EEC - ASEAN ECONOMIC RELATIONS

85776

Ъy

H.L. Kottachchi, B.Com.

A Research Essay submitted to the Faculty of

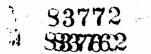
Graduate Studies and Research in partial

fulfilment of the requirements for the degree of

Master of Arts

in

International Affairs



The Norman Paterson School of International Affairs

Carleton University

Ottawa, Ontario

Canada

September 1980

ABSTRACT

In March 1980, after five years of discussions, the EEC and ASEAN signed a commercial cooperation agreement. This agreement marks the beginning of a new pattern of economic relations between ASEAN and the EEC.

This study not only examines the evolution of EEC-ASEAN relationship, but also highlights the potential for future EEC-ASEAN cooperation. However, in this particular study emphasis will only be placed on three major types of economic flows, namely trade, investment and aid, between ASEAN and the EEC.

By analysing the present system of North-South linkages, this Essay basically reveals that there is little scope for much cooperation between ASEAN and the EEC, unless the EEC is prepared to promote more liberal economic policies toward ASEAN. CONTENTS

-

٠

j

	page
ABSTRACT	ii
ACKNOWLEDGEMENTS	iii
LIST OF TABLES	vi
LIST OF FIGURES	viii
ABBREVIATIONS	ix
CHAPTER I - ELEMENTS OF NORTH-SOUTH LINKAGES	1
CHAPTER II - EEC AND THE THIRD WORLD	26
2.1. EEC Relations with the Associated States	31
2.2. EEC Economic Policies Towards Semi-Associated States	37
2.3. The Community's Relations With the Non-Associated States	41
CHAPTER III - ASEAN AND ITS ECONOMIC RELIANCE ON DEVELOPED COUNTRIES	49
3.1. ASEAN - Its Formation, Aims and Objectives	49
3.2. Peace and Political Stability in the Region	51
3.3. External Linkages and Economic Development in the ASEAN Region	54
3.3.1. The Impact of External Linkages on Commodity Trade	55
3.3.2. The Impact of External Linkages on Industrial Development	65
3.3.3. Industrial Development Strategy and Foreign Investments in the Region	67
3.3.4. Foreign Aid and Economic Development	76
3.4. ASEAN'S Trade Prospects and Future Economic Developments in the Region	77

page

17

CHAPTER IV - EEC-ASEAN ECONOMIC RELATIONS	91
4.1. Historical Evolution of EEC-ASEAN Dialogue	91
4.2. EEC-ASEAN Trade Co-operation	101
4.3. Investment and Industrial Co-operation	109
4.4. Development Co-operation	112
4.5. Economic Potential of EEC-ASEAN Economic Co-operation	. 117
CHAPTER V - CONCLUSIONS	132
APPENDIX I	144
BIBLIOGRAPHY	145