined by the stability of the host society and its surrounding environment. This positive spillover effect again seems to validate the ASEAN founders' belief of the existence of a virtuous circle between regional security stability and economic development and cooperation.^{cliii}

The other effect on the economic cooperation efforts of the ASEAN regime, is more fundamental as it deals with what kind of regime ASEAN is and how its

collective action decisions are made. Due to the shared cultural values amongst the founding states and the large number of regional historical grievances (the death knell of the earlier ASA and Maphilindo attempts along with newer ones such as the actions of the Indonesian state during the *Konfrontasi* era) still present, ASEAN was set up and remains largely a policy-based regime with much tolerance for intra-regime disagreement. On the cultural front, this lack of binding rules of action and sanctions^{cliv} is seen to stem from the Malayo-Polynesian approach to relations and negotiations, known as *musgrawarah* in Malay.^{clv} In this approach to relations (often contrasted to adversarial “Western “ ones) conflict resolution is subservient to maintaining smooth relations amongst all actors, in this case ASEAN member-states.^{clvi} This cultural “frame aligning” of relations and the noted failures of ASA and Maphilindo are seen to have been instrumental in the shaping of ASEAN as a policy regime that, at the political level, eschews formal organizational bargaining for informal negotiations.^{clvii} Less abstractly, the post-colonial desires for political autonomy of member-states and the noted inter-state bones of contention within the ASEAN region^{clviii} led to the adopting of the “national resilience” principle of ASEAN and the code of conduct of “the right of each member state to be master of its own destiny and to pursue national development and regional cooperation without interference from external powers.”^{clix}

Linking this approach to intra-regime relations to the theory section, this focus on conflict avoidance can be seen both as a reason for why ASEAN has been able to maintain its relevance through time given all the changes within the region, and for the lack of closure on many intra-regional disputes. With such an approach, no actor is forced ever to publicly lose in an intra-regime debate and pay the reputational costs of such a public defeat. This lack of a “loss of face” problem is especially key as state leaders, especially political leaders, are often very concerned about their personal reputations within the inter-state system, the region, their home societies, and within their states. Thus, the potential costs of such a loss would be very high for them and their willingness to join any body that threatens such costs would be inversely low. As well, given the vast nature of the ASEAN regime’s efforts, a “hot” dispute in one set of meetings could have negative spillover effects in other areas of ASEAN concern, again creating a disincentive for conflict within the regime.

On the other hand, this lack of binding rules and sanctions increases the ability of individual member-states to “hijack” the ASEAN agenda and pursue individual state interests under the guise of ASEAN interests. This group tolerance of “non-enlightened” actor self-interest is increased as the conflict avoidance approach undermines the intangible and seemingly powerful group sanction of the threat of expulsion for such actors. This institutional tolerance of individual action was most relevant for this case study in the case of Prime Minister Mahatir’s EAEG idea. The EAEG idea, and the timing of its announcement, was not a coordinated action of the ASEAN regime, but rather an individual initiative of Prime Minister Mahatir^{clx}. Furthermore, the EAEG idea and its exclusion of “the West” is seen to have been contradictory both to Singapore’s interests of expanding trade liberalization as far as possible and Indonesian President Suharto’s strong support for the APEC proposal. Yet, by 1993, the ASEAN regime had adopted the EAEG proposal as an ASEAN project, after it had been softened terminologically to the the East Asian Economic Caucus (EAEC), questioning its agenda-setting procedures but saving Prime Minister

Mahatir from having his proposal “die.”^{clxi} This lack of defined rules of order and agenda-setting has led to the criticism that ASEAN is a regime that speaks with as many voices as its members, and is but a non-serious bargaining structure when differences of interests come into play.^{clxii} In a similar vein, it is argued that, in the area of economic policy (one where many divergences of state interests occur), the ASEAN regime has no overarching economic policy framework, but rather only provides collective support for state interests, convergent or not.^{clxiii}

These non-economic policy-based elements of the ASEAN regime seem to have had three effects on the actions of ASEAN as a collective action group within APEC; two negative, and one positive. The positive effect reflects back on the growing importance of the ASEAN regime over time for its member-states and its expanding webs of meetings and social networking at all levels of the member-states. This development has led to the strong connection between individual state interest maximization strategies and the continued development and relevance of the ASEAN regime. Given the key intra-mural and extra-mural role ASEAN plays for its member-states, the idea of the larger APEC and its establishment led to a fear amongst ASEAN member-state officials that it was both a threat to ASEAN and its role in the international system, and to the “South” in general.^{clxiv} This envisaging of APEC as a challenge to ASEAN both encouraged ASEAN member-state membership in it and membership as a group with the shared interest of “defending” the ASEAN regime.

The depth and spread of ASEAN regime institutionalization, however, threatens the ability of ASEAN member-states to fully participate in the APEC regime and as a member of the ASEAN collective action group within it. As noted before, the institutionalization of ASEAN has become very dense with over two hundred inter-state meetings a year, which stretches the state capacities of its member-states to begin with.^{clxv} With the similar institutional development of the APEC regime and its involvement of similar state actors, the ability of individual ASEAN member-states to maximize their participation in both is brought into question. This problem of diplomatic overstretch is highlighted by the fact that in preparation for its chairmanship of the 1996 APEC Leaders Summit, the Philippine Department of Foreign Affairs (DFA) had to consider over 1,500 plans dealing with all the areas addressed in the Osaka Action Plan.^{clxvi}

The second negative impact is tied to the conflict avoidance nature of ASEAN communication. With the noted economic interest differences amongst ASEAN member-states and the potential for alliances within the APEC forum between individual ASEAN member-states and like-minded non-ASEAN states, the lack of effective sanctions may lead ASEAN member-states to pursue interests not as a collective action group but in non-ASEAN-based alliances. Such a possibility would both weaken the collective action effectiveness of ASEAN and undermine its relevance as an extra-regional actor.

ASEAN as a Collective Action Group within APEC:

Building upon the two above parts to the case-study section, this part will focus mostly on whether the ASEAN member-states, as a group, was able to achieve

its preference orderings during the formative stages of the APEC regime. Within this focus, certain of the bargaining strategies of ASEAN as a group and some of its member-states will be touched upon so as to gain a deeper understanding of the ASEAN regime's role within APEC. This evaluation of ASEAN regime effectiveness will be divided into looking at four interlinked factors; 1) the "promoters" conceptualization of ASEAN within APEC, 2) the effectiveness of the ASEAN collective action group in shaping the nature of the APEC regime, 3) the success of this group in having its desired positions on certain substantive issues be accepted as the APEC position, and 4) an overall evaluation of the strengths and weaknesses of ASEAN within APEC.

In terms of the impact of ASEAN member-states and ASEAN as a regime on APEC formation, the first factor is especially crucial. This importance stems from the fact that, to a large extent, both the idea for APEC and its eventual shape and foci of attention were developed from Australian and Japanese state plans and their eventual integration. Both Australian and Japanese planners assumed that the participation of ASEAN member-states within the envisaged regime was of great importance for the fruition of APEC. This view of the APEC "promoters" of ASEAN as a key group of member-states, and more especially as a collective action group within APEC, was publicly symbolized by the Japanese state's delaying of official its approval of the 1992 Bangkok summit documents (one of the key pre-APEC, APEC formative meetings) until the ASEAN member-states had collectively given their official approval.^{clxvii} As well, the Australian state, in its APEC "promotion" tour, visited the member-states of ASEAN early on and were particularly eager to gain Indonesian President Suharto's nod for the APEC endeavour.^{clxviii}

This shared interest of the Japanese and Australian states in ASEAN member-state participation and the linking of the APEC regime to the ASEAN was due to one APEC-related set of concerns and one extra-APEC set. In terms of the APEC set, both the Australian and Japanese states, after integrating their separate plans, were interested in developing APEC as a regional regime and not one that incorporated certain Asia-Pacific states only. If the ASEAN member-states had refused joining or if the ASEAN regime itself had rejected the APEC proposal, then this goal would have been compromised and the damaging claim that the APEC idea was simply a "Northern" construct strengthened. As well, with the incorporation of ASEAN within APEC, the Australian and Japanese states could be assured of more support against US unilateralism (given ASEAN states and societies' absorption of some of the costs of this US state practice) and thus the creation of a regime more able to moderate US trade policy and its externalities.^{clxix}

The second set of concerns again highlights the inutility of treating any arena of action (i.e. regime) as a closed system. As noted above, Japanese and Australian market and state actors had invested much money and efforts in developing ties with actors, market and state, in the ASEAN region and had tied certain of their interest-maximization strategies to the smooth functioning of these ties. Certainly, if the ASEAN member-states had refused membership in APEC and/or seen it as a "Northern" attempt to rearrange these ties at the cost of ASEAN regional actors, this smooth functioning prerequisite would have been adversely affected. As well, if the view amongst certain ASEAN regional elites that APEC was an attempt to replace

ASEAN became widely accepted both the APEC endeavour and these extra-APEC ties would have been damaged. In this sense, the growing integration of the Asia-Pacific economic region has led ASEAN member-states and ASEAN as a regime to gain more regional power, as other actors see them as necessary to have on side. Thus, again these Asia-Pacific economic forces can be seen, in the context of this case study, to have strengthened ASEAN as a regime and furthered its goal of being an extra-mural player of import.

Stemming from the “promoter’s” concern for ASEAN acceptance and the fact that the ASEAN regime was widely viewed as a successful organizational form, the ASEAN regime played a key role in defining the nature and structure of APEC. This disproportionate (when compared to the combined economic and political power of ASEAN member-states vis-à-vis other APEC member-states) influence can be partially traced back to certain strong regional similarities between the APEC region and ASEAN one. Both of these regions, as noted above, are very diverse and are witness to many historical grievances amongst its members. This sharing of “regime formation” inadequacies strengthened the role of ASEAN (as an organizational blueprint) as the shaping of APEC as a regime based upon strong rules and entrenched sanctioning ability was seen as not suited to such a diverse region as the Asia-Pacific. Thus, while not a cultural value shared by all APEC member-states, conflict avoidance and diplomatic informality became one of the founding hallmarks of the APEC regime. As well, given the fact that at the time of the founding of APEC, only two regional groupings of states in the post-WWII period had lasted for extended periods of time and had been externally validated as successful - the EC/EU and ASEAN itself - in terms of planning APEC as a system of structures, these two would play a large role.

Referring back to the diversity of the APEC region and the lack of historical political interaction within it, the EC/EU model of a highly institutionalized, supranational regime was not seen as fitting, but was rather used as a negative model for APEC construction.^{clxx} The EC/EU model was rejected as being much too ambitious for a region such as APEC and for being much too bureaucratic and sovereignty reducing to be attractive to regional states. On the other hand, the parallels between the APEC and ASEAN regimes are numerous and fundamental. For example, the APEC institution of the Eminent Persons’ Group as a non-political group of elite individuals who act as a source of ideas for regime development and preference orderings is one borrowed from ASEAN.^{clxxi} As well, the interface between the political state level and bureaucratic state level elements of the APEC regime mirror that of ASEAN. In both, the political leaders’ summits are treated as informal, “loosely” organized fora for conversation (often bilateral and not incorporating all of the regime’s political leaders). This apparent lack of organizational rigour at the political level is contradicted by the two regime’s very well-organized, semi-permanent, and solidly structured meetings at the bureaucratic level.^{clxxii}

This contradiction in the structure of the regimes between these two levels of state activity has led some APEC and ASEAN observers who key in on the political level to characterize them as “talking shops” and as somewhat non-serious, “vast, decentralized, orbiting intergovernmental congresses in intermittent session.”^{clxxiii} Along with the normal regime requirement for consensus before regime action is

taken, these organizational similarities and the use of ASEAN as a “blueprint” for APEC mean that many of the noted structural impacts of the ASEAN regime on intra-regime negotiations have been transferred to APEC. As well, if the structuring of the bargaining game itself is a key variable in actors maximizing their preference orderings while playing, it suggests that ASEAN, as a regime and set of individual state actors, have an advantage within APEC.

The worry of the “promoters” of ASEAN rejection of their proposal and the consequent lack of a “Southern” component also contributed to the ASEAN regime’s ability to influence the workings of APEC. This fear of the “promoters” specifically and other “Northern” member-states in general - stemming itself from the ASEAN fear of replacement - led to the consensus agreement that every second APEC leader’s summit should be held in an ASEAN member-country.^{clxxiv} While being a powerful symbolic validation of the ASEAN regime itself and its international prominence, as the working papers and summit agenda as well as those of the bureaucratic level are set by the host-state, this agreement also increases ASEAN’s weight within APEC. To fully exploit these “agenda-setting” advantages of ASEAN, since the earliest APEC meetings (and even before APEC became an official body), the ASEAN political and select bureaucratic state leaders have met before them to come up with common positions and bargaining preference orderings.^{clxxv} These meetings, while not part of popular discussion, are one of the strongest examples of ASEAN as a collective action group within APEC and the ASEAN regime produced good of collective diplomacy.

Drawing from this “agenda-setting” power of ASEAN, the shared economic interests of its member-states (in terms of investment flow questions), the recognition of others of the importance for APEC of ASEAN participation , and the strong social networks amongst ASEAN state leaders, these interlinked factors suggest that ASEAN member-states as a collective action group should have been able to attain their preference orderings more successfully than their raw exchange power capabilities would indicate. To test this hypothesis, four areas where ASEAN stated positions were in conflict with other member-state positions will be addressed.

The first area addresses the oft-commented upon difference of approaches to decision-making between “Western” actors and “Eastern” actors. While the APEC regime was first set up as a loosely-organized policy regime (Principled club), from the original official leader’s summit in Seattle, the states of Australia, Canada, New Zealand, and the US have been strong advocates for a more rule-based approach and the greater institutionalization of the APEC regime. This push for a more ruled-based and concrete regime can be seen in three “Western” prescriptions for APEC during the span of 1993-1995; 1) the US/Australian states’ call for individual state targetted binding targets for near and medium term trade facilitation and liberalization efforts,^{clxxvi} 2) the Seattle proposal by the US state and APEC’s EPG to develop APEC into a RTA (which according to GATT/WTO rules for RTAs would demand the prescription of binding targets along with more rigourous institutional demands),^{clxxvii} 3) the US state’s call for a uniform liberalization and facilitation schedule for all member-states,^{clxxviii} and 4) the creation of an APEC Secretariat and annual regime budget.

All four of these proposals, especially the first, were seen by ASEAN member-states to contradict both the original spirit of APEC and the *quid pro quo* for ASEAN membership that APEC be a “loose, exploratory and informal consultative process,”^{clxxxix} in which progress would be gradual, informal and by consensus.^{clxxx} In terms of the first one, the ASEAN regime came out against this radical proposal and in alliance with Japan, South Korea, etc., watered down this proposal with ASEAN, with Malaysian APEC actors being most strongly against it. This conflict over the depth of trade liberalization the APEC regime should address has been one of the greatest regime sticking points and one over which strong positions formed. Here, the consensus rule of the APEC regime came into play, and Malaysia’s annex to the 1994 official agreement supporting the movement towards APEC free trade noted that all actions stemming from APEC decisions must be voluntarily accepted by all member-states.^{clxxxi} Thus, while the Bogor Summit of 1994 came out in support of the idea of eventual free-trade, no concrete moves were made to achieve this goal through a change to a more “legalistic” regime a EU-style move to qualified majority voting and the Malaysian contingent reminded all others of the founding principles of APEC action.

The second and third points stem out of the calls for the development of a timetable for each member state achieving the trade facilitation and trade liberalization goals of the APEC regime. Reflecting back on the discussion of AFTA, it is noteworthy that ASEAN member-states were against such quantitative and fixed targets for ASEAN economic integration during the PTA period but accepted them at the ASEAN level in AFTA. This opposition to such codification was again supported by other “Eastern” states such as Japan and South Korea which were concerned about agricultural sector timetables and China with its concern about the fast pace of APEC liberalization in general.^{clxxxii} On top of this introduction of the idea of targets, there was the US push for universal free trade for all member-states by 2010. In the end, the APEC negotiations led to the Bogor agreement on timetables and the end goal of free-trade but developed a two-track approach to said end. “Northern” member-states were to achieve this lofty goal of “open” free trade by 2010, with “Southern” states being asked to arrive at the same end-point by 2020. All ASEAN member-states, along with China and Papua New Guinea were included in the 2020 track.^{clxxxiii}

The two-track approach, while ceding to the demand for targets, was strongly advocated by Chinese and Malaysian participants and justified by them through the contention that the adjustment costs of full liberalization would be much higher for developing economies and, thus, that these states needed more time. On the other hand, the targets were argued as necessary by their supporters to increase the relevance of the APEC regime globally and especially within Washington, where APEC was seen not to be taken too seriously.^{clxxxiv}

Reflecting on this debate over targets and levels of institutionalization, the timing of the end points suggests two things about the 1994 negotiations. Firstly, it suggest that the perceived “shadow of the future” of the APEC regime and its shaping of actor’s interests was quite long, and thus the negotiations over these future targets was consequently quite contentious. This level of contention was exacerbated by the fact that the collective good of eventual free trade was not supported by all member-states and was seen not as a cooperative good but a collaborative one in which there

were significant distributional effects. While the acceptance of targetting suggests a major institutionalization of APEC, the 15-25 year timing of these end goals question the “seriousness” of them, especially given the voluntary caveat of APEC agreements. As well, the domestic political costs for the leaders of states that opposed targets or from societies with major anti-free trade lobby groups were lessened as the timing of full liberalization was so far off from the present that they were hard to organize protest around. Finally, as all APEC member-states either belong to the WTO or are predicted to be joining before 2020, the real impact of these targets is further questioned as they overlap with existing WTO proposals.

The fourth issue of an APEC budget and Secretariat, while echoing prior institutional advancements of the ASEAN regime, were opposed by ASEAN member-states as being too “institutionalizing.”^{clxxxv} While able to delay the adoption of these proposals, the ASEAN opposition was unable to stop these as both a Secretariat and a regime budget were introduced. However, the budget was approved at the meager level of 2 million dollars US and the Secretariat was given few powers. On top of this, the Secretariat was sited in Singapore, itself a compromise candidate as it is both an ASEAN member-state and a strong supporter of free trade.

Drawing back from these four points, it can be seen that the stated ASEAN desire of keeping APEC purely at the informal and consultative level has been surpassed by the interests of other states for a more weighty organization. As well, looking at the different issues, it does appear that the ASEAN member-states have been successful at establishing alliances with other states that also support a slow gradual process for the APEC regime. This linking of ASEAN member-states and other East Asian states in negotiations over the direction of APEC has been so prevalent that it has led to the belief that an “informal” EAEC exists within the APEC regime.^{clxxxvi} This contention of a similar “culturally bound” preference ordering for a policy-based “loose” APEC regime was given further strength in the Japanese 1995 proposal at the Osaka summit for an approach known as Concerted Unilateral Action or Concerted Unilateral Liberalization (CUA or CUL) to progress towards the 1994 Bogor end points.^{clxxxvii}

The CUA approach was strongly supported by other East Asian member-states and opposed by the US participants as it was seen to shift the onus of progress from the regime itself back to the individual member-states as they themselves identified the means by which they would voluntarily move towards either the 2010 or 2020 deadline. This last point reflects back to the theoretical insight that in collaborative regimes, especially when actors have contrasting preference orderings, the greatest problems and debates occur on issues of policy enforcement not policy formation. As well, this Osaka proposal again exemplifies the “agenda-setting” power of the chairing state and how the agreement to have summits in ASEAN member-states strengthens their bargaining power.

In connection with the stated ASEAN regime desire to avoid substantial “deepening” of the APEC regime, is the second area of ASEAN impact to be considered; the actions of ASEAN member-states vis-à-vis the question of APEC “widening,” and their success. The very question of widening is by itself a validation of the significance of APEC as a regime and the member-states allocation of resources

for its development, as if it was seen as non-serious then non-members would show little desire for membership. Again, here the story is a mixed one as ASEAN as a regime, and especially the Malaysian state, was able to achieve the goal of adding more “Southern” states to the APEC regime, but was ambivalent over Chinese state membership. The early inclusion of Latin American states in APEC was strongly supported by the Malaysian state and more mutedly by ASEAN, whereas the timing of their inclusion was questioned by “Western” states. The “Western” argument was “deepening” before “widening” so that APEC could progress in achieving its goals and not be delayed by “widening.” Along with this sequencing argument, the problems of the positive relationship between negotiating complexity and group size was raised. On the other hand, Malaysia’s argument was that their inclusion would provide more balance to the APEC regime and allow it to better represent the region. Given the unanimity qualification for any changes to the APEC structure and the theoretical insight that the cost for one actor or small group of actors of stopping a group action or non-action against the wishes of the other actors are very high, the successful entrance of Chile to APEC suggests that more than Malaysia and the other ASEAN states “grandfathered” Chilean entrance.

Looking more into this ASEAN support for Latin American state membership, it exemplifies how many cross-sections exist within the APEC community as such support goes against the grain of the EAEC proposal and the “East-West” schism within APEC but supports the “North-South” schism view. Going back to the theory section, it is only logical that the ASEAN member-states supported Latin American state membership (actor addition) as they thought these states would share similar preference orderings to ASEAN member-states and thus act to bolster their bargaining power. At another level, one could see the support for the addition of these new actors as a delaying strategy to slow down both the present “Western” push for “deepening” and the speed of any future APEC “deepening.” Thus, the strategy of actor addition seems to have provided two interlinked benefits for its ASEAN supporters, while at the same time making the APEC negotiating forum more cumbersome.

Contrary to both the identification of ASEAN as a member of the “Eastern” sub-group of APEC or the “Southern” one was the ASEAN regime’s hesitation about supporting Chinese state inclusion.^{clxxxviii} This hesitation over a fellow “Eastern-Southern” state joining the regime is partially explained both by the fact that the Chinese domestic market has been identified as the greatest “challenge” to the ASEAN economies’ ability to attract both extra-ASEAN sourced investment and even intra-ASEAN sourced investment. As well, certain Southeast Asian states hold grievances against China historically and more noticeably towards the Chinese state while under Communist control. These recent grievances stem from the post-colonial troubles of many ASEAN member-states with Communist insurgencies and the belief that the Chinese state supported said movements. Rather than ASEAN efforts as in the case of Latin American membership, it was the South Korean and Japanese states that pushed for Chinese inclusion against US state reservations.^{clxxxix} The eventual conclusion of the Chinese state within APEC, while not originally supported by the ASEAN regime, however, has suited the regime’s interests well as the Chinese state shares many of these interests as well and sees itself as a “Southern” actor also. Thus, the unsupported addition of an actor has allowed ASEAN member-states, through

coalitions with the powerful Chinese state to further their preference orderings within APEC, exemplifying the changing nature of regimes over time and the bounded rationality constraint of all regime members.

The third set of ASEAN regime and individual member-state actions to be evaluated revolves around the desire of the ASEAN regime to “add issues to the APEC agenda” and focus APEC attention towards these. This set of issue addition and prioritization interests fits well with the perception that the “Northern” states joined APEC so as to spur export market opening while “Southern” states joined to gain more concessions on technology transfer and human resources development,^{cxv} as they involve less focus for the regime as a whole on regional trade facilitation and liberalization and more on regional economic development. This push for a more development-oriented regime with a focus on resource redistribution from wealthy regime member-states to poorer ones was successful in the APEC regime’s adoption of the ASEAN regime-spurred, very strongly pushed by the Chinese state as well, Human Resource Development Initiative against US and Japanese reservations.^{cxvi} This ASEAN regime desired focussing of the APEC regime on a development agenda, however, did fit well with the Japanese state’s Partners for Progress (PFP) aid programme and its desire to have this be enshrined within APEC as a part of the regime’s development agenda.^{cxvii}

Looking at these three sets of ASEAN regime interests that were not supported by all other APEC member-states, many of them have been achieved, while certain others were “outbid” by competing interests. Going back to the definition of power, it does seem that these ASEAN interests have been better served than a raw power calculation would suggest. This beneficial situation seems partially due to the use of the ASEAN regime as an organization “blueprint” for the APEC regime, as it led the “Western” desires for more “depth” and rules to be “framed” as calls for change and redefinition, while the ASEAN interests were “framed” as conservative and true to the origins of APEC. As well, the historical resonance of the “North-South” dialogue and the “framing” of the international market and inter-state system through it, when combined with the identification of the ASEAN regime as APEC’s “Southern” representative, was useful for ASEAN regime interests. This factor was most noticeable in the last set of interests and the support by the Japanese state of the ASEAN position that APEC should address both universal trade principles and development ones. Finally, the ability of the ASEAN regime and its more vocal member-states to seek out alliances with like-minded non-ASEAN East Asian states, especially China, added greatly to its ability to achieve certain of its interests, including the strengthening of social networks between amongst ASEAN member-states and these like-minded ones. This convergence of APEC regime-related interests amongst the ASEAN regime and other East Asian states over a conflict avoidance approach also lends credence to the arguments of “Asian capitalism” and an “Asian way.”

While the ASEAN record within APEC, overall, is quite impressive, its effectiveness as a collective action group suffered from the same problems within APEC it did vis-à-vis intra-ASEAN regional economic efforts. The inability of the regime to harness of all of its members to support its stated APEC interests was most noticeable by the Singaporean state’s support for the US state’s call at Bogor for free

trade by all states within the APEC region by 2010.^{cxiii} This contradictory position was made more noteworthy by the Indonesian state's initial support for said US proposal and the strong attack of it by fellow ASEAN member-state Malaysia. This fissuring of the ASEAN collective action group was further exacerbated by the 1993 Indonesian support for the regime rule change from perfect consensus to a "consensus-X" rule in which one member-state (X) is not allowed to veto an APEC decision supported by all others. This Indonesian state support for a "deeper" regime is most noteworthy as the "X" that was to be excluded so as to speed up APEC progress was assumed to be the Malaysian state.^{cxiv}

This set of divergent intra-ASEAN interests for APEC may be partially explained by the tensions between the Indonesian and Malaysian states over the leadership and direction of the ASEAN regime itself. Thus, the tensions within a regime can be seen to work against its effectiveness of a collective action group in the external environment. This set of divergent interests also echoes the fact that from the beginning different ASEAN member-states have had different views of the APEC endeavour and its interface with ASEAN's own development. Finally, in terms of Singapore's call for support of the US 2010 proposal, this reflects the "open" nature of the Singaporean economy and the consequent lower economic and political costs of such a proposal, which again highlights the diversity of ASEAN domestic economies and how this leads to different relational interests amongst its member-states. At the institutional level, this divergence of APEC-related interests within the ASEAN regime was well shown by the Indonesian state's blocking of the Thai/Philippine state proposal to hold official pre-APEC ASEAN summits.^{cxv}

At a more abstract level, the external reputation of the ASEAN regime and its member-states at the time of the formation of APEC greatly aided the regime's effectiveness as a collective action group as it allowed the regime to be considered as a necessary "leg" of the APEC construct, and one whose stated interests must be addressed for the APEC endeavour to be successful. Without this extra-mural reputation (gained through the perceived success of ASEAN as an intra-regional collective action group and the economic dynamism of its domestic economies), it is doubtful whether all the interests the ASEAN regime did achieve within APEC would have been realized. Secondly, the long-standing success of the ASEAN regime and its ability to address the changing and often divergent interests of its member-states over time led it to be the organizational model for APEC. Thus, whatever impact the structuring of negotiations has on bargaining outcomes would seem to be in favour ASEAN interests, especially that of using APEC to validate ASEAN's relevance and its approach to regime structuration. In a broader sense, it can be said that the ASEAN regime was very effective (often not through direct action but rather due to the appreciation of the ASEAN experience by other APEC formers) at the macro-level of the APEC regime, while less so at the level of regime bargaining outcomes and policy-making. However, this macro-level effectiveness seems to have aided the ASEAN regime in attaining certain of its interests at this micro-level.

On a more pessimistic note, it has been argued that the ASEAN-like structure of APEC has and/or will limit the ability of the APEC regime to remain a serious regime; thus undermining its member-states abilities to use APEC membership as a means to achieve state interests. This point, while still speculative and somewhat

beyond the time-scale of this case-study, is noteworthy for two reasons. First, unlike the mostly Malayo-Polynesian cultural context of the ASEAN region and its acceptance of conflict avoidance over conflict resolution forms of communication, the APEC regime and some of its most powerful member-states do not share this cultural predilection. Given this cultural dissonance, the interest of these state-actors may either diminish vis-à-vis APEC membership or shift to more confrontational, risk-taking approaches so as to “impose” their desires and communication patterns on the APEC regime. These two disruptive possibilities are strengthened in the case of the United States and Canada as both of these states have alternative relations to APEC membership through which to address similar export market access issues (NAFTA and its spread throughout the Americas), while for the powerful United States, a return to simple “aggressive unilateralism” in the region may be a possibility; and if this second possibility were to be realized, one of the key collective goods of APEC would be removed along with some of the interest of all of its member-states in regime membership.

APEC Membership’s Effect on the ASEAN Regime:

Highlighting the interdependent nature of regimes that have membership overlaps, while the ASEAN regime played a key role in the formation the APEC regime, the membership of the ASEAN member-states in APEC and the desire of them to act as an collective action group has also affected the progress of the ASEAN regime. These impacts, apart from the noted strengthening of the extra-mural reputation of ASEAN itself, fall into three categories; 1) negative effects on the ASEAN’s exclusive regionalism efforts, 2) strengthening and diversification of ASEAN economic efforts, and 3) increased chances for the ASEAN regime to link with and help form other extra-regional groupings.

In terms of the negative effects on the exclusive regionalism efforts of the ASEAN regime, with the agreement of ASEAN member-states within the APEC regime to the 2020 deadline for universal free trade (due to the open regionalism principle of APEC), the desire of AFTA to differentiate in favour of ASEAN regional market actors the market access of ASEAN domestic economies is certainly undermined.^{cxvii} Using the “shadow of future” insight, one could further argue that this APEC-inspired temporal limiting of this favourable intra-regional market access may lessen the individual member-states’ interests in pushing through with the AFTA reductions as their costs will remain the same but their potential benefits may be constrained by this time limitation.

A more intangible impact of APEC deliberations on AFTA’s exclusive regionalism approach ties to the Philippine PECC member, Dr. Estanislao’s call for AFTA to multilateralize its tariff reduction agreements to extra-regional actors by year 2003; the year the ASEAN member-states had agreed to treat as the end-point for intra-regional tariff reductions.^{cxviii} This last point suggest the potential for an intra-ASEAN debate over the proper way to liberalize, intra-regionally (AFTA), or through “open regionalism.” Such a call and consequent debate both shows the “ideational” impact of the APEC experience on ASEAN and is buttressed by the noted “openness” of ASEAN’s “Northern” member-state, Singapore. Such a possibility is further

strengthened by the Singaporean and Thai state suggestion of an ASEAN-NAFTA RTA.^{cxviii}

At a different level, the involvement of ASEAN member-states in APEC and the large number of economic issues (even more than the WTO) APEC's bureaucratic level Senior Officials Meetings (SOMs) deal with has led to a diversification of ASEAN economic efforts. This enlarging influence of APEC on ASEAN stems from the ASEAN regime's desire to form common positions beforehand on all important issues considered within the APEC fold.^{cxix} This need to keep pace with APEC's vast agenda can be seen in the increased focus of the ASEAN bureaucratic level on the issue of intellectual property rights (IPR) and the formation of an ASEAN position on IPR treatment.^{cc} As well, from 1994 there have been increased discussions within the ASEAN regime and region about the formation of an ASEAN investment area. As well, in 1996, an ASEAN Coordinating Committee on Services was established to address invisible trade issues and expand the coverage of ASEAN economic efforts to match those of APEC and the WTO.^{cci}

While these efforts are certainly tied also to changes within the ASEAN region, exclusive of the impact of the APEC regime, the intra-ASEAN regime call for an ASEAN common position on economic liberalization by 2020 hints at a strong connection with APEC matters.^{ccii} As well, given the overlapping of APEC and ASEAN efforts to struggle with trade liberalization in services and the greater research resources of certain APEC member-states, it is seen as likely that the ASEAN discussions on services will be greatly affected by the parallel discussions in APEC.^{cciii} Thus, the overlap between the APEC and ASEAN regimes is perfect for membership (for the duration of this case study) and significant in terms of economic agendas.

Apart from supporting the shift of ASEAN efforts towards "low politics," APEC membership has furthered the ASEAN regime interest of linking itself to extra-mural organizations and states. The most noticeable benefit has been the ASEAN-initiated creation of Asia-Europe Meeting (ASEM), which was officially inaugurated in 1996.^{cciv} This tying of the ASEAN regime with the EU, China, Japan, and South Korea, when combined with ASEAN's links with APEC means that the ASEAN regime is now a nexus that links its member-states to all the key extra-regional actors, and a nexus which ASEAN was instrumental in shaping. The interest of the EU in joining ASEM, while spurred by increasing economic activity (especially portfolio investment) between East Asian and European market actors, was also encouraged by the formation of APEC and its geographical boundaries. With the dynamism of East Asian economies and the promise of APEC regime's enhancement of Asia-Pacific economic integration, the EU felt aggrieved that it had been excluded, and was worried of being "shut out."^{ccv}

In a less formalized fashion, the membership of ASEAN member-states in APEC may have furthered East Asian inter-state linkages given the commonality of APEC-based interest and preference orderings. This has been touched on by the informal EAEC argument and seems to be further encouraged by the structure of APEC political summits. At these informal political leaders summits, few all-inclusive meetings take place, but rather a large number of premeditated sub-group

meetings take place in which no written minutes are allowed.^{ccvi} Such a structural encouragement for such “secret” meetings, when combined with the arguments of East Asian cultural and economic interest similarities suggest that the APEC regime serves to strengthen intra-East Asian unity and diplomatic integration. This APEC regime role is reflected in the term the “Asian 10” with its inclusion of all of the case-study ASEAN member-states (excluding Brunei), China, Japan, South Korea, Hong Kong, and Taiwan; all of which are, of course, APEC members.^{ccvii}

Drawing back from these concrete points, the impact of APEC membership on ASEAN suggests that one can treat the ASEAN regime as partially “nested” within APEC which itself is seen to be “nested” within the WTO. While the sequencing of the creation of the ASEAN and APEC regimes and the greater entrenchment of ASEAN means that this “nesting” is both not complete and by no means suggestive that ASEAN is subservient to APEC, it does bring forth the possibility that there may be further fusing of the two institutions and the impact of APEC on ASEAN may increase. This APEC-ASEAN connection again harks back to the part on collective action theory and how the intertwined sets of relations of an actor are both mutually impacting and supporting; further strengthening the need for a theoretical understanding of regime behaviour and change.

Conclusions and Prescriptions:

Addressing the fears of certain ASEAN regime actors that the development of the APEC regime would work to undermine the relevance of the ASEAN regime and its interest of keeping extra-ASEAN powers from “dominating” the ASEAN region, it seems not to have been realized. Rather, the formation of the APEC regime, with its inclusion of the states of the key sources of ASEAN directed investment flows may have actually given the ASEAN regime and its member-states more voice in the political management of said flows, thus enhancing this non-domination interest of the ASEAN regime. As well, APEC membership has strengthened the movement of the ASEAN regime towards “low politics” and towards its continuing relevance to changing intra-ASEAN state interests and extra-regional influence.^{ccviii} Thus, it may be best to see APEC membership not as a replacement of ASEAN but rather as a set of supplemental means for the ASEAN regime to address the economic concerns of its member-states; such as those tied to investment flows and fears of the “blocing” of the international economy and inter-state system.^{ccix}

To ensure the non-replacement of the ASEAN regime by the APEC one and the ability of ASEAN member-states to pursue their shared interests within APEC negotiations, the strengthening of ASEAN as a collective action group is called for. This is necessary as it is already noticeable that the pre-APEC summit formation of common ASEAN positions on issues to be discussed in APEC seems not to have effectively harmonized ASEAN member-state preference orderings and actions within the APEC regime. Rather, the APEC regime discussions seem to highlight fundamental interest divergences amongst ASEAN member-states and provide ASEAN member-states supplemental means to pursue these individual, divergent state interests. The historical development of ASEAN discourse and its institutional rules, while allowing the ASEAN regime to remain flexible, seems to work against

the strengthening of its collective action potential in relation to these divergent APEC related ASEAN member-state interests. The high tolerance of the ASEAN regime for individual member-states to either “hijack” the ASEAN agenda or ignore it in practice obviously weakens the ASEAN regime’s ability to enforce individual member-state adherence to stated group positions. Given the importance for ASEAN as a regime and for its member-states of its acting as a collective action group, certain changes within the ASEAN regime may be called for.

Drawing from the part on collective action theory, the use of ASEAN regime summits to note formal disapproval of certain ASEAN member-state’s actions within the APEC regime may be useful as this would increase the costs to said state of going against the ASEAN position within APEC by questioning its influence and position within the ASEAN regime itself. While this may be contrary to the *musgrawarah* contextualization of the regime, given the long-standing nature of the ASEAN regime and its established importance for all member-states, such a move should not threaten the future of ASEAN and would add yet another collective action good to the ASEAN regime. In support of this call for a more sanction-oriented ASEAN approach to its actions within APEC, some observers note that this kind of sanctioning has already been informally carried out by ASEAN member-states against Malaysia and its disruption of the APEC process.^{ccx}

In relation to the bargaining theory insights, it may also be a good idea for the ASEAN regime to allocate more of its resources to calling for the APEC regime to focus more on developmental transfers of wealth. This increased push for a collaborative development agenda should be possible as it can be presented as a necessary selective incentive for ASEAN member-state support for increased export market access. As well, given the fact that the Singapore state is often not seen as a “Northern” state and thus is not called upon to dispense ODA, such an ASEAN regime strategy would work to highlight the shared APEC-related interests of ASEAN member-states, while wedding APEC dynamics closer to the stated goals of the ASEAN regime. Such a bargaining strategy may be successful as well given the support by the Japanese state for an APEC development agenda as a means to increase Japanese exchange power within the APEC regime and region. Finally, such a move would deepen ASEAN member-states’ support for APEC and ASEAN, help to assuage Malaysian concerns over the APEC process, and gain more popular support within ASEAN societies for APEC.

Another bargaining theory insight that may be of use for ASEAN regime actions within APEC is for it to try to shift the APEC issues that highlight the fissures within the ASEAN collective action group from the level of political state discussions to those at the bureaucratic level. This shifting of levels strategy may present two benefits to the ASEAN regime. Firstly, it would shelter from the public these intra-ASEAN interest divergences, thus minimizing the negative impact these have on ASEAN’s image within the ASEAN region and without. As well, this “sheltered” nature of the bureaucratic level may allow for more successful delaying strategies as the costs of delaying would be reduced by the “secret” nature of these delays and the lack of popular attention paid to the workings of the bureaucratic level.

A final bargaining strategy that may aid ASEAN's collective action efforts within APEC is drawn from the keys to the past successes of said efforts and a consideration of exchange power. Within the bargaining game of APEC's formative negotiations, the ASEAN member-states were best able to maximize their shared preference orderings when in alliance with like-minded member-states, such as Japan and China. To further this useful coalition-building process within APEC, ASEAN, as a regime, may want to push for stronger economically-oriented ties with these states and develop before-hand, especially at the "sheltered" bureaucratic level, common bargaining positions and strategies. While the Japanese state's links with ASEAN and its exchange power are well-understood and developed, the ASEAN regime's relations with the Chinese state are less so. With many state and business leaders around the globe seeing the Chinese domestic market as one with immense potential for growth and import absorption and the fact that the Chinese state is relatively unintegrated into the inter-state system, an ASEAN push for closer economic ties with the Chinese state in general may be quite beneficial.

In terms of APEC specifically, with the Chinese state's absence from the WTO, APEC is the largest and most important inter-state economic regime that China is a member of, and is a key to "creatively engaging" China in the inter-state system. This lack of alternative sets of relations to engage the Chinese state in economic negotiations means that the Chinese state's exchange power within APEC is increased, as a Chinese threat to exit APEC would mean a Chinese threat to exit the economic regimes of the inter-state system. As well, the fact that the Chinese domestic market is seen as so potentially powerful, most APEC member-states have no desire or ability to seek alternative sets of relations to those with Chinese actors. This disproportionate exchange power of the Chinese state within APEC, when combined with its similar APEC-related preference orderings to those of the ASEAN regime powerfully suggest that the ASEAN regime should move to foster closer and more harmonious economic ties with China; notwithstanding frictions between ASEAN member-states and the Chinese states in other issue areas.

In reverse, this exploratory paper also suggests certain new avenues of theory-based research that may allow the connection between the theories addressed and the study of regimes to be strengthened. As the APEC regime, ASEAN regime's economic efforts, and ASEM seem to stem from a similar perception of the future of the international market and inter-state system (the "blocing" argument), it may be beneficial to focus more attention on this theory itself; its origins, assumptions, and reasons for its acceptance as "true." As well, with the increasing networking of state actors through overlapping inter-state regimes and with non-state actors, domestic and foreign, the clearer definition of a state and its interest-maximizing strategies is necessary as the view of the state as a monolithic, unitary actor focussing on static sovereignty enhancement seems outdated. Finally, as hinted at in this paper, the interplay amongst regimes that share both overlaps in membership and in areas of collective action is in need of further study, especially the impacts of one regime on the other both at the macro-level of regime structuration and at the micro-level of regime bargaining outcomes.

Finally, at the macro-level, the theoretical insights would indicate that the future successes of the APEC endeavour and the ASEAN regime's efforts to act as a

collective action group within APEC are dependent on the continuation of the integrative economic forces noted as the reason for the development of APEC in the first place. If the Southeast Asian region's dynamic economic growth (or its political stability) is seen to have ceased by the extra-regional sources of investment and/or other host economies become more attractive investment destinations than the supports for the development of APEC and ASEAN's exchange power within would be undermined. Also, said slowdown in economic dynamism and the consequent lowering of future expectations may work to undermine ASEAN's own efforts at intra-regional economic integration and aggravate the noted differences in ASEAN member-states economic preference orderings and the competing natures of their economic structures.

As well, the complexity of overlapping relations created by the ASEAN member-states decision to join the APEC regime and act as a collective group within suggests that factors that impinge one set of relations (i.e. ASEAN regime based sets of relations between ASEAN member-states) impinge all others and put into question the effectiveness of ASEAN as a collective action group. Thus, to be successful, the relevant state bodies of the ASEAN member-states must systematically organize these relations and subsequent calculations of self-interest, while working to support these economic forces that are largely beyond their own control.

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Wade, Robert. "Japan, the World Bank and the Art of Paradigm Maintenance: *The East Asian Miracle* in Political Perspective," New Left Review No. 217, May/June 1996, pp. 3-38.

Yamaguchi Kazuo. "Power in Networks of Substitutable and Complementary Exchange Relations: A Rational-Choice Model and an Analysis of Power Centralization," American Sociological Review Vol. 61, April 1996, pp. 308-332.

Yarborough, Beth V., and Robert M. Yarborough. "Regionalism and Layered Governance: The Choice of Trade Institutions," Journal of International Affairs Vol. 48, Summer 1994, pp. 95-118.

Young, Oran R. "Political Leadership and Regime Formation," International Organization Vol. 45, Summer 1991, pp. 281-308.

ⁱ This agreement by the ASEAN states to join ASEAN collectively reached in 1991 is known as the "Kuching Consensus."

ⁱⁱ For more discussion on ASEAN as one of the key components of APEC and of the APEC planners' treatment of ASEAN as a coherent group, see Funabashi Yoichi, Asia-Pacific Fusion: Japan's Role in APEC (Washington: Institute of International Economics, 1995), especially pg. 12.

ⁱⁱⁱ ASEAN was agreed upon and established by the leaders of its original member-states in 1967, while APEC's first meeting of the leaders of its original member-states took place in 1993.

^{iv} The term reburgeoning is used since before WW II, the Asia-Pacific region, presently bounded by the APEC member countries, was a very integrated economic region with trade integration figures similar to that of the present. See Miles Kahler, "Institution-Building in the Pacific," in Pacific Cooperation:

Building Economic and Security Regimes in the Asia-Pacific Region, eds. Andrew Mack and John Ravenhill (Canberra: Westview Press, 1994), pp. 16-39.

^v As the non-sovereign political entities of Taiwan/Chinese Taipei or Hong Kong are not directly discussed in this paper and as the operational definition of the state in this paper has no sovereignty criterion, the member-actors of APEC will be referred to as states and not economies. This is done as an economy is, by definition, an arena of action and not a purposive actor. This non-usage of the term member-economy should not be seen as a comment on PRC-Taiwan or UK-HK relations, but rather as done in the spirit of analytical clarity.

^{vi} For more insights into the characteristics of an economic region, see Ross Garnaut, Open Regionalism and Trade Liberalization: An Asia-Pacific Contribution to the World Trade System (Singapore: ISEAS, 1996), and Hal Hill, "ASEAN Economic Cooperation: Past Achievements and Future Prospects," in The ASEAN: Thirty Years and Beyond, eds in Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago (Quezon City: International Institute of Legal Studies, University of the Philippines, 1997), pp. 3-28.

^{vii} Vinod K. Aggarwal. "Comparing Regional Cooperation Efforts in the Asia-Pacific and North America," in Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific Region, eds. Andrew Mack and John Ravenhill (Canberra: Westview Press, 1994), pp. 40-65.

^{viii} For more information on Stephen Krasner's arguments on the benefits of regime membership, see James D. Fearon, "Bargaining, Enforcement, and International Cooperation," International Organization Vol. 52, Spring 1983, pp. 269-99.

^{ix} A good example of this is the oft-referred to economic region of "Greater China," seen to include the SAR of Hong Kong, the political entity of Taiwan, the People's Republic of China. Sometimes, this geographical scope is even expanded to include Singapore and the Overseas Chinese community. While it quite easy to show that this grouping is a definable economic region, there are few if any economic regimes present linking all of its members, and certainly none that are inter-state in nature.

^x For the view that the inter-state regime of APEC stemmed from the market-based creation of the Asia-Pacific economic region, see Garnaut.

^{xi} For more detail on the argument that ASEAN during its formative years was not created or envisaged by its founders as an economic regime, but that only later did this come to be one of the roles envisaged by its member-states for ASEAN, see Amitav Acharya, "The Association of Southeast Asian Nations: 'Security Community' or 'Defence Community'," Pacific Affairs Vol. 64, Summer 1991, pp. 159-77, Ramses Amer, "Territorial Disputes and Conflict Management in ASEAN," in The ASEAN: Thirty Years and Beyond, eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago (Quezon City: International Institute of Legal Studies, University of the Philippines, 1997), pp. 325-50, and Hill.

^{xii} Mancur Olson. The Logic of Collective Action (Cambridge Mass.: Harvard University Press, 1965).

^{xiii} For more detail on the definition of collective action issues and groups, please refer to Olson's book and other sociological sources such as, Pamela E. Oliver and Gerald Marwell, "The Paradox of Group Size in Collective Action," American Sociological Review Vol. 54, Feb. 1988, pp. 1-8, Douglas Heckathorn, "The Dynamics and Dilemmas of Collective Action," American Sociological Review Vol. 61, April 1996, pp. 250-77, and Kim Hyo-Joung and Peter S. Bearman, "The Structure and Dynamics of Movement Participation," American Sociological Review Vol. 62, February 1997, pp. 70-93.

^{xiv} For the pre-established links between economic regionalization, regimes and collective action theory, see Richard Higgott, "The International Political Economy of Regionalism: The Asia-Pacific and Europe Compared," in Regionalism and Global Economic Integration, eds. William D. Coleman and Geoffrey R. D. Underhill (London: Routledge, 1998), pp. 42-67.

^{xv} Oliver and Marwell, p. 1.

^{xvi} Kim and Bearman, p. 70.

^{xvii} From this line of argument, one can easily see the genesis of the "free-rider" problem in which a member of a group attempts to benefit from the rewards of group membership while contributing

nothing or very little to maintenance of the group and its abilities to offer benefits to all members. This assumption and its apparent practical validity explains why the “free-rider problem” has been a concern of all fields of social science.

^{xviii} See Kim and Bearman for more details on the “silver lining” of past failures.

^{xix} For more information on the benefits of this sub-group of promoters and why self-interested actors choose to become promoters, see Heckathorn.

^{xx} For more information on epistemic communities and their role in regime formation, especially that of APEC, see Richard Higgott, “APEC: A Skeptical View,” in Pacific Cooperation: Building Economic and Security Regimes in the Asia-Pacific Region, eds. Andrew Mack and John Ravenhill (Canberra: Westview Press, 1994), pp. 66-87.

^{xxi} Douglas Heckathorn, “Collective Sanctions and Compliance Norms: A Formal Theory of Group-Mediated Social Conflict,” American Sociological Review Vol. 55, June 1990, p. 368.

^{xxii} Heckathorn, “Collective Sanctions and Compliance Norms: A Formal Theory of Group-Mediated Social Conflict,” p. 374.

^{xxiii} For more details on the links between interdependence and group cohesiveness, see Heckathorn, “Collective Sanctions and Compliance Norms: A Formal Theory of Group-Mediated Social Conflict”.

^{xxiv} Kim and Bearman, p. 73.

^{xxv} Kim and Bearman, p. 72.

^{xxvi} Oliver and Marwell, pp. 2-3.

^{xxvii} A collective action production function is defined as existing when the contribution of every member affects the ultimate level of the good produced positively and that such contributions carry a cost to the contributing member. Heckathorn, “The Dynamics and Dilemmas of Collective Action,” p. 253.

^{xxviii} Heckathorn, “The Dynamics and Dilemmas of Collective Action,” p. 251.

^{xxix} While a huge array of literature on economic regimes from all fields of social science make these kinds of arguments, some sources closely related to ASEAN and APEC that follow this line of thought are Donald Crone, “Does Hegemony Matter: The Reorganization of the Pacific Political Economy,” World Politics Vol. 45, July 1993, pp. 501-25, Institute of Asian Economic Affairs, Asia’s Economic Growth and Intra-Regional Cooperation (Tokyo: University of Tokyo, 1964), Paul Bowles, “ASEAN, AFTA and the New Regionalism,” Pacific Affairs Vol. 70, Summer 1997, pp. 219-33, Garnaut.

^{xxx} Tan Loong-Hoe and Chia Siow-Yue, ASEAN and the WTO: Challenges and Responses (Singapore: ISEAS, 1994), p. 189.

^{xxxi} For more detail on these contentions, see Higgott, “The International Political Economy of Regionalism: The Asia-Pacific and Europe Compared,” especially p. 45, the introductory chapter by William D. Coleman and Geoffrey R.D. Underhill in Regionalism and Global Economic Integration, eds. William D. Coleman and Geoffrey R. D. Underhill (London: Routledge, 1998), pp. 1-18, and Mitchell Bernard and John Ravenhill, “Beyond Product Cycles and Flying Geese: Regionalization, Hierarchy, and the Industrialization of East Asia,” World Politics Vol. 47, January 1995, pp. 171-209.

^{xxxii} For more information on the increase in international investment flows and the comparative lack of security mechanisms amongst states and/or firms, see Bowles, p. 228.

^{xxxiii} The recent growth of the service sector of the international economy can also be seen as an incentive for regionalism over global multilateralism as it is argued that geographical and cultural proximity is a more influential variable in service provision patterns than those of visible trade. This intriguing argument can also be seen as a potentially tempering or challenging point to much of the “globalization” literature. For more information, see Hill.

^{xxxiv} Crone, p. 503.

^{xxxv} Crone, p. 504.

^{xxxvi} Hill, p. 12.

^{xxxvii} For more insights into the importance of 3rd party monitoring for the success of regional organizations, see Beth V. Yarborough and Robert M. Yarborough, "Regionalism and Layered Governance: The Choice of Trade Institutions," Journal of International Affairs Vol. 48, Summer 1994, pp. 95-118.

^{xxxviii} Higgott. "The International Political Economy of Regionalism: The Asia-Pacific and Europe Compared," p. 45.

^{xxxix} Fearon, p. 298.

^{xl} Fearon, p. 298.

^{xli} For more information on explicit/rule based regimes and implicit/policy regimes, see Fearon, p. 298, and Maria Lourdes Aranal-Sereno, "Dispute Settlement in ASEAN Economic Agreements: Prospects and Problems," in The ASEAN: Thirty Years and Beyond, eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago (Quezon City: International Institute of Legal Studies, University of the Philippines, 1997), pp. 385-420, and Kahler.

^{xlii} Fearon, p. 298.

^{xliii} Fearon, p. 272.

^{xliv} For more information on UNCTAD's NIEO and its calls for a major redistribution of wealth from the "Northern" members to the "Southern" members, see Lawrence Juda, "World Shipping, UNCTAD, and the New International Economic Order," International Organization Vol. 35, Summer 1981, pp. 493-516, Robert L. Rothstein, "Is the North-South Dialogue Worth Saving?," Third World Quarterly Vol. 6, January 1994, pp. 155-81, and Robert Ramsay, "UNCTAD's Failures: The Rich Get Richer," International Organization Vol. 38, Spring 1984, pp. 387-97. While many people may disagree that the NIEO was ever put into practice and thus was a stillborn regime, this very criticism highlights well the comparative difficulty of establishing and maintaining serious collaborative regimes, especially ones with a large number of members with diverse interests and resources.

^{xlv} In support of this interest diminution point, Keohane argues that "as the distribution of tangible resources, especially economic, become more equal (as Heckathorn noted may happen in the third stage of the production function while also suffering from diminishing returns), international regimes should weaken," cited in Crone, p. 502. (parentheses added by present author)

^{xlvi} For more information on how collaboration regimes have been treated as "Prisoner Dilemma" games and structures for dealing with problems of enforcement, see Fearon.

^{xlvii} Cited in Fearon, p. 274.

^{xlviii} In much of the literature on bargaining theory, the terms bargaining and negotiation are treated as interchangeable, and this paper will follow this pattern, while mostly using the term bargaining.

^{xlix} James K. Sebenius, "Negotiation Arithmetic: Adding and Subtracting Issues and Parties," International Organization Vol. 37, Spring 1983, pp. 281-316.

¹ For a popular example of the positive impact of promoters on preference orderings, it is quite common for the friendliness and competence of a sales clerk to impact greatly on a customer's choice to buy something or not (i.e. join a set of relations or not) as well as on what the customer buys, and how long the customer stays in contact with the sales clerk (i.e. preference orderings).

^{li} Reflecting back to the stillborn nature of the NIEO, even up to today, negotiations over similar issues take place within the UNCTAD structure and "Southern" member-states still hold up the "Northern" member-states' promise of contributing a minimum of 0.7% of their annual GNP to ODA. For the depiction of the UNCTAD negotiations as a non-serious bargaining game and its NIEO agreements as non-serious results, see Rothstein, and Ramsay.

^{lii} See Fearon for more insights into the "selection effect" and its limiting nature for bargaining analysis.

^{liii} Fearon, p. 290.

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- ^{liv} See Sebenius for more details on and examples of complementary issues and their positive effect on bargaining results.
- ^{lv} A good example of the inutility of economic data if no common standard exists is the vexing problem of certain states incorporating re-exports in their export figures while others don't.
- ^{lvi} Sebenius, p. 292.
- ^{lvii} See Yamaguchi Kazuo, "Power in Networks of Substitutability and Complementarity Exchange Relations: A Rational-Choice Model and Analysis of Power Centralization," American Sociological Review Vol. 61, April 1996, pp. 308-32.
- ^{lviii} Fearon, p. 270.
- ^{lix} Sebenius, pg. 300.
- ^{lx} Sebenius, p. 308.
- ^{lxi} For an example of how "loosely" structured negotiations and regimes may help lead to more successful results than if these negotiations were "tightly" structured, see Michael Antolik, "ASEAN and the Utilities of Diplomatic Informality," in The ASEAN: Thirty Years and Beyond, eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago (Quezon City: Institute of International Legal Studies, University of the Philippines, 1997), pp. 441-458.
- ^{lxii} Sebenius, p. 303.
- ^{lxiii} Fearon, pp. 277, 287, 307.
- ^{lxiv} For a classic work on the view of the bureaucracy as an arena of self-interested competition and the bureaucratic politics model, see Morton Halperin, "Why Bureaucrats Play Games," Foreign Policy Vol. 2, 1970, pp. 70-90.
- ^{lxv} APEC, APEC Economic Leaders' Declaration for Action (1995), Sec. 3.
- ^{lxvi} Fearon, p. 295.
- ^{lxvii} Crone, p. 513.
- ^{lxviii} Crone, p. 513.
- ^{lxix} Crone, p. 513.
- ^{lxx} For more details on the lack of inter-state social networking and institution-building in the Asia-Pacific region, see Kahler.
- ^{lxxi} Higgott, "The International Political Economy of Regionalism: The Asia-Pacific and Europe Compared," p. 57.
- ^{lxxii} Examples of historical antagonism between states and societies of the region would include the antagonism felt toward the Japanese state and society by China, South Korea, and Southeast Asian states and societies, animosity toward China within Southeast Asia, etc. See Higgott, "APEC: A Skeptical View".
- ^{lxxiii} Funabashi, p. 5, Garnaut, p. 56.
- ^{lxxiv} For more information on this shift in state policy toward the domestic political economy in both Australia and New Zealand, see Garnaut, pp. 95-117.
- ^{lxxv} For more information on this intra-state change of economic philosophy and consequent policy, see Ponciano S. Intal, Jr., "ASEAN and the Challenge of Closer Economic Integration," in The ASEAN: Thirty Years and Beyond, eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago (Quezon City: Institute of International Legal Studies, University of the Philippines, 1997), pp. 29-56.
- ^{lxxvi} Funabashi, p. 4.
- ^{lxxvii} Kahler, p. 28.

^{lxxviii} For changes of the like within Southeast Asian states and within ASEAN itself, see Maria Socorro Gochoco-Bautista, “The Evolution of ASEAN External Relations: Economic Aspects,” in The ASEAN: Thirty Years and Beyond, eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago (Quezon City: Institute of International Legal Studies, University of the Philippines, 1997), pp. 112-113.

^{lxxix} This phenomenon of states “hiding” the responsibility for policy shifts by arguing it they are necessary conditions of membership to an inter-state regime is noticeable in developing states relations with bodies like the IMF and IBRD. As well, it is a well-used argument that the Japanese state uses the excuse of foreign pressure (*gaiatsu*) to lessen the political costs of policy shift desired by the Japanese state itself.

^{lxxx} The three largest being the USA, Japan, and China. Funabashi, p. 2.

^{lxxxi} Again, it should be reiterated that in line with the paper’s definition of economic region used in this paper, pre-WWII Asia-Pacific was almost as integrated a region as today’s Asia-Pacific, with WWII and the Cold War acting as a disintegrative political interlude. Kahler, p. 27.

^{lxxxii} Garnaut, pp. 89, 114.

^{lxxxiii} Garnaut, p. 62.

^{lxxxiv} For the Australian fears of a bilateral free trade agreement with the United States if no other broader regional organization could be developed, see Funabashi, p. 60. For the fear of Australia and ASEAN on the drying up of traditional markets, see Garnaut, p. 12. For more information on Australia and New Zealand’s focus on East Asia as a key economic region, see Crone.

^{lxxxv} For more details on this original exclusion by Australian planners of the North American states, see Nicole Gallant and Richard Stubbs, “APEC’s Dilemmas: Institution-Building around the Pacific Rim,” Pacific Affairs Vol. 70, Summer 1997, p. 207.

^{lxxxvi} Bernard and Ravenhill, p. 181, Bowles, p. 222.

^{lxxxvii} For more details on this argument of a regional production system with Japan at the centre and the US as the export market, see Crone, and Bernard and Ravenhill.

^{lxxxviii} Even before the moves to develop an Asia-Pacific economic regime, the Japanese state had been a strong supporter of the ASEAN regime and its economic endeavours and was the key force in the establishment of the Asian Development Bank (ADB) as well. For more information on the Japanese state’s role in supporting ASEAN economic endeavours, see Gochoco-Bautista, and Suelo Sudo, The Fukuda Doctrine And ASEAN (Singapore: ISEAS, 1992). For information on the Japanese state’s role in the formation of the ADB and its interests in strengthening both the Southeast Asian region in general and Japanese ties with that region, see Ming Wan, “Japan and the Asian Development Bank,” Pacific Affairs Vol. 68, pp. 509-528.

^{lxxxix} Funabashi, p. 37.

^{xc} Funabashi, p. 58, and Gallant and Stubbs, p. 207.

^{xc} Crone, p. 520.

^{xcii} Funabashi, pp. 58-59.

^{xciii} For more details on Japan and Australia as collective action “promoters” and the role of PECC, see Funabashi, pp. 1-10, Crone, p. 514, Aggarwal, pp. 46-51, and Higgott, “APEC: A Skeptical View”.

^{xciv} Crone, p. 502, Funabashi, p. 80.

^{xcv} Funabashi, p. 5.

^{xcvi} Garnaut, p. 40.

^{xcvii} For more information on Prime Minister Mahatir’s “Asian only” option, see Funabashi, and Richard Stubbs, “Asia-Pacific Regionalism Versus Globalization: Competing Forms of Capitalism,” in Regionalism and Global Economic Integration: Europe, Asia and the Americas, eds. William D. Coleman and Geoffrey R.D. Underhill (London: Routledge, 1998), pp. 68-80.

^{xcviii} Higgott, “APEC: A Skeptical View,” p. 91.

^{xcix} For an interesting look into this argument and the Japanese state’s support for it, see Robert Wade, “

^c For more insights into this “Asian capitalism” argument, see Stubbs, Gallant and Stubbs, and Higgott, “The International Political Economy of Regionalism: The Asia-Pacific and Europe Compared.”

^{ci} Funabashi, p. 110.

^{cii} Crone, Garnaut, p. 30, and Robert Baldwin, “The New Protectionism: A Response to Shifts in National Economic Power,” in International Political Economy: Perspectives on Global Wealth and Power, eds. Jeffrey A. Frieden and David A. Lake (New York: St Martin’s Press, 199), pp. 339-352.

^{ciii} Garnaut, p. 167.

^{civ} Michael Haas, “ASEAN’s Pivotal Role in Asia-Pacific Regional Cooperation,” in The ASEAN: Thirty Years and Beyond, eds. Maria Lourdes Aranal-Sereno and Joseph Sedfrey Santiago (Quezon City: Institute of International Legal Studies, University of the Philippines, 1997), pp. 271-298.

^{cv} Bowles, p. 923.

^{cvi} Funabashi, p. 165.

^{cvii} For details on this “bloc” argument, see Diana Tussie, “Globalization and World Trade: From Unilateralism to Regionalism,” Oxford Development Studies Vol. 26, February 1998, pp. 33-46, and Marc L. Busch and Helen V. Milner, “The Future of the International Trading System: International Firms, Regionalism and Domestic Politics,” in Political Economy and the Changing Global Order, eds. Richard Stubbs and Geoffrey R. D. Underhill (), pp. 259-74.

^{cviii} Funabashi, pp. 73,78,106-7.

^{cix} Garnaut, p. 1.

^{cx} Garnaut, p. 143.

^{cxii} Aggarwal, p. 48, and Ruggiero is cited in Garnaut, p. 2.

^{cxiii} Bowles, p. 225.

^{cxiiii} This recognition of Indonesia as the leading state in the ASEAN region and regime can be seen in the Australian “promoters” belief that it was key for ASEAN regime support of APEC to get Suharto on side. Funabashi, p. 56. Looking at the EU discourse, authors often treat the Indonesian state and its role in ASEAN similarly to presentations of the German one and its role in the EU. As well, the depiction of the Malaysian state’s role and actions in ASEAN share much with that of the French state and the EU.

^{cxv} Hill, p. 13.

^{cxvi} For more information on this regional shift to “liberalization,” see Hill, Intal, and Linda Low, “ASEAN in the New World Order,” in The ASEAN: Thirty Years and Beyond, eds. Maria Lourdes Aranel-Sereno and Joseph Sedfrey Santiago (Quezon City: Institute of International Legal Studies, University of the Philippines, 1997), pp. 245-270.

^{cxvii} For more details on this fusion of the concepts of political sovereignty with economic nationalism, see Amitav Acharya, “The Association of Southeast Asian Nations: ‘Security Community’ or ‘Defence Community’,” Pacific Affairs Vol. 64, Summer 1991, pp. 162, and especially the definition of the ASEAN principle of “national resilience.” As well, Miles Kahler defines the three conceptual pillars of the political region of Southeast Asia and of ASEAN as 1) decolonization, 2) non-alignment, and 3) economic nationalism. Kahler, p. 21.

^{cxviii} Funabashi, p. 120, and Intal.

^{cxix} Funabashi, 45-46, 90, 145-156.

^{cx} Funabashi. p. 57.

^{cxix} See Intal for the argument concerning this shift of interests of ASEAN member-states to “low politics” and the development of ASEAN Free Trade Area (AFTA). For more information on how the

AFTA agreement is more comprehensive and binding than the earlier Preferential Trading Agreement (PTA), see Joseph Sefrey Santiago, "ASEAN Framework Agreement on Services: Potential Role in ASEAN Economic Cooperation," in *The ASEAN: Thirty Years and Beyond*, eds. Maria Lourdes Aranel-Sereno and Joseph Sedfrey Santiago (Quezon City: Institute of International Legal Studies, University of the Philippines, 1997), pp. 421-440, and Jayant Menon, *Adjusting toward AFTA: The Dynamics of Trade in ASEAN* (Singapore: ISEAS, 1996).

^{cxxi} Bowles, p. 920.

^{cxxii} Menon, p. 16. For the region as a whole, intra-regional trade has only reached about 15-20% of the total trade, Hill, p. 6.

^{cxxiii} Hill, pp. 4-6.

^{cxxiv} Hill, p. 7.

^{cxxv} Hill, p. 7.

^{cxxvi} This is most noticeable in the fact that in 1980 (before the Plaza Accord spurred inflows of extra-regional FDI) 28.2% of intra-regional trade was manufactures, while by 1990 (after these inflows) it was 61.3%. Bowles, p. 223. As well, from 1978 to 1988, intra-industry trade as a percentage of total trade increased by 91% for the Philippines, 90% for Indonesia, 85% for Thailand, and 64% for Malaysia. Bowles, p. 223.

^{cxxvii} Hill, p. 17.

^{cxxviii} From 1985-1990, for the ASEAN 4 (Indonesia, Malaysia, Philippines, and Thailand) FDI inflows increased from 0.6% of the combined annual GDP to 2.4%. Bowles, p. 222. As well portfolio investment to the ASEAN region as a whole increased from a total of 2.4 billion dollars US in 1990 to 25 billion dollars US in 1994. Tan Loong-Hoe and Chia Siow-Yue, p. 138.

^{cxxix} Bowles, p. 219, Crone, p. 513, and Joseph A. Camilleri, "ASEAN's Unique Contribution to Regional Security," in *THE ASEAN: Thirty Years and Beyond*, eds. Maria Lourdes Aranel-Sereno and Joseph Sedfrey Santiago (Quezon City: Institute of International Legal Studies, University of the Philippines, 1997), p. 303.

^{cxix} Crone, p. 221.

^{cxixi} Haas, p. 274. Also see Hill for more information on the low utilization rate of the PTA's inclusion list. Hill, p. 7.

^{cxixii} Bowles, pp. 220-222.

^{cxixiii} For more information on this movement to a more rule-based, sanction-oriented set of economic policies, see Aranel-Sereno, and Menon.

^{cxixiv} See Hill for more information on the changes to these lists and their requirements.

^{cxixv} Menon, p. 28.

^{cxixvi} Hill, p. 5.

^{cxixvii} Low, pp. 276-277.

^{cxixviii} Aranel-Sereno, p. 397.

^{cxixix} Hill, p. 7.

^{cxli} Gochoco-Bautista, p. 83.

^{cxli} Camilleri, p. 307.

^{cxlii} Tan and Chia, p. 193.

^{cxliii} Crone, p. 513.

^{cxliiv} Hill, p. 21.

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- ^{cxlv} Mohammed Arif and Tan Loong-Hoe, eds., ASEAN Trade Policy Options: The Uruguay Round (Singapore: ISEAS, 1988), p. 206.
- ^{cxlvi} Hill, p. 7. Other “Third World” inter-state regimes include the Gulf Cooperation Council in the Middle East, ECOWAS in West Africa, the OAU for all of Africa, Mercosur and the Andean Pact in Latin America, and Caricom in the Caribbean.
- ^{cxlvii} For information on the effects of the fall of Vietnam on the ASEAN regime, see Kahler. For more background on the collective diplomacy track of ASEAN member-states, see Acharya.
- ^{cxlviii} Acharya, p. 166.
- ^{cxlix} Reflecting back on Kim and Bearman’s point that very few collective action groups are able to maintain themselves, it would seem that the ASEAN regime is one such successful rarity.
- ^{cl} Gochoco-Bautista, p. 88. The siting of this Secretariat in Jakarta can be seen as yet another sign of the Indonesian state’s leadership mantle in the ASEAN regime and region.
- ^{cli} Kahler, p. 16.
- ^{clii} Intal, p. 30.
- ^{cliii} For more insights into the linking of these two phenomena and the supporting role economic development and cooperation was seen by ASEAN founders to play for intra-regional security dispute settlement and regional security resilience, see Kahler, Acharya, and Camilleri.
- ^{cliv} This is most noticeable by the fact that, while the two major economic agreements of ASEAN have both had DSMs, these DSMs have been given no “teeth,” and no two states have ever used them. See Aranel-Sereno.
- ^{clv} Amer, p. 335. This Malay term approximates the Filipino term of *pakikisama*.
- ^{clvi} Amer, p. 335.
- ^{clvii} For more information on the policy regime (Principled club) nature of the ASEAN regime, see Intal, Gochoco-Bautista, and Aranel-Sereno. Highlighting the lack of rules and detailed agreements stemming from ASEAN regime deliberations, the founding document of AFTA was only 8 pages in length, see Funabashi, p. 8.
- ^{clviii} A clear manifestation of this conflict avoidance over resolution point is that the Malaysian state still has territorial disputes with all other original member-states of ASEAN, as well as Vietnam. Acharya, p. 173.
- ^{clix} Camilleri, pp. 302-303.
- ^{clx} Funabashi, p. 69.
- ^{clxi} Low, p. 252.
- ^{clxii} Funabashi, p. 69.
- ^{clxiii} Gochoco-Bautista, p. 119.
- ^{clxiv} For the fear of APEC “replacing” ASEAN, see Funabashi, p. 67. For the interpretation of APEC as a “Northern” plot (an idea espoused by some of the original Philippine appointees to PECC), see Crone, p. 511.
- ^{clxv} The organizational strains of regime participation on individual actors is seen as one of the key costs of membership, and one that is particularly salient for small actors and resource-poor actors. See Sebenius for more details on this problem. For insights into how membership in both ASEAN and APEC are stretching certain states’ diplomatic capacity, see Funabashi, p. 214, and Gallant and Stubbs, p. 212.
- ^{clxvi} Philippine Foreign Policy Overview (Manila: Foreign Service Institute, 1996), p. 35.
- ^{clxvii} Funabashi, p. 193.

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- clxviii Funabashi, p. 56. Again this shows the assumption by non-ASEAN actors that Indonesia is the leading state within the ASEAN regime as well as how President Suharto's strong attachment of Indonesian state interests to APEC membership was key to APEC's success.
- clxix For this APEC regime produced collective good of moderating US trade policy and its disruptive effects, see Garnaut, p. 40.
- clxx Funabashi, p. 13. The OECD was also rejected as an organizational model as it was seen as too bureaucratic; even though some see APEC as rooted in the OECD process. See Funabashi, p. 514, for the OECD as a negative model point, and Camilleri, p. 322, for the OECD-APEC connection.
- clxxi Funabashi, p. 77.
- clxxii For more information on the informal and apolitical nature of APEC leaders summit., see Funabashi, p. 115-142. For information on the structured nature of APEC Senior Officials Meetings (SOMs), see Higgott, "APEC: A Skeptical View," p. 71.
- clxxiii Crone, p. 511, also see Higgott, "APEC: A Skeptical View," p. 91, for the New York Times description of APEC as a "little known economic consulting group" when reporting on the Seattle Summit.
- clxxiv Gallant and Stubbs, p. 213.
- clxxv Funabashi, p. 64.
- clxxvi Funabashi, p. 209.
- clxxvii See Garnaut, pp. 8,83, and Tan and Chia, p. 189, for more details on WTO requirements for a RTA.
- clxxviii Funabashi, p. 90.
- clxxix Association of Southeast Asian Nations, "Joint Communique, the ASEAN Joint Ministerial Meeting," in ASEAN Newsletter 37, January-February , 1990, pp. 3,20, cited in Haas, p. 275.
- clxxx Garnaut, p. 85.
- clxxxi Haas, p. 278, and Garnaut, p. 13.
- clxxxii Funabashi, p. 90.
- clxxxiii Funabashi, pp. 94-95.
- clxxxiv Funabashi, p. 156, Gallant and Stubbs, p. 208, and Higgott, "APEC: A Skeptical View," p. 72.
- clxxxv Funabashi, p. 77.
- clxxxvi See Garnaut p. 3. for the similar preference orderings of the ASEAN regime, and Japan and China vis-a-vis APEC development, and Funabashi, p. 109 for the informal "EAEC" contention.
- clxxxvii See Gallant and Stubbs, pp. 209-211, for more information on the CUA approach and how it meshed with ASEAN regime desires within APEC.
- clxxxviii Crone, p. 524.
- clxxxix For more information on South Korean and Japanese state interests in this actor addition and the "grandfathering" role of South Korean diplomacy, see Funabashi, p. 73.
- cx c Funabashi, p. 115.
- cxci Crone, p. 523.
- cxcii Funabashi, pp. 98, 121.
- cxciii Funabashi, p. 90.
- cxciv Haas, p. 297.
- cxcev Funabashi, p. 165.

^{cxvii} Gochoco-Bautista, p. 85.

^{cxviii} Garnaut, p. 3.

^{cxix} Funabashi, p. 86.

^{cc} Intal, p. 40.

^{cci} Arif and Tan, pp. 21-23.

^{ccii} For more details on the ASEAN investment area, see Hill, p. 11, and for details on the services committee, see Tan and Chia, p. 183.

^{cciii} Intal, p. 34.

^{cciv} Intal, p. 48.

^{ccv} Low, pp. 254-255.

^{ccvi} Funabashi, p. 107.

^{ccvii} Funabashi, pp. 115, 142.

^{ccviii} For this term/concept the “Asian 10”, see Gochoco-Bautista, p. 90. For more details on the assumed desire of East Asian states for regional diplomatic integration and identity creation, see Stubbs, and Higgott, “The International Political Economy of Regionalism: The Asia-Pacific and Europe Compared.”

^{ccix} Hill, p.7, and Bowles, p. 221.

^{ccx} Gochoco-Bautista, p. 86, and Bowles, p. 224.

^{ccxi} Funabashi, p. 92.