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**REGIONAL INTEGRATION AND POLITICAL RIVALRIES
AMONG THE EAST ASIAN STATES AND THEIR IMPACTS
ON MEKONG SUB-REGIONAL DEVELOPMENT**

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Preface

The Mekong River originates in Tibet and flows through the Chinese province of Yunnan before continuing on a long southward journey ending in the South China Sea. In the course of this southern journey, the extensive Mekong Basin touches the territories of six countries: China, Myanmar, Laos, Thailand, Cambodia, and Vietnam. However, four of these countries – Myanmar, Laos, Cambodia, and Vietnam – are the poorest in the region due to their economic situations, the ASEAN Economic Community for 2015 and the East Asian Regional Integration was not partly accomplished to be a united regional organization. In order to assist the poorest countries (Myanmar, Laos, Cambodia, and Vietnam) in the region, the East Asian states launched programs to support the economic development of the sub-region. The East Asian states were divided into three levels of participants: the sub-region (composed of Vietnam and Thailand), ASEAN (the peninsular and island countries), and East Asia (China and Japan). In this context, this study examines the policies and measures that the three levels of players have implemented in order to further economic development in the sub-region.

In addition, this study also examines the main factors that motivated the three levels of players to commit themselves to moving economic development forward the sub-region. This book concludes that the political rivalries have had the most positive and negative influences on the development of the Mekong sub-region. On one hand, transport infrastructure has been improved throughout the regional and underdeveloped and border areas have been benefited economically. Moreover, ASEAN's weakness of harmonizing developmental programs to provide opportunities for the Mekong countries got ASEAN programs for the development of the Mekong sub-region approved quicker. Despite these benefits, no formal institution for the Mekong sub-region has been able to show some degree of development and cooperative norms have not been adequately developed. The political rivalries have concerned themselves with the evolution of the ASEAN Economic Community for 2015 and the East Asian Regional Integration.

I would like to dedicate my work to my dearest family who played critical role in all my successes. In this respect, I wish to express my gratitude to my three sisters for their total encouragement. My final thanks go to my dearest mother for

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List of Abbreviations

ABA:	ASEAN Bankers Association
ACMECS:	Ayeyawady Chao Phraya–Mekong Economic Cooperation Strategy
ADB:	Asian Development Bank
ADF:	ASEAN Development Fund
AEM-METI:	ASEAN Economic Ministers and Minister of Economy, Trade and Industry (Japan)
AFTA:	ASEAN Free Trade Area
AIS:	Advanced Info Service
AMBDC:	ASEAN Mekong Basin Development Cooperation
AMEICC:	AEM-METI Economic and Industrial Cooperation Committee
AMM:	ASEAN Ministerial Meeting
APCF:	ASEAN-Pakistan Cooperation Fund
ASEAN:	Association of Southeast Asian Nation
BEBC:	BIMP-EAGA Business Council
BIMP-EAGA:	Brunei Darussalam–Indonesia–Malaysia–Philippines East ASEAN Growth Area
CABIS:	China–ASEAN Expo and China–ASEAN Business and Investment Summit
CAFTA:	China – ASEAN Free Trade Agreement
CAREC:	Central Asia Regional Economic Cooperation
CBTA:	Cross-Border Transport Agreement
CEPT:	Common Effective Preferential Tariff
CLM:	Cambodia-Laos-Myanmar
CLM – WG:	Working Group on Economic Cooperation in Cambodia, Lao PDR and Myanmar
CLMV:	Cambodia-Laos-Myanmar-Vietnam
CLV:	Cambodia-Laos-Vietnam
DAC:	Development Assistance Committee
ECS:	Economic Cooperation Strategy
EHP:	Early Harvest Program
EU:	European Union

EWEC:	East – West Economic Corridor
FA:	Framework Agreement
FCDI:	Forum for Comprehensive Development of Indochina
FDI:	Foreign Direct Investment
FOCF:	ASEAN-Korea Future Oriented Co. Fund
FTA:	Free Trade Agreement
FTAs:	Free Trade Areas
FTAZ:	Free Trade Area Zone
GDP:	Gross Domestic Product
GIS:	Geographic Information System
GMS:	Greater Mekong Sub-Region
GRP:	Gross Regional Product
GTZ:	German Technical Cooperation Agency
HS:	Harmonized Commodity Description and Coding System
HRD:	Human Resources Development
IAI:	Initiative for ASEAN Integration
ICP:	Information and Communication Technology
JAEP:	Japan-ASEAN Exchange Project
JAIF:	Japan-ASEAN Integration Fund
JAGEF:	Japan-ASEAN General Exchange Fund
JICA:	Japan International Cooperation Agency
JODC:	Japan Overseas Development
JTD:	Joint Tourism Development
KOICA:	Korea International Cooperation Agency
LDC:	Least Developed Country
MCPTU:	Burma’s Ministry of Communications, Post and Telegraph Union
MFN:	Most Favor Nation
MoFA:	Ministry of Foreign Affairs (Japan)
MRC:	Mekong River Commission
NEDA:	National Economic Development Agency
NESDB:	National Economic and Social Development
NGOs:	Non-Governmental Organizations
NRD:	Natural Resources Development
NR2:	National Road No.2

NS:	National Secretariats
NSEC:	North-South Economic Corridor
NTFC:	National Transport Facilitation Committee
ODA:	Official Development Assistance
OECD:	Development Assistance Committee
RAPS:	Ritsumeikan Center for Asia Pacific Studies
REI:	Regional Economic Integration
RBOs:	River Basin Organizations
SARS:	Severe Acute Respiratory Syndrome
SCF:	ASEAN-Korea Special Cooperation Fund
SCO:	Shanghai Cooperation Organization
SEC:	Southern Economic Corridor
SEZ:	Special Economic Zones
SKRL:	Singapore-Kunming Rail Link
SME/SI/RI:	Small and Medium Enterprise, Supporting Industries, and Rural Industries
SMI:	Small and Medium Industry
SWG:	Special Working Group
TA:	Technical Assistance
TIID:	Infrastructure and ICT Development
UNESCO:	United Nations Educational Scientific and Cultural Organization
UNESCAP:	United Nation on Economic and Social Commission for Asia and the Pacific
UNDP:	United Nations Development Program
U.S:	United States
USD:	United States Dollar
VAP:	Vientiane Action Program
WCO:	World Customs Organization
WG:	Working Group
WTO:	World Trade Organization
WWF:	World Wildlife Fund

CHAPTER ONE

INTRODUCTION

1. Introduction

The Mekong River is one of the world's most important rivers originating in Tibet and flowing through the Chinese province of Yunnan before continuing on its long southward journey terminating in the South China Sea. In the course of the river's path, the extensive Mekong Basin touches the territories of six countries: China, Myanmar, Laos, Thailand, Cambodia, and Vietnam. The basin drainage area amounts to 795,500 km with a total length of some 4,880 km and covers close to 811,000 square meters, and sustains a population of 65.5 million (Mya, 41). It is extremely rich in natural resources. The land along the Mekong sub-region yields timber, minerals, coal, and petroleum and with water itself, the Mekong River supports agriculture, fisheries, and produces energy for hydropower. Despite these vast natural resources, the majority of the people living in the Basin still remain poor and their Gross Domestic Product (GDP)¹ per capita is the lowest amongst the Southeast Asian countries. With the exception of Thailand with a GDP of US\$2,239 (Table 1), the other countries in the Mekong sub-region, Cambodian, Laos, and Myanmar (CLM), are characterized as the 'least developed countries' (LDC) by the United Nations (UN) and the Development Assistance Committee (DAC) of the Organization of Economic Cooperation and Development (OECD). GDP per capita of the CLM countries is US\$314, US\$364, and US\$179, respectively. Vietnam has a slightly higher GDP and is classified as a low-income country by the OECD-DAC with a GDP of US\$483 (Table 1). The CLMV countries contributed only 7.7 percent of total GDP in 2003, despite having their 28.3 percent of the population of ASEAN. Singaporeans were on average 45 times wealthier than the Vietnamese and 70 times that the Cambodians. The non-sovereign member of the Mekong Regional Zone, Yunnan, has the Gross Regional Product (GRP) per capita of US\$695 (Ishida, 2005: 1).

Table 1: Population and Gross Domestic Product (GDP) in ASEAN, 2003.

Countries and Organization	Population (Thousands)	GDP (US\$ million)	Per capita GDP (US\$)
Brunei	363	4,715	12,973
Cambodia	13,320	4,327	314
Indonesia	213,720	243,508	1,141
Laos	5,620	2,046	364
Malaysia	25,030	103,952	4,150
Myanmar	53,515	9,605	179
Philippines	81,081	79,149	976
Singapore	4,185	92,389	22,076
Thailand	63,947	143,170	2,239
Vietnam	80,902	39,535	487
ASEAN	541,683	722,395	1,332
Share of CLMV	28.3%	7.7%	

Source: ASEAN Statistical Yearbook 2005, 3, 41.

The Mekong countries began implementing liberalization, deregulation, and privatization policies in the 1980s, but lacked the political will power to execute the policies effectively (Wah and Ojendal, 2005: 20). The reasoning for only enacting but not executing liberalization policies was due to the effects of the Cold War on the region. However, the collapse of the Soviet Union in the 1990's brought an end to Socialism in most of the states and economic development through market liberalization in the Mekong countries became a top priority on the political agenda. Former Thai Prime Minister, general Chatichai Choonhavan, made the first move regionalism based on his vision of 'Transforming the field of battle into the field of commerce' in 1987, in order to assist the Mekong countries. Since assuming this stance, Thailand has had political influence on its neighbors including Myanmar, and thus has benefited economically through trade.

With regard to the poverty and the Indochinese countries reform, the nations in the East Asian region have tried energetically to initiate many concrete policies and measures to compete with one another to influence the development in sub-region. As a result, they have influenced the sub-region remarkably, both positively and negatively. In this context, the states in the East Asian region have been divided into three levels by the author. Each level will be discussed to their own respective empirical chapter. The first level is the 'Sub-region'; and is defined as a rivalry between Vietnam and Thailand over who will assume leadership in the development of the sub-region. The second level is the

‘Association of Southeast Asian Nations’ (ASEAN), which consists of the peninsular mainland, Singapore and Malaysia, and the nearby island countries of Indonesia, The Philippines, and Brunei Darussalam. Lastly, there is the ‘East Asian’ level, which consists of the long-lasting rivalry between the traditional Great Powers of East Asia, China and Japan over who can exert the most external influence on sub-regional development. This study will cover the time period from 1990’s into the new millenniumⁱⁱ.

The founding six member states of ASEAN: Indonesia, Malaysia, the Philippines, Singapore, Brunei Darussalam, and Thailand have worked diligently to accept the four newest members Cambodia, Laos, Myanmar, and Vietnam (CLMV) who are also located in the Southeast Asian region. The ASEAN-6 encouraged the CLMV countries to join in the vision of a ‘Southeast Asian Consensus’ instead of leaving them out of the regional decision-makingⁱⁱⁱ. In the age of globalization and regionalization, they acknowledged that they could not afford to face the international economy as individual states without regional arrangement or grouping and saw value in cooperation and collective bargaining when dealing with outside powers and international organizations that could not be achieved as individual states. For these reasons, ASEAN formally adopted the CLMV countries as new members of the organization beginning with Vietnam in 1995, Laos and Myanmar in 1997, and finally Cambodia in 1999.

A roadmap of the ASEAN Economic Community for 2015 was created by the ASEAN-10 member countries. Despite the formal inclusion of the CLMV, there remains a gap between the ASEAN-6 and ASEAN-4 (CLMV) in terms of economic development (Table 1). The difference in economic development represents the greatest obstacle to regional economic integration. In order to meet the goal of this roadmap, assisting economic development for the ASEAN-4 is considered to be a top priority.

In order to improve the economic prospects of the newer and poorer members of ASEAN, the ASEAN-Mekong sub-region’s economic development programs were created by the ASEAN-6. However, the domestic commitments to these programs between the ASEAN-6 member countries vary between countries, reflecting their domestic, political, and economic conditions. Despite the stated shared interest in developing stronger regional economic integration and unity between ASEAN members. An important example of this is the case of Thailand and Vietnam. As the two largest countries in the sub-region, they have historically

competed with each other in order to influence the weaker and smaller CLM countries. Vietnam in the past has created many projects for the development of the Mekong sub-region since the end of the Cold War including the ‘East-West Economic Corridor’ and ‘Socio-economic Development of a Master Plan for the Cambodia – Laos – Vietnam Border Area’ projects in order to respond to the ‘Transform the Field of Battle into the Field of Commerce’ policy launched by the former Thai Prime Minister General Chatichai Choonhavan in 1987. To rival with Vietnam, Thailand has supported the programs through ASEAN and initiated its own bilateral programs with the CLM countries such as the Golden Quadrangle and the Ayeyawady Chao Phraya – Mekong Economic Cooperation Strategy programs. The detail of these rivalries will be discussed in Chapter III. On the other hand, Singapore and Malaysia have taken advantages of the ASEAN-initiated programs ‘ASEAN Mekong Basin Development Cooperation’ (AMBCD) and ‘Initiative for ASEAN Integration’ (IAI), which favor of the Mekong sub-region countries. Due to the fact that Singapore and Malaysia have the highest degree of economic development among the ASEAN members, they have been strongly committed to the creation of the AMBCD and IAI programs. The island countries of Indonesia, The Philippines, and Brunei Darussalam have showed modest commitment to the AMBCD and IAI programs because of their geographical location and the limited effect for their own economic development. The details of these two actors will be later discussed in the Chapter IV.

The Mekong sub-regional development is also influenced by non-state actors, especially the Asian Development Bank (ADB)^{iv} who’s stated aim is to assist the economic development of the sub-region. In 1992, the ADB created the Greater Mekong Sub-region (GMS) economic development program initiated to improve the life of the impoverished people in the sub-region by contributing the improvement of infrastructure to facilitate the development and distribution of the resource base, as well as advancing freer flow of goods to the people in the sub-region (Ishida, 2005: 1). The Technical Assistance (TA) and general direction of developing the sub-region from the ADB has mostly met the needs of the Chinese government and their want to develop the sub-regional economic cooperation. In return, China has been able to develop their most underdeveloped areas in an economic sense. In the political sense, China has been partially able to influence to the entire ASEAN member countries. These are the reasons to why the Chinese government has been so actively involved in the GMS program. Yet, these

benefits have not been satisfactory enough. China, as a regional super power, has aimed to rival with Japan, another regional super economic power. So, China has supported ASEAN's programs and thus created its own program to sustain the development of the Mekong sub-region.

The economic development of the Mekong sub-region is a major driving force in East Asian regional economic integration. Yoshimatsu (2008: 2) argues that the regional economic integration, which is accompanied by trade, investment, and services liberalization, depends very much upon the readiness of the least developed members, (namely the CLMV countries). Japan has played a vital leadership role in the East Asian integration by contributing to realizing the GMS program, ASEAN's programs, and helped to initiate many of the programs that have advanced the sub-region. However Japan's strategic vision is not purely altruistic, and has been able to gain benefits from its programs and projects. This has been done to rival the significant inroads made by the Chinese recently. These rivalries will promote a general Japanese interest to reduce the political, economic, diplomatic, and other influences on the Southeast Asian from China. In these regards, the relationship between China and Japan will be discussed in detail in Chapter V.

2. Research Objectives

Since the end of the Cold War, states in the East Asian region have been launched many programs and projects to improve the economic condition of the Mekong sub-region. Simultaneously, China and Japan have competed with one another through the ADB's "GMS" programs to further their economic and political interests. In this book, there are three objectives which are as followed:

The first objective is to explore the policies and measures that the states in the East Asian region have implemented in order to support the development of the Mekong sub-region.

The second objective is to explore the main factors that have motivated states in East Asian region to commit themselves to the improvement of the Mekong sub-region.

The final objective is to analyze the influence of rivalries in the East Asian region upon development in the Mekong sub-region.

3. Significance of this Research

This research has significance in three areas. First, the states in East Asia have provided their assistance, untainted, with severe self-serving political and economic interests. The discussions on political rivalries existing among the states in the East Asian region will hopefully shed light on these interests. Secondly, this study will provide an improved understanding of how the countries in the East Asian region contributed to the Mekong sub-region economic growth. This can give a clearer picture of how else the Mekong sub-region can be helped in its development and assess the political issues arising from the states in the East Asian region projects and programs. Finally, it is also essential for the Mekong sub-region's policy makers to be fully aware of the negative effects of their political rivalries. Once they gain an understanding of these, they can provide solutions to minimize these negative effects of the rivalries and contribute further a more effective development of the sub-region. The findings of this research that are expressed in each empirical chapter will give useful insight and recommendations for current and future scholars, policy makers or any individual or group who intend to promote the development of the Mekong sub-region.

4. Structure of this Book

This research proceeds into six main chapters which are as followed:

Chapter II is dedicated to a review of literatures relevant to the subject. The overview of the past literature on international economics, environmental, and international politics perspectives is given. After presenting and analyzing the works of other scholars, assessments and conclusions will be made after the literature review has been presented. Research questions and research methodologies will be discussed after the literature review has been presented.

Following the review of literature. Chapter III examines the policies and measures implemented by the Vietnamese and Thai governments to maintain the development of the Mekong sub-region. Later on, this paper will analyze the reasons of the making those of policies and measures. Next, the paper will examine the policies and measures and now they affect the Mekong sub-region. The conclusion in this section answers to three empirical research questions previously mentioned.

Chapter IV presents ASEAN's policies and measures aimed at sub-regional development. This chapter highlights the interests of ASEAN members that have effected the sub-region's development. In the same vein, this section gives the reasons disunited motivations and commitments from the ASEAN-6 members to move forward the sub-region, and notifies the influences of the ASEAN's uncooperative members to the sub-regional development. Lastly, these three research questions will be addressed.

Chapter V discusses the Chinese and Japanese government policies and measures, which influence the Mekong sub-region progress from outside the region. After that this paper will search for the influences of Sino-Japanese rivalry on the sub-region development in order to answer three research objectives.

Chapter VI is the final chapter of this book, in which findings will be presented. This chapter is divided into three parts in order to synthesize the findings of empirical Chapters III, IV, and V. Also in the final chapter, recommendations for further research are given.

CHAPTER TWO

REVIEW OF LITERATURE

1. Introduction

Since the 1990s, states in the East Asian region have articulated a strategic vision for Mekong sub-region economic development. The lack of economic development must be dealt with in order to meet the spirit of region economic integration and cooperation. With regard to this a discussion on the economic, environmental, and political literature related to the Mekong sub-region between the 1990s and the first decade of the new millennium is given. After conducting the literature reviews, the assessments of the former scholars will be stated. This review will not argue methodological approaches, but rather attempt to summarize major findings, both supporting and opposing concerning over the Mekong sub-region development.

2. Economics perspectives

Mya (1997) and Humphries (2000) examine the economic conditions of the Mekong sub-region countries and the economic influence of a variety of supportive projects under the GMS economic development program on them. According to their studies, development of the Mekong sub-region is defined by conflicting interests in several sectors especially energy, tourism, Human Resources Development (HRD), transport infrastructure, telecommunications, trade and investment, and other sectors. The studies also find that these conflicts of Mekong interests are compounded by international differences in political, economic, accounting and legal systems, and levels of economic development between countries. Hourn & Chanto (2001) as well as Krongkaew (2004), agree with Mya's and Humphries's assessments. They also analyzed the economic situations of the Mekong nations and the economic influence cooperative projects (transportation, energy, telecommunications, tourism and other projects) under the ADB's GMS program. They conclude that the biggest problem facing development in the sub-region is the lack of HRD and as such, recommend that improvement in human resources be prioritized for development programs.

Ishida (2005) examines the most important flagship projects under the GMS program. According to the study, since the GMS program began in 1992, projects under the program have expanded and flourished including the development of three economic corridors^v are composed of the East-West, North-South, and Southern^{vi}. He also discusses progress in dealing with illegal immigrants from the CLM countries and the positive impact of Foreign Direct Investment (FDI) on the trade deficits. Finally, he adds that improvements have been made in education, public security, eradicating corruption, and establishing legal certainty.

Similarly, Ishida (2007) explores which projects under the GMS program have been effective. Agreeing with Ishida 2005's assessments, he highlights that road infrastructure projects have played an extremely important role in the development of Mekong sub-region. He finds that the three corridors have led to the development of three economic corridors (East-West Economic Corridor, North-South Economic Corridor, and Southern Economic Corridor). The East-West Economic Corridor is a simple route from Danang of Vietnam on the coast of the Pacific Ocean, to Maulamyine of Myanmar on the coast of the Indian Ocean. The North-South Economic Corridor is divided into divisions: Bangkok-Kunming Road and Kunming-Hanoi-Haiphong Road. The Bangkok-Kunming Road has two routes between Chiangrai of Thailand and Xiaomengyang of China, which are the Laos Route and the Myanmar Route. The Southern Economic Corridor has two routes between Sisophon and Phnom Penh: the National Road 5 (NR5) route and the NR 6 route. Additionally, he concludes that the business community has paid more attention to the Bangkok-Hanoi Road than the East-West Economic Corridor.

On the other hand, Ishida (2009) in the "Special Economic Zones and Economic Corridors" shows that the candidates for the Special Economic Zones (SEZs) in the CLMV countries consist of four types: metropolitan areas, ports and harbors, border areas, and junctions or intersections. The first two types are based on the experience of forerunning ASEAN countries and the later two are based on the economic corridors of the GMS Regional Economic Cooperation Program. The study develops strategies that to develop Cambodia, the country-specific strategies are Phnom Penh and Sihanoukville as one set and strategies for border areas are Bavet and Poipet. Vietnam's strategies are Vietiane, Savannakhet, and Luang Namtha. With regard to Myanmar, Yangon and Thilawa region, the west coastal area of Malya Peninsula, this includes Maulamyaine and Dawei, and

Mandalay and Sagine are the country-specific strategies. Finally, the SEZ strategies are in Central Vietnam, which includes Danang, Hue, Don Ha and Lao bao.

With regard to political and economic development and cooperation, Withaya (2006) examines the concept and function of the Ayeyawadi-Chao Praya-Mekong Economic Cooperation Strategy (ACMECS)^{vii} to expand of ASEAN to include the CLMV countries. In his study, he argues that the ACMECS aims to enrich Thaksin's business empire and there are elements of a Sino-Japanese rivalry. He explains that Japan has engaged in regular meetings with the economic ministers of the CLMV countries under the ACMECS to grow interest among Japanese business in the region as a promising destination for development. On the other hand, he points out that it is also interpreted as an attempt to counter the growing economic and political role of China over the region.

Similarly, Dosch (2007) discusses China's interest in the participating in the development of the sub-region. He concludes that China has been using the GMS program for its own interests. China's interests in the sub-region can roughly be divided into two areas: domestic policy for the development of China's western landlocked provinces and foreign policy to influence the ASEAN countries as a whole.

3. Environmental perspectives

Many scholars examined the politics of promoting cooperation in the Mekong sub-region through water conflict management, regional collaboration, and capacity building. They argue that water conflict prevention management, regional collaboration, and capacity building at all levels may provide solutions to the geographical complexity in the region compounded by borders population growth, changes in governance, and climate change (MacQuarrie, Viriyasakultorn, and Wolf, 2008: 175-184).

Sneddon and Fox (2006) examined the politics of the Mekong sub-regional governance and environmental protection. They spotlight on the lack of attention on trans-boundary water conflicts. Their analysis shows how ecological understandings of river basins are transformed within trans-boundary institution arrangements; the way multiple actors in trans-boundary basins construct

geographical scales in terms of the idea of “critical hydro-politics” that merges basics of political and human-environment geography; and how control over water is represented and exercised within governance and management institutions.

In the same vein, the politics of regional governance in the Mekong River Basin was presented by (Ratner, 2003). According to the study, expand civil society engagement with the individual governments in the region may partly improve regional governance in order to raise the incentives for intergovernmental cooperation.

In related vein, a study to increase the governance of Mekong regionalism was conducted by Dore (2003) who highlights the politics of the Mekong River Basin governance. He argues that regional governance needs critical civil society improvements to work with states in order to improve the Mekong River Basin management.

Like the scholars above, Lebal, Garden, and Imamura (2005) illustrate the importance of scale, position, and place for the effective governance of water resources in the Mekong sub-region. Politics of scale refers to the situations where different actors contest the spatial extent and resolution of information and decisions. Politics of position refers to the politics between localities that depend on their relative physical position to the water (i.e. between upstream and downstream water users or those on different banks of a river). Finally, politics of place refers the unfolding of power relations among stakeholders that arise because of the special characteristics of the places. According to their research, politics of place, position, and scale are each critical to water governance because of the number and diversity among the people of the Mekong sub-region.

4. International Politics of the Mekong River Basin

Yoshimatsu (2008) conducts a very interesting research. He discusses the political rivalries among the ASEAN members and with the outside powers of China and Japan in formulating a development plan for the Mekong sub-region. With regard to the ASEAN members, development strategies for each country are considerable disparities. He argues that ASEAN’s imperative restrictions to harmonizing the members’ interests allowed various commitments to the ASEAN split trouble. Interestingly, the political rivalry between China and Japan are

asymmetrical policy orientation. According to his research, the asymmetrical policy orientation is developmental for China and geopolitical for Japan. China wanted to move forward of its underdeveloped southern areas and Japan wanted to balance China's growing influence in the Southeast Asian region.

China's hydropower focused political strategy towards the Mekong sub-region is discussed by Onishi (2005). He states that China has favored unilateral action over multilateral negotiations with the downstream countries with regards to sub-regional development. He uses the fact that China was a non-signatory of the 1995 Agreement a non-membership of the Mekong River Commission (MRC) its 1997 vote against the United Nation (UN) Convention and its unilateral dam development in the upper Mekong countries as evidence of its stance towards the region. According to Onishi, China has developed a communication channel with the lower Mekong countries through the GMS program that focuses primarily on the concept of Regional Development. The GMS program deals not only water sector per se, but also with other sectors including: energy, transportation, and other sectors related to Chinese hydropower designs on the river and subsequently with downstream countries^{viii}. In this respect, he concludes by saying that this has gradually forced China to compromise with downstream nations.

In Dosch and Hensengerth's (2002) article, 'Sub-regional cooperation in the Southeast Asia: the Mekong Basis' they survey on the security dimension of the GMS programs by taking into account traditional and non-traditional security issues. They explain that the GMS program, which was established in 1992 at the initiative of the ADB. They argue that GMS Economic Cooperation has been developed as a ways to reduce political conflicts, as well as control environmental, and energy threats.

In the same vein, Makim (2002) studies on the relationship between resource politics and security in international relations by using the Mekong River Basin as a case study. His article examines resource politics and development challenges to build up regional institutions. He sees that Mekong resource system is not only linked to universal alarms for political security, but also stability.

Schmeier (2009) analyzes the environmental security politics of the Mekong River Basin. He argues that the development of the Mekong River Basin in the last decade exhibits successful cooperation as shown by the various river basin organization established in order to lessen river-related conflicts. He argues that this cooperation has also contributed to the appearance of more general

cooperation to policy fields outside river resource management. Specifically, the study examines the contribution of the Mekong River Commission (MRC) and the GMS to the sustainable development of the Mekong sub-region, and the promotion of regional cooperation in the mainland Southeast Asia as a whole. In his findings, the MRC and GMS have contributed to the resolution of water-related conflicts and the promotion of regional cooperation beyond the Mekong River itself, thus contributing to the overall security in the mainland Southeast Asia.

Politically and economically, Withaya (2006) examined concept and function of the Ayeyawadi-Chao Praya-Mekong Economic Cooperation Strategy (ACMECS) in order to the expansion of ASEAN to include the CLMV countries. In his study, he argues that the ACMECS aims to enrich Thaksin's business empire and there is some hint of Sino-Japanese rivalry. He explains that Japan has engaged in regular meetings with the economic ministers of the CLMV countries under the ACMECS was because the country aims to grow interest among Japanese business in the region as a promising destination for development. On the other hand, he points out that it is also interpreted as an attempt to counter the growing economic and political role of China over the region.

Likewise, Nguyen (2000) explains that Vietnamese foreign policy toward the Mekong sub-region countries has three purposes: to diversify of foreign relations in a new global environment; to improve relations with former adversaries; and to demonstrate trustworthiness in international relations. He argues that these threefold purposes may contribute to Vietnam's long-term goals including membership in the World Trade Organization (WTO)".

Similarly, Dosch (2007) conducts a very similar study to Nguyen regarding Vietnam's foreign policy toward the Mekong sub-region. He highlights two Vietnam's new foreign policies approaches, diversification and multi-lateralization. He argues that these approaches have materialized not only in Vietnam's engagement in regional organizations (ASEAN and the ASEAN Regional Forum), but also in a multitude of sub-regional cooperation schemes in the Mekong basin – most importantly the GMS and the MRC. Interestingly, he also comments on Chinese intentions in the sub-region. He concludes that China has been using the GMS program for its own interests. He argues that the GMS cooperation is a core element of China's policy outlook as a whole and that China's interests in the sub-region can roughly be divided into two realms of

importance. First, it is a domestic policy. The country sees development of the Mekong River Basin as an important part of developing China's poor western landlocked provinces. The second realm of importance is a foreign policy. It meant to influence to the ASEAN member countries as a whole.

The political rivalry between China and Japan is discussed by Freeman (2009). He states that China and Japan have had a long history of economic competition with one another. He points to Japan's negotiation with the riparian states of CLMV to develop the Mekong River Basin in 2005 as an example of its rivalry with China. Consequently, he argues that it is understandable that this rivalry over regional economic leadership may certainly push China to remain an important player in the development of the Mekong sub-region.

5. Assessment of Previous Studies

As shown above several of the studies related to the politics of the Mekong region tend to concentrate on the economic conditions of the Mekong countries and the economic impact of diverse cooperative projects on them (Mya, 1997; Humphries, 2000; Hourn and Chanto, 2001; and Krongkaew, 2004). Ishida's (2005 and 2007) views regarding the fact that the economic corridor project is better than other flagship projects under the GMS program. In connection, Ishida (2009) offers suggestions for areas within each of the CLMV countries suitable for the SEZs. He aimed those candidates to be placed into the economic corridor project. A second group of studies discussed in the literature above scrutinizes the management of the Mekong River as a whole and environmental protection specifically (MacQuarrie, Viriyasakultorn, and Wolf, 2008: 175-184; Sneddon and Fox, 2006; Ratner, 2003; Dore, 2003; and Lebal, Garden, and Imamura, 2005). For the management of the Mekong River, MacQuarrie, Viriyasakultorn, Wolf, Sneddon, Fox, Ratner, and Dore suggested that civil actors and civil society should engage with the governments of the countries along the Mekong River. On the other hand, Lebal, Garden, and Imamura points out the importance of type of effective water governance.

Last but not least, Dosch and Hensengerth (2000), Making (2000), and Schmeier (2009) emphasized political security dimensions in the Mekong sub-region. On the other hand, Onishi (2005) focused on China's strategy related to the downstream Mekong countries and its dam building policy. Other scholars

Nguyen (2000) and Dosch (2007) examined about Vietnamese's foreign policy toward the Mekong sub-region countries in order to engage with other international organizations.

All in all, the literature primarily discusses (1) the economic, governance, and environmental protection of individual states in the Mekong Basin, (2) the political security situations in the area, and (3) individual foreign policy dimensions. However, there are gaps in the literature regarding rivalries among the states in the East Asian region regarding the Mekong sub-regional development. Specific discussions on political and economic rivalries between actors are lacking throughout the literature. Additionally, they didn't examine about the impact of the rivalries among the states in the East Asian region.

Finally, the majority of these studies show the constraints on the level of cooperation among the ASEAN member countries to the Mekong sub-region development. Nonetheless, they have not provided the reasons why on the limitation yet. For that reason, this research will attempt to answer this in order to fulfill the insufficiency found in previous literatures.

6. Research questions

This chapter showed that individual states in the East Asian region aim to control the type of development in the Mekong sub-region for their own benefits. However, there is still a lack of information about the political and economic rivalries in the sub-regional development, and the influence of the rivalries. This book seeks to address the lack of information by answering the following three inter-related empirical questions:

1. What kind of policies and measures have the states in the East Asian region implemented in order to support the development of the Mekong sub-region?
2. What are the main factors that motivated the states in the East Asian region to commit themselves to the Mekong sub-region development?
3. How have the rivalries that have been adopted by the states in the East Asian region influenced development in the Mekong sub-region?

7. Research Methodology

In the framework of this book, the author will use a qualitative approach to answer the three research questions. Under the qualitative approach, there are two sources of data have been explored. The two sources are the “Primary” and “Secondary”, as will be stated follow:

7.1. Primary sources:

There are two primary sources to be used. They are:

1. In-depth interviews in Cambodia with Cambodian personal working in the MRC. Cambodia, scholars, the government, and NGOs works were conducted.
2. The author collected primary evidence ranging from official documents to relevant statistics as well as leaders’ statements from each government of the Mekong countries through their respective websites.

7.2. Secondary sources:

The secondary data sources will be collected from libraries, e-journals, Internet, books, book chapters, journals and official reports or documents related to the development of the Mekong sub-region, and newspapers especially, Nikkei Telecom, and The Nation (Thailand).

CHAPTER THREE
RIVALRIES BETWEEN VIETNAM AND THAILAND OVER
DEVELOPMENT OF THE MEKONG SUB-REGION

1. Introduction

The main objectives of this chapter are, first, to explore about Vietnam and Thailand's policies and measures to sustain the development of the Mekong sub-region; second, to examine the deepening commitments of Vietnam and Thailand towards the growth of the sub-region; third, to see the rivalries between Vietnam and Thailand that have influenced to the sub-region's improvement. These will answer the three inter-related empirical questions which are (1) what kinds of policies and measures have Vietnam and Thailand put into practice in order to keep going the growth of the Mekong sub-region? (2) what are the main factors that motivated Vietnam and Thailand to commit themselves to the Mekong sub-region improvement? And (3) how have the rivalries between the forces of Vietnam and Thailand impacted to the Mekong sub-region development?

As stated previously, the Mekong River Basin is comprised of six countries, namely China, Cambodia, Laos, Myanmar, Thailand, and Vietnam. Except for China, Vietnam and Thailand are the most powerful states in the Mekong sub-region. Historically, Vietnam and Thailand have been in rival relations over the influence on the Indochinese region (Narine, 2002:113). For example, since Thailand borders on Myanmar, Laos, Cambodia, and Malaysia^{ix}, they have been traditionally involved in many border conflicts. However, since the late 1980s, the Thai government has continuously supported and led bordering states with the aim of developing a region-wide influence. This strategy encouraged cooperation between Thailand and other Mekong countries with stress on openness and the introduction of market economies in the Indochinese countries. The Thai regional strategy also includes Myanmar who has struggled to overcome the close-door market legacy of the Cold War. This strategy succeeded over Vietnamese aims over the region in the Mekong sub-region. Vietnam responded by creating two projects, EWEC and Triangle Development CLV, to the development of the Indochinese region and the Mekong countries as a whole in the 1990s.

2. Vietnam and Mekong Sub-Regional Development

The region-wide strategy caused Vietnam, as one of the strongest influence on the Mekong sub-region, to reduce its influence on the Mekong nations. The Vietnamese government wanted to counter Thai influence, so the government then revised their approaches to the sub-region. Vietnam proposed two projects for the sub-regional development. The two projects were East-West Economic Corridor (EWEC) and Development Triangle of Cambodia-Laos-Vietnam (CLV) or the Socio-development Master Plan for the CLV Border Area project. The details of these two projects are explained as below.

2.1. The East – West Economic Corridor and Socio-Development of a Master Plan for the Cambodia – Laos – Vietnam Border Area projects

At the ASEAN Summit Meeting in December 1998, located at the Ministerial Conference of the Greater Mekong Sub-region in Manila, the Vietnamese government advocated the EWEC project. The project was formed and based on the construction of an international regional highway approximately 1,450 km long linking the Vietnamese provinces of Quang Tri, Thua Thien-Hue Province and Da Nang city in central Vietnam to Mukdahan and the Laotian provinces of Savannakhet the Thai provinces of Tak, Sukhothai, Phitsanulok, Phetchabun, KhonKaen, Kalasin and the west end at port city of Mawlamyine seaport in Myanmar, crossing Kayin Division (Figure 1).



Source: Asian Development Bank (ADB): Available at <http://www.adb.org/GMS/Economic-Corridors/map-ewec.pdf>.

The main stated objectives of the EWEC are:

- To further strengthen economic cooperation, facilitate trade, investment, and increase development among Laos, Myanmar, Thailand and Vietnam;
- To reduce transportation cost in the project influenced areas, and make the movement of goods and passengers more efficient; and
- To reduce poverty, support development of rural and border areas, increase the earnings of low-income groups, provide employment opportunities for women, and promote tourism^x.

Apart from these objectives, the EWEC was believed to call for concentration on the sustainable development opportunities, which includes agro-industry and tourism.

On the other hand, at the first summit held in Vientiane in October 1999, the Vietnamese government proposed their second project for the development of the Mekong sub-region. The second project was the “Socio-economic Development Master Plan for the Cambodia - Laos – and Vietnam Border Areas also known as the “Development Triangle CLV”. The Development Triangle CLV project encompasses the border provinces of Cambodia, Laos, and Vietnam covers the territory of the following ten provinces: Mondulkiri, Rattanakiri and Stung Treng in Cambodia; Attapeu, Saravan and Se Kong in Laos; and Dak Lak, Dak Nong, Gia Lai and Kon Tum in Vietnam. Hanoi (2004: 7) argued that the Triangle Development CLV was formulated with aims:

- To encourage investment to develop transport infrastructure and establish special economic zones in border areas to boost trade, promote of tourism, develop of the processing industry and improve medical and educational infrastructure;
- To facilitate linkage and mutual assistance among the provinces in the Development Triangle;
- To utilize the resources of each province and each country in an efficient manner for rapid and stable development;
- To properly address social issues and protect the ecological environment; and
- Thereby making a practical contribution to strengthening the economic cooperation between three countries of CLV.

In late 1998, at the ASEAN Summit at the Ministerial Conference of Greater Mekong Sub-region in Manila, the Vietnamese government more clearly articulated EWEC programs and created a Working Group (WG). They successfully established the WG under the ASEAN Economic Ministers and Minister of Economy, Trade and Industry of Japan (AEM-METI) Economic and the Industrial Cooperation Committee (AMEICC) (Shiraishi, 2004: 225). In addition, its commitment to the EWEC was made in the third EWEC Senior Official’s Meeting, when the Vietnamese government adopted the EWEC

Promotion Initiative. It identified further activities that would enhance the awareness of the EWEC's potential development, in an effort to put the initiative into life. Last but not least, Vietnam organized a series of activities called as the "EWEC Week 2007" to be scheduled in Da Nang City, Vietnam, starting from August 27 to September 1, 2007. There were three objectives of the EWEC Week 2007. First, it was to enhance public awareness of the EWEC's development potential and to strengthen closer public-private partnership, and local cooperation among the EWEC provinces. Second, it was to provide a distinctive opportunity for business circles and development partners inside and outside of the EWEC countries to explore actual potentials, advantages, and benefits of the EWEC, as well as to facilitate future business linkages. The third objective was to provide a platform for discussion on economic potential, benefits, and shortcomings; thereby proposing viable solutions and measures to deal with existing bottlenecks and problems in policy formulation. This was to accelerate and enhance the effective use of the EWEC. There are four key activities of the EWEC:

- EWEC Trade- Investment & Tourism Promotion Forum;
- EWEC Trade Fair and Exhibition held during the EWEC Week;
- Caravan Field Trip along the EWEC for on-site experience and better understanding of investment opportunities in the region (from Da Nang to Savanakheth and Mukdahan); and
- Cultural/traditional festival and sport activities among the EWEC countries.

In addition to the EWEC, the Development Triangle CLV program was proposed in October 1999 by the Vietnamese government. The government then asked the leaders of Laos and Cambodia to follow up the program at the second Indochina Summit in Ho Chi Minh City in January 2002. However, Ogasawara (2004: 458-459) argues that the program did not show concrete progress due to the fact that the program was flawed and that it was too costly for the CLV countries. As Vietnam and its counterparts, Cambodia and Laos, were in their early stage of economic development at that time, they could not afford the program. Agreeing with this assessment, Keiichi Ono argues

“... The project was postponed due to the fact that the infrastructure there was extremely poor and illiteracy was high,^{xi}”

Fortunately for the project, the leaders of CLV then asked the Japanese government to assume financial responsibility for the project, an issues which will be explained more in detail in Chapter V. Japan not only accepted the request and helped with the project, but they also began to develop independent institutions after 2004 and placed this project into one of the key projects under the Japan-CLV partnership policy.

2.2. Why Vietnam’s Commitments Deepened

There are three reasons to explain why the Vietnamese government has deeply committed itself in order to sustain the sake of the Mekong sub-region, as follow:

Politically, the Vietnamese government would like to form at the earliest stage of economic development of the Least Developed Countries as a group in order to gain stronger voice to raise more economic assistance from external institutions at the regional (ASEAN and East Asia) and international level more effectively^{xii}. A Cambodia government official stated that:

“Vietnam policy after the Cold War was that the country tried to form a group of youngest states of development of economic namely Cambodia, Laos, Myanmar, and Vietnam aimed to gain more economic support from external states, especially, Japan. In connection, individual countries cannot ask for significant economic assistance from external countries. Forming a group creates a stronger voice and trustable, transparency as well as not much corruption. Additionally, forming a group was more effective than individual. So they then would offer a lot of economic assistance than to individual states^{xiii}.”

The intention of Vietnam and its forming of the group of the CLMV countries can be seen during Vietnam’s hosting of ASEAN’s Sixth Summit Meeting in 1998. Vietnam used its status as the host country to appeal to

ASEAN's original six member countries to give a special treatment for the CLMV nations. Vietnam was successful in obtaining endorsement from the ASEAN-6 and special treatment for the four newer members of ASEAN was given (Jaffrelot, 2007: 39). In order to reduce the development gap between ASEAN's more and less developed economies, the ASEAN-6 granted special treatment to the later in their development efforts^{xiv}. At the regional level, China created the Early Harvest Program (EHP) in early 2000s. This program aims to accelerate tariff reduction and elimination of trade goods for the ASEAN members. However, the timeframe for tariff reduction among the ASEAN countries remain uncoordinated and longer timeframe for the CLMV nations were established^{xv}.

The idea of collective initiatives as sponsored by the Vietnamese government, as explained previously, began in the CLMV countries in November 2004. The leaders of the CLMV countries organized an extra Summit Meeting on the sidelines of the Tenth ASEAN Summit Meeting at Vientiane. They then authorized coordination for development through the Vientiane Declaration on Enhancing Economic Cooperation and Integration among the CLMV countries.

The second motive of Vietnam's strategy is to take advantage of the sub-region's rich natural resources. Along with its strong agricultural base, the sub-region contains extensive timber and fishing resources. It also has considerable mineral potential, which it contains some of Asia's best locations for hydro-powered projects, in addition to large coal, and petroleum reserves. Needless to say, the Vietnamese government would like to take advantage of these resources in order to maintain its own early stage of industrialization.

The third reason for Vietnamese willingness to engage the region is related to the economic life of the central Vietnam, namely Quang Tri, ThuaThien Hue, and Da Nang provinces. The Vietnamese government's original intention of applying the EWEC to the Mekong sub-region was because the government wanted to encourage economic growth in its underdevelopment regions, primarily located in central Vietnam. These cities and provinces are located in the central highlands, which are one of the poorest regions of that country. Showing the low level of human development in the area, over half of the population in Quang Tri living in poverty. In Thua Thien Hue and Danang over one-third of the population are classified as the poorest region in Vietnam a decade ago (ADB, 2009: 72).

The plan to develop Centre Vietnam was as follows: first, the Vietnamese government requested a loan from the ADB for the Lao Bao project, as part of the EWEC^{xvi}. In order to gain benefits from the EWEC, they constructed a new border checkpoint at the Lao Bao border with Dansavanh, Laos (ADB, 2009: 73). In connection to the construction of a new border checkpoint, they proposed Laos to implement a single stop customs inspection at this checkpoint^{xvii}. Successfully, Laos agreed with this proposal. Then the government of Vietnam, in 1999, launched the ‘Lao Bao Free Trade Area Zone’ (FTAZ) and established a strategic economic zone called the ‘Lao Bao Commercial Area’ that allows businesses to operate under conditions of an export processing zone, industrial zone, border gate economic zone, and tax suspension warehouse. Moreover, in order to obtain the advantage from the EWEC, the government initiated a Small and Medium Industry (SMI) Park at Phu Bai Industrial Zone in Thua Thien Hue in early 2000s. Finally, in early 2000s, the government established the ‘Special Economic Zones’ (SEZs) in Da Nang cities, namely the Hoa Khanh Industrial Zone, the Lien Chieu Industrial zone, the Hoa Cam Industrial Zone, and the Massda Industrial Park.

To motivate investors to invest in these projects and contribute to the economic advancement and to improve economic exchanges and development in the central part, Vietnam helped to rehabilitate transportation infrastructures to link central Vietnam with Laos, the Mekong sub-region, and the wider region. For instance, Da Nang city approved close to 67 million US dollars to expand the Da Nang International airport^{xviii}. Then ADB also points out Vietnam’s port development strategy, which upgraded the Tien Sa Seaport’s handling capacity from 2.2-2.4 million tons per year to 3.6-3.9 million tons in 2010 and building Lien Chieu Port (2009: 79)^{xix}. The Lien Chieu Port can handle 8-8.5 million tons per year and accommodate 50.000 DWT vessels to Lien Chieu, Hoa Khanh industrial zones, etc. Finally, they established a Hai Van Tunnel, with a length of 6.3 km, opened in June 2005. The tunnel connecting Da Nang and Thua Thien Hue province on the Highway No.1 was constructed. For Quang Tri province, the country enlarged the 83.5 km long road from Lao Boa to Laos–Vietnam border, which began around 2002-2003 and they improved of the Road Number 9 (ADB, 2008). Finally, they upgraded the Dong Ha^{xx} highway to a Class III highway in 2006 (ADB, 2009: 79).

Improving transportation infrastructures also promotes tourism in Quang Tri, Thua Thien Hue, and Da Nang. Those areas are rich in natural resources and

world heritage sites, which were declared by the United Nations Educational, Scientific and Cultural Organization (UNESCO). Tourists can enjoy visiting these sites such as the Marble Mountain, Bana Mountain, the former French resort where the weather is suitable year round. In addition, the beaches in the city of Hoi An, locates the famous ancient city, My Son, the Holy Land of the Champa Kingdom period, and the Phong Nha cave.

It is safe to argue that Vietnam's economic interests in developing its central part encourage Vietnam to play active role in CLMV and Greater Mekong Sub-regional economic cooperation and integration. Vietnam expects that through such economic connectivity, Vietnam can be the economic hub of the Mekong region.

3. Thailand and Mekong Sub-Regional Development

The rivaling between Vietnam and Thailand for regional influence in the Mekong sub-region continues. Thailand has not endorsed Vietnam's influence on the sub-region. In the 1990s and 2000s, Thailand created their own two programs for sub-regional development, the Golden Quadrangle and Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy, also known as (ACMECS).

3.1. The Golden Quadrangle and the Economic Cooperation Strategy (ECS) Renamed the Ayeyawady Chao Phraya – Mekong Economic Cooperation Strategy (ACMECS) Programs

Thailand initiated the Golden Quadrangle program in 1992. The program's goal was to increase regional commitment and cooperation in the Golden Triangle region long notorious for its drug supply. Informal links among China, Laos, Myanmar and Thailand have historical legacies regardless of the political and geographical difficulties of moving between the border areas. The governments of the four contiguous countries (China, Laos, Myanmar and Thailand) have forged more formal links to institutionalize the informal ties that allowed human commercial and capital mobility in the region in the past (Pushpa, 1998: 260).

In this context, Thailand and China launched programs officially to promote the economic cooperation among the Mekong's four upper riparian countries through transport-related projects in 1993. Based on the ESCAP, the scope of the

projects was focused on the linking the border economies of the four countries (2008: 5-6). The main focus of regional cooperation under that framework had been focused on transportation and infrastructure development, especially trans-border roads and highways, and river ports. Cooperation was expanded to include border trade and investment, logistics, and tourism. At this time, the programs are continuing at local and provincial level; however, there is no official contact agency at the national level. The programs can be contracted through the local administrations and local or provincial independent Chambers of Commerce of each country.

On the other hand, at the ASEAN's Special Summit on Severe Acute Respiratory Syndrome (SARS) in Bangkok in early 2003, the Thai former Prime Minister Thaksin Shinawatra informally raised the idea of establishing the "Economic Cooperation Strategy (ECS)" with leaders of the CLM countries. The objective of this new initiative was to promote economic prosperity and social sustainability between Thailand and its neighboring countries (Sajin, 2005: 1). It also aims to assist the new ASEAN member nations to integrate their economies with the existing ASEAN member countries. In November 2003 in Bagan, the Union of Myanmar and the leaders of the four nations (CLM and Thailand) held the first ECS Summit Meeting. At the meeting, the four leaders adopted the Bagan Declaration and also agreed to change the name of the ECS into the "Ayeyawady – Chao Phraya – Mekong Economic Cooperation Strategy" (ACMECS) named after the main rivers running through the region (Yoshimatsu, 2008: 6). In May 2004, the Vietnamese government joined this program. Tsuneishi (2008: 16) points out that the aims of the strategy under the ACMECS is to convert the region to a peaceful, stable, and prosperous area between 2003-2012; by such means as; (a) enhancement of competitiveness along the borders and promotion of growth, (b) relocation of agriculture and manufacturing to the places where relative economic advantage exists, and (c) reduction of income disparity and creation of employment. The ACMECS program focuses on six areas of cooperation namely, trade and investment facilitation, agricultural and industrial cooperation, transport linkages, tourism cooperation, HRD, and public health (ESCAP, 2008: 10).

Thailand initiated the Golden Quadrangle project in 1992, but throughout the duration of the project it was not entirely successful. As already mentioned, there lacks an official contact agency to coordinate the project. On the Asia Times

(2002) reported that the Golden Quadrangle project has snubbed Cambodia and Vietnam, reportedly to avoid political strains between Hanoi and Beijing, which faced off over Cambodia in the 1970s and 1980s^{xxi}. This is why the Thai government had not shown much commitment on the project since its inception.

With regards to Thai commitments on the ACMECS program, the former Thai Prime Minister, Thaksin Shinawatra also incited the ECS as an unofficial project. To initiate this unofficial project that he assigned three Deputy Prime Ministers for different tasks: Mr. Somkid Jatusripitak focused on the overall aspect of the ECS, Mr. Chaturon Chaisang concentrated on Thailand-Cambodia and Thailand-Laos, and Mr. Korn Dabbaransi focused on Thailand-Myanmar^{xxii}.

The foundation concepts of the ECS and its principles were discussed during the Senior Officials Meeting held on July 15, 2003 in Vientiane and in November 2003. The leaders of the four nations (CLM and Thailand) then held the first ECS Summit Meeting. During the meeting, as stated already, they renamed the ECS into the ACMECS. Former Thai Prime Minister, Thaksin, not only showed his commitment to the ECS, but also to the ACMECS program. He suggested that the 'Three Pairs of Sister Cities' project under the ACMECS program, regarding Koh Kong in Cambodia and Trat in Thailand, Savannakhet in Lao PDR and Mukdahan in Thailand, and Myawaddy in Myanmar and Mae Sot in Thailand. The aim of the Three Pairs of Sister Cities project was to connect these border cities through transportation linkages and special border economic zones^{xxiii}.

To prove the Thai commitment to the strategy scheme, Tsuneishi (2008: 16) points out that the Thai government provided grants and loans for constructing roads to connect the major sister-cities in the CLM countries through the National Economic Development Agency (NEDA). Dr. Porametee, who was at the time acting as the senior Adviser on Policy and Plan for the National Economic and Social Development (NESDB), was interviewed by Sajin and said that between 2004 until the termination of the sister-cities project in late 2006, Thailand spent the largest portion of financial support on infrastructure projects. He added that the project through NEDA costs an on average US\$23 million a year (Sajin, 2007:7). Moreover, Thailand announced its intention to add US\$2.9 billion budget for the implementation of 42 projects under the ACMECS program in 2004 and considered another US\$285 million for the next five years to support cooperation projects with the neighboring countries (Ministry of Foreign Affairs of Thailand

2004)^{xxiv}.

In addition, Thailand emphasized their commitment to sustaining the improvement of a transportation network with the ACMECS program. Based on the former Prime Minister Somchai Wongsawat at the Third ACMECS Summit Meeting, held in Hanoi, Vietnam, on November 7, 2008, he confirmed that Thailand would further cooperate and support the development of transportation networks under the GMS flagship projects namely the North-South Economic Corridor (NSEC), EWEC and Southern Economic Corridor (SEC), which are also the major projects under the ACMECS program.^{xxv} According to Somchai, he pointed out that Thailand would continue to support the HRD in neighboring countries. To date Thailand has offered an additional 100 scholarships to the ACMECS countries for post-graduate studies in Thailand^{xxvi}.

3.2. The Reciprocated Interest in Thailand – Mekong Sub-Regional Cooperation

There are four reasons why Thailand benefits from engaging in the Mekong sub-regional development.

First, the financial crisis that hit Thailand in July 1997 brought an abrupt end to a long period of sustained economic growth and influence on the CLM countries (Dornbusch, 1997: 55; Masaki: 2007). Politically, Yoshimatsu (2008: 7) points out that the reciprocated interest in Thailand – Mekong sub-region cooperation, which led the Thai government to build the ACMECS program, due to the fact that the country aimed to regain its influence on the CLM countries, which was declined after the Asian financial crisis in 1997-1998.

The second, political reason for reducing Vietnam influences in the sub-region. Thailand gained in geopolitical status as a balance to Vietnam's growing influence in the sub-region. Thailand's geopolitical stance was noticeable when Thailand created the ACMECS program and suggested the Three Pairs of Sister Cities project with the CLM nations in the new millennium after Vietnam created the EWEC and Triangle Development CLV programs. Thailand invented the ACMECS unilaterally and did not give the same recognition to Vietnam, who created the EWEC and Triangle Development CLV programs. In order to compensate for Vietnam's EWEC and Triangle Development CLV programs, Thailand designed not only the ACMECS but also other project called the 'Three

Pairs of Sister Cities' project, which was comparable to the Triangle Development CLV program.

The geopolitical nature also can be seen in the ACMECS program itself. Regarding the rivalry in the region, a Cambodian government official stated:

Vietnam committed to its own on the EWEC, which very much focused on water infrastructure, especially, seaports^{xxvii}. Thailand began to initiate the ACMECS, which concentrated primarily on land infrastructure^{xxviii}.

This concentration was based on jealousy toward the Vietnamese government's commitment to infrastructure development. All in all, the attention on road infrastructure from Thailand was successful in helping them to reduce heavy influence in the development of seaport transport infrastructure from Vietnam to the Mekong sub-region.

Domestically, the Thai government created the ACMECS because they wanted to promote its "Border Economic Zones" which aimed to eliminate illegal foreign workers from entering Thailand, as well as weaken the illegal drug trade. The government hoped to reduce illegal immigrants by supporting economic development in the Mekong countries (Watanabe and Fusasaki, 2005: 39). Historically, the income gap between Thailand and its neighbors resulted in the inflow of illegal foreign workers into Thailand to get jobs and drug inflows. The number of arrested foreign workers in 2002 was 149,506 persons. Of those, the CLM countries accounted for 46,586 persons, 13,373 persons, and 87,536 persons (Tsneishi, 2005: 7). In order to crack down on these problems, the Thai government set up the "SEZs", which under the ACMECS program, along the border areas to relocate its industries from the center to the border areas. The relocation and creation of new industries along the borders not only reduced illicit foreign workers, but also reduced drug inflow and various crimes in the major Thai cities and inland rural area. In 2000, the Thai government adopted a policy to eliminate illegal immigrants by giving working permits assuming they comply with registration. Additionally, the government allows the CLM nations temporary visas, which let day laborers to enter into Thailand to work in garment factories, and industrial estates, near the Thai borders.

The aim of creating ‘border economic zones’ was shown in the 8th development plan that the opportunity of industrial development should be created by setting up SEZs and tax-free zones along the borders to promote trade and investment both inside Thailand and with the CLM countries (NESDB, 1997: 67-68). It also proved under the ACMECS itself clearly from Thaksin as shown in the declaration on the first ACMECS Summit Meeting in Pagan, Myanmar, 2003:

“The purpose of the strategy is to convert the region to a peaceful, stable, and prosperous one in the 2003-2012 period by such means as (a) enhancement of competitiveness along the borders and promotion of growth...” (Tsuneishi, 2007: 7).

At the same time, the Thai government wanted to seize the opportunity from the “SEZs” based on the ACMECS program to increase its manufacturing industries’ competitiveness by making use of cheap labor and resources from CLM. Based on 2008 Country Reports on Human Rights Practices, by the United States Department of State, Cambodia’s average annual income was US\$672 in April 01, 2008. Average income in Laos was US\$1,050 in 2008 and US\$2,124 in Myanmar as of September 17, 2008. These incomes are much lower than Thailand’s at US\$2,308^{xxxix}. In regards to natural resources, the Mekong sub-region is rich in natural resources. These two issues allowed Thailand to improve its manufacturing industry productions with lower-priced labor in order to compete with other industrializing countries.

Former Thai Prime Minister Thaksin Shinawatra^{xxx} was aimed to use the ACMECS to expand his own business empire. Thaksin urged Myanmar to accept Thailand’s loan package to improve Myanmar’s communication system. He authorized the Thai government to offer a soft-loans package that was worth 600 million baths to Burma’s Ministry of Communications, Post and Telegraph Union (MCPTU) under the economic framework in early 2004^{xxxi}. Chongkittavorn points out that Myanmar had given concessions on satellite systems in lieu of Thaksin’s business enterprises in return^{xxxii}. For example, Shin Satellite Co. was able to secure the contract for the satellite system in Myanmar^{xxxiii}.

4. The Impact of the Vietnam – Thailand Rivalry on the Mekong Sub-Regional Development

This section describes the effects of the rivalries between Vietnam and Thailand over the development of the Mekong sub-region and discusses both the positive and negative effects of the rivalry on regional development.

4.1. The Positive Impact of Thai-Vietnamese Rivalry on Sub-Regional Development

As previously discussed, the rivalries between Thailand and Vietnam began when Thailand created the ACMECS to compete with the Vietnam, which proposed and supported the EWEC program. When Vietnam joined the ACMECS program, Thailand showed friendly attitudes towards Vietnam's program (EWEC) as revenging. The concrete example of friendliness attitudes from Thailand to the EWEC program is that the former Prime Minister Wongsawat, at the third ACMECS Summit Meeting held in Vietnam on November 7, 2008, reiterated that Thailand still wished to cooperate and support the EWEC^{xxxiv}. The positive effect of this influence on Vietnam and Thailand rivalry above upon the Mekong sub-region improvement was that the Mekong countries built modern water way and land infrastructures. As already stated, a Cambodian government official stated that the EWEC program focused mainly on the water transport infrastructures. As mentioned, Thailand offered grants and loans for constructing roads linking the major sister-cities in the CLM countries through the NEDA. The country has cooperated and supported the development of a transportation network under the GMS flagship projects including: the NSEC – Bangkok (Thailand) to Phitsanulok – Chiangrai; Chiangrai – Chiang Khong = Huayxai (Laos) – Luangnamtha – Boten = Mohan (China) – Xiaomengyang (Laos Route); and Chiangrai – Maesai = Tachilek (Myanmar) – Kyaingtong – Mongla = Daluo (China) – Jinghon – Xiaomengyang (Myanmar Route) – EWEC (already stated) and SEC – Bangkok (Thailand) – Aranyaprathet = Poipet (Cambodia) – Sisophon, which are under the ACMECS programs (Ishida, 2008: 8). Significantly, under the EWEC and ACMECS programs, Vietnam and Thailand have tried to initiate not only water and land transport infrastructures, but also air and railways infrastructure.

Another positive point of rivalries was that Thailand's creation of the ACMECS is not equivalent to Vietnam's EWEC and Triangle of CLV programs. In order to compete with Vietnam who invented these two programs, Thailand created an additional project apart from the ACMECS. The additional project mentioned was the 'Three Pairs of Sister Cities'. The second project partly grants Thailand the same status as Vietnam's second initiative, the Triangle development of CLV project. Under both countries' programs, Mekong sub-region has seen improvements in the border areas. Since those projects came into effect, those border areas have been given unprecedented attention. For example, Ishida (2009: 130) argues that Vietnam and Thailand could utilize the lower wages labor force from the CLM countries; compared to domestic wages in Vietnam and Thailand. In return, those countries may be able to obtain jobs from Vietnam and Thailand.

Generally speaking, in order to support the programs from both Vietnam and Thailand, the Mekong countries agreed to create the Cross-Border Transport Agreement (CBTA). The CBTA aimed for the removal of the nonphysical barriers that hinder free movements of commodities and people through these borders (Ishida, 2009: 124). The CBTA includes:

1. Single-stop/single-window customs are inspected;
2. Cross-border movement of persons (for example, visas for persons engaged in transport operations);
3. Transit traffic regimes, including exemptions from physical customs inspection, bond deposit, escort, and agriculture and veterinary inspection;
4. Requirements road vehicles will have to meet to be eligible for cross-border traffic;
5. Exchanging of commercial traffic rights; and
6. Infrastructure, including road and bridge, designs standards, road signs, and signals^{xxxv}.

The CBTA was ratified by all six GMS member counties in late 2003^{xxxvi}; however, the agreement was delayed until recently^{xxxvii}. The creation of the CBTA will be further smooth the progress of cross-border trade once the fully implemented. It will reduce the distance between factories and markets, and it is vital for the development of the Mekong sub-region.

4.2. Negative Impacts of the Thai-Vietnam Rivalry

There are two major negative impacts of the Thai-Vietnam rivalry in the Mekong Basin. For political reasons, both Vietnam and Thailand compete for gaining influence over the sub-region. Such rivalry has weakened Mekong countries bargaining power against extra-regional actors. Without Thailand and Vietnam, the Mekong sub-region lacks its own collective identity. As a result, individual states in the sub-region will deal with extra-regional actors independently. If they had harmonized their efforts to gather development support for the Mekong sub-region as collective unit, they would have gained stronger bargaining power against extra-regional actors. A Cambodian official interviewed by the author pointed out that forming a group with collective bargaining power was more effective than entering negotiation with individuals^{xxxviii}. Acharya (2001: 52) came to the same conclusion that collective bargaining was seen as a useful way to enhance the bargaining power of small and weak states in their dealing with the great powers or extra-regional actors.

Economically, these rivalries made it impossible for the Mekong sub-region countries to have stable formalized sub-regional economic institutionalization. Unresolved rivalries between Vietnam and Thailand mean that their programs would not function effectively as the two countries would not initiate a formal institution for the Mekong sub-region, as they proposed to cooperate and engage in discussions exploring ways to work together for their mutual benefit and the Mekong sub-region as a whole. For example, Vietnam created the Development Triangle CLV program. They launched the program under the name of Vietnam favored the Indochina Summit Meeting in order to gain more influential power to gain influence in the Indochinese region. Later, as the paper mentioned already, they asked the leaders of Cambodia and Laos to discuss the Development Triangle CLV project in the second Indochina Summit Meeting in Ho Chi Minh City in 2002. On the other hand, Thailand created the Three Pair of Sister Cities project, in which launched under the ACMECS Summit Meeting. The meeting of the Three Pair of Sister Cities project was only between Thailand and the CLM countries. Vietnam was not invited to the meeting as retaliation for not inviting Thailand to be the member in the Development Triangle CLV program in the Indochina Summit Meeting.

As a consequence, these two projects have not been functioning optimally, as previously discussed. Fortunately, the Development Triangle CLV program has recently been reactivated based on support from the Japanese government but progress remains slow. Without this assistance from Japan, the project would surely have collapsed. Three Pair of Sister Cities project was also halted due to the coup d'état of Prime Minister Thaksin in late 2006.

5. Conclusion

After Vietnam's influence in the Mekong sub-region waned due to the introduction of Thailand's region-wide strategy to develop their relations with its neighbor, Vietnam reconsidered its regional policies on the sub-region by creating the EWEC and Development Triangle CLV. They also participated with other projects to the development of the sub-region such as the GMS and ACMECS. Concerning the EWEC, Vietnam created the WG on the EWEC and also organized the EWEC Senior Official's Meeting to promote the EWEC countries. On the other hand, the Development Triangle CLV project was premature for those areas due to inadequate commitment to the project by local people. However, later the leaders of CLV asked Japan to assume control of the project.

As Thailand is a major competitor with Vietnam, the country also created two programs: the Golden Quadrangle and ACMECS. There was inadequate commitment towards to the Golden Quadrangle. Unstoppably, Thailand added the Three Pairs of Sister Cities project with CLM under the ACMECS. However, before the project was halted, Thailand provided funds through NEDA for building roads connecting the Three Pairs of Sister Cities project. Thailand also provided funds for implementing some small projects under the ACMECS. Likewise, Mr. Somchai announced that Thailand would further cooperate and support the ACMECS and other projects under the GMS at the third ACMECS Summit. Apart from all of these, Thailand also showed other commitments to the development of the sub-region that expressed the majority of the Thailand's ODA funds that have contributed to CLM.

There are many main factors, which motivate Vietnam and Thailand to commit to develop the Mekong sub-region. For Vietnam, the collective organization of the CLMV countries aimed to gain more of a voice in order to build trust and to raise more economic assistance from outside developed

countries. The aim became obvious when Vietnam hosted the ASEAN's 6th Summit Meeting. They used the meeting to request to the ASEAN-6 to give special treatment to the ASEAN-4. Secondly, as the Mekong countries are wealthy in natural resources, Vietnam wanted to seize them in order to support its industries. In addition, Vietnam's creation the EWEC attempted to develop its central provinces.

Thailand hopes to regain its influence on CLM after the failure in the Asian Financial Crisis of 1997. Furthermore, it wishes to have a strong geopolitical position to balance Vietnam's growing influence in the sub-region. The geopolitical nature became apparent when Thailand initiated the ACMECS and suggested the Three Pair of Sister Cities project. Both programs aim towards the water infrastructure projects and the development of Vietnam's Triangle CLV project. In addition, the ACMECS was designed to abolish illicit foreign workers from the centre part of Thailand into border areas and also aims to get cheap labor and raw materials from CLM to increase manufacturing industries' competitiveness. Personally, Thaksin wanted enlarge his own companies by using the ACMECS. He gave loans under the ACMECS to Myanmar in order to get concessions there.

The rivalry between Vietnam and Thailand over the sub-region influences both positively and negatively effects on the region. Positively, the sub-region gained both water and land transport infrastructure. CLMV will gain in additional air and railway transport infrastructure because Vietnam and Thai competed on building projects to court political favor. Moreover, all the programs from both countries brought development to the border areas. There are win-win policies where Vietnam and Thailand exploit the low-priced labors and resources available in the region, and CLM, in return, receive employment from them for their factories. On the other hand, the sub-region has slowed down the pace of the sub-region improvement because their projects have not functioned as smoothly as planned. Thailand enacted the "Three Pair of Sister Cities Summit Meeting", which excluded Vietnam's membership. In reaction to this, Vietnam built the "Development Triangle CLV Indochina Summit Meeting" which also excluded Thailand's membership. Moreover, the sub-region gets weak bargaining power against extra-regional actors, politically. Individual states in the sub-region won't have strong enough voices to have bargaining power to deal with extra-regional actors.

CHAPTER FOUR

THE STANCE OF CONTINENTAL AND NON-CONTINENTAL ASEAN MEMBERS' ROLE ON THE DEVELOPMENT OF THE MEKONG SUB-REGION

1. Introduction

ASEAN was created on August 8, 1967, in Thailand, with the signing of the ASEAN Declaration, also known as the Bangkok Declaration by the founding Fathers of ASEAN, namely Indonesia, Malaysia, Philippines, Singapore and Thailand. Brunei Darussalam then joined on January 8, 1984. Geographically, the ASEAN-6 member countries are divided into two parts general regions, – the peninsular countries (Malaysia and Singapore) and the island countries (Indonesia, Philippine, and Brunei Darussalam). They both have played very different roles in supporting the development of the Mekong sub-region.

Vietnam joined the organization on July 28, 1995, followed by Laos and Myanmar on July 23, 1997, and Cambodia on April 30, 1999, making up what are today the ten member states of ASEAN. Geographically, those ten countries are located in the Southeast Asian region. ASEAN's stated aims were to (1) integrate the acceleration of economic growth, social progress, cultural development among its members, (2) to protect of peace and stability of the region, and (3) to grant opportunities for member countries to discuss differences peacefully^{xxxix}.

Economically, the CLMV countries remain at the most basic stage of economic development, while the original ASEAN six member countries are at the most advance economic stage (shown in Chart 1). This huge economic gap makes ASEAN economic integration difficult. In order to eliminate the economic gap, programs from the ASEAN-6 member countries were launched. Those programs concentrated very much on the economic development of the four new members of ASEAN.

The main objectives of this chapter are to explore ASEAN's policies and to measure the maturation of the Mekong sub-region. Second, this chapter will examine ASEAN's commitments towards the growth of the Mekong sub-region. Third, this chapter explores the reasons why the mainland countries support ASEAN's programs on the sub-regional development and the island countries do not support them. Lastly this section highlights the positive and negative effects of

the motivations and commitments from the ASEAN-6 and its programs on sub-regional development. These will answer three inter-related practical questions: first, what kind of policies and measures have the ASEAN members applied in order to keep up the progress of the sub-region? Second, what are the main factors that motivated the peninsular countries of Southeast Asia to commit themselves to the Mekong sub-regional development? And what are the main factors that encouraged the island nations of Southeast Asia not to commit themselves to the Mekong sub-regional development? Last of all, how have the rivalries that have been adopted by the peninsular and island countries of the Southeast Asia influenced development in the Mekong sub-region?

2. ASEAN and Mekong Sub-Regional Development

Malaysia created the AMBDC program in 1995 and Singapore formed the IAI in 2000. Although individual states created these two programs, they have been implemented as ASEAN's programs. The details and effects of these projects will soon be explained.

2.1. The ASEAN Mekong Basin Development Cooperation (AMBDC) and the Initiative for ASEAN Integration (IAI)

ASEAN desired to develop the CLMV nations at the lowest stage of economic development to a point lessen the financial gap within the ASEAN-6 member states. The first decisive initiative with this regard was the "AMBDC". Its objectives were to (1) improve economically and create a sustainable improvement for the Mekong sub-region, (2) to encourage a process of dialogue for common project identification, which can result in firm economic partnerships for mutual benefit, and (3) to support the interconnections and economic linkages between all the ASEAN member nations and the Mekong sub-region nations^{xi}. With the agreements from the leaders of the ten members of ASEAN, the AMBDC was officially created in 1996^{xii}. In June of 1996, the first AMBDC ministerial meeting was held in Kuala Lumpur. At the meeting, the ministers from the ASEAN agreed on the Basic Framework of AMBDC. The framework specified six principles of cooperation for the sub-region countries namely, (1) supporting of and complementary to national development plans, (2) creating

employment, income generation, social uplift and rising standards of living, (3)utilizing resources completely and ensures stable and sustainable development leading to enhanced management of natural resources and protection of the environment, (4) accompanying cooperation creates presently undertaken by the MRC, donor countries and other multilateral agencies, (5) mobilizing the participation of the private sector in the implementation of those projects and activities identified collectively, and (6)opening for participation of all interested countries and financial aid agencies and institutions^{xlii}.

The basic framework also spelled out eight principal fields to optimize the potential for the development:

1. Development of infrastructure capacities;
2. Development of trade and investment-generating activities;
3. Development of agricultural sector;
4. Sustainable development of forestry resources and the development of mineral resources;
5. Development of the industrial sector;
6. Development of the tourism sector;
7. Human resource development and support for training; and
8. Science and technology cooperation^{xliii}.

In the new millennium, the second decisive initiative was the IAI program. It was created during the 4th informal summit in Singapore in November 2000 with the endorsement from the ten leaders of ASEAN. The aim of the project is to narrow the development gap between the original and newer members of ASEAN. The IAI tries to promote impartial economic development and facilitate lessened poverty among the new members. In February 2001, the ASEAN Secretariat and representatives of the CLMV nations initiated the Task Force on the IAI. At the 34th ASEAN Ministerial Meeting (AMM-34) in July 2001, the Foreign Ministers from ASEAN member countries acknowledged the necessity to tackle the problem of the development gap by installing the Ha Noi Declaration on Narrowing Development Gap for Close ASEAN Integration. There are three aims for the Ha Noi Declaration:

First, the declaration laid down four areas on which the IAI would concentrate on: (1) Infrastructure, principally transportation and energy, (2) HRD,

the strengthening of training institutes and programs, English proficiency, skills for the knowledge-based economy and the information age, and civil service training, (3) Information and communications technology and (4) Regional economic integration, unconditionally meaning increasing the capacity (Trade in goods and services, customs, standards and investments) of newer members, CLMV, to integrate their economies in the regional economy^{xliiv}.

Island ASEAN member countries in particular supported the AMBDC and IAI programs. It was a method for trading off or compromising between the peninsular and island ASEAN member countries to change their stand to support each other programs. As a compromise if the island countries support the AMBDC and IAI, the mainland countries will concentrate on the island ASEAN's underdeveloped triangle named the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) in exchange. The Hanoi Declaration that

“We, ASEAN, shall support the development for the Mekong sub-region programs. We likewise support the convening of a seminar in Brunei Darussalam on complementing regional integration through sub-regional groupings/growth areas” (BIMP-EAGA)^{xliv}.

Third, the Declaration is to raise funds from the ASEAN partners to implement the specific projects under the IAI programs. This aim shows that the declaration itself would continue to expand and deepen its linkages with the rest of the world, particularly with Japan, China, and the Republic of Korea within the ASEAN + 3 framework, with the other Dialogue Partners of ASEAN, and International Aid Agencies^{xlvi}. To date, 17 Dialogue Partners and Development Agencies have been providing funding assistance to 84 projects totaling \$US21.92 million. The top five donors are Japan, Korea, India, Norway, and the European Union (EU), contributing about \$US18.4 million or 87% of the total funding (Table 2).

Table 2. Contribution by the Dialogue Partners and the Development Agencies to the IAI Work Plan Projects.

No.	Dialogue Partners & Development Agencies	Number of Projects	Funding by Donors (USD)	Percentage of Funding (%)
	a. Government of Japan		1,027,427	
	b. Japan-ASEAN General Exchange Fund (JAGEF)		3,559,717	
	c. Through ASEAN-Foundation (Japan-ASEAN Solidarity Found)	2		
	d. Japan International Cooperation Agency (JICA)	16	350,928	
	e. Japan Overseas Development Cooperation (JODC)	4	1,042,10	
	f. Japan-ASEAN Exchange Project (JAEP)			
	g. Japan-ASEAN Integration Fund (JAIF)	17	30,000	
	h. ASEAN-Japan Comprehensive Partnership Fund (AJCPF)	1	2,075,138	
1.	Japan	47	8,085,311	34.8
2.	Korea	7	5,125,127	24.2
3.	ASEAN-Korea Future Oriented Co. Fund (FOCF)	-	-	
4.	ASEAN-Korea Special Cooperation Fund (SCF)	-	-	
5.	India	5	3,272,066	15.4
6.	Norway (UNIDO)	2	1,528,502	7.2
7.	European Union	5	1,113,039 and €23,740	5.2
8.	Australia	3	999,240	4.7

9.	Denmark	1	622,395	2.9
10.	New Zealand	2	412,650	1.9
11.	United Nations Development Program (UNDP)	3	445,970	2.1
12.	ASEAN-Pakistan Cooperation Fund (APCF)	-	-	
13.	China	1	200,000	0.9
14.	International Labor Organization	1	16,000	0.1
15.	World Bank	2	29,000	0.1
16.	ASEAN Bankers Association (ABA)	2	19,159	0.1
17.	Hanns Seidel Foundation	3	56,047	0.3

Source: ANNEX 6 'Status updates of the IAI Work Plan I (2002-2008)' 35th Meeting of the IAI Task Force, 17 October 2009, ASEAN Secretarial, Jakarta. P.3.

At the 35th ASEAN Ministerial Meeting (AMM-35) in July 2002 in Brunei Darussalam, Foreign Ministers authorized the IAI Work Plan, and listed the programs and project proposals. The Ministers agreed to give special efforts and resources to promote effective cooperation and mutual assistance to narrow the economic divide between the old and new members of ASEAN for the sake of dynamic and sustained growth of the sub-region and prosperity of the people^{xlvi}. The ASEAN's leaders approved the IAI Work Plan (July 2002-2008) at their Summit Meeting in November 2002, at Phnom Penh, Cambodia^{xlvi}.

Severino (2007: 40) points out that the IAI Work Plan program sponsored by the ASEAN members aim to develop soft infrastructure. The IAI Work Plan has not focused greatly on hard infrastructure it has left the funding on hard infrastructure to the International Financial Institutions, such as the ADB, World Bank and Australia and Japan. Soft infrastructure involves studies of public policies, skill training, planning, and policy measures for the HRD and institutional capacity. For example, studies on training in the transport and energy sector needed to facilitate growth in the CLMV countries to manage and operate the infrastructure projects are considered soft infrastructure projects. The objectives of the IAI Work Plan are to facilitate policy development, and improve the institutional, and regulatory frameworks, and strengthening the capacity of the

CLMV countries to reduce poverty and increase the standard of living and to improve civil service for global competition (Huat, 2007: 13).

On the other hand, the Vientiane Action Program (VAP) was adopted in November 2004. In the fourth pillar entitled, 'Goals and Strategies for Narrowing the Development Gap' has endeavored two goals. The first was the peninsular country's reaffirmation of their commitments to sustaining the first aim of the Hanoi Declaration (trade off or compromise strategy). This aim of the VAP is:

“The IAI, ASEAN’s main instrument for narrowing the development gap, will be strengthened to address development needs of the CLMV countries and other sub-regional areas... For the other sub-regional areas, it will involve strengthening the framework for sub-regional cooperation within ASEAN’s covering policy, coordination mechanisms and work program^{xlix}.”

The second aim of the project was to create goals and later strategies to broaden and deepen the scope of the IAI CLMV Work Plan as well as develop modalities for resource mobilization^l.

The ASEAN Development Fund (ADF) was the last project to give support to the ASEAN – Mekong sub-region development. Aims were to raise funds from each ASEAN member country to contribute to the ADF in order to sustain the VAP implementation^{li}. In particular, the ADF shall be used for the purposes of funding regional cooperation programs and projects from the Dialogue Partners and other external donors, providing seed funding for initial activities of large-scale projects, and providing full funding support strategic small and short-term projects^{lii}. The ADF also itemized its guiding principles below:

1. The basic element of the ADF shall be equal contributions by all the ASEAN member countries. Each ASEAN member countries shall contribute US\$1,000,000 to the ADF;
2. ASEAN member countries, at any time, are encouraged to make extra voluntary contribution(s);
3. The ADF shall be open to contributions from other public and private sources; and

4. Contributions by the ASEAN member countries to the ADF shall be distinct and separate from their contributions to the operating budget of the ASEAN Secretarial, and to other ASEAN funds of a sectoral nature^{liii}.

3. Differing Commitment Among ASEAN-6 Nations in the Mekong Sub-Regional Development

The first ASEAN-initiated program, AMBDC, was raised unofficially by the former Malaysian Prime Minister Mahathir Bin Mohammad at the 5th ASEAN Summit in Bangkok in December 1995. The program was formally implemented as an ASEAN's program in developing the Mekong nations.

As Malaysia created the program, they took the lead in promoting it to the other members. After it was formulated in 1996, Malaysia hosted the first and second senior officials meeting of the AMBDC in May and June 1996. Based on Malaysia's Trade and Industry Portal, 45 projects were initiated by various ASEAN's members^{liv}. In July 2009, there were 46 projects at various stages of implementation. A total of 14 projects still require \$US44.5 million worth of funding^{lv}. However, during both meeting, Malaysia showed their commitment to their program by creating a Singapore-Kunming Rail Link (SKRL) among 46 projects. The project was one of the key projects under the AMBDC. The SKRL is the regional railway line, spanning some 5,000 kilometers connecting Singapore to Kunming, China, via peninsular Malaysia, Thailand, Myanmar, Cambodia, Vietnam, and Laos.

Figure 2. The Singapore-Kunming Rail Link (SKRL)



Source: Association of Southeast Asian Nations' Fact Sheet. Available at www.aseansec.org.

However, during the meeting in June 1996, the ASEAN member nations then created a Special Working Group (SWG) on the SKRL and allowed Malaysia to be the chair of the SWG. After that, Malaysia proved its commitment to the SKRL by distributing RM 2 million for a feasibility study^{lvi}. Furthermore, they showed their second commitment on August 13-14 2007, when they organized a training course on the “HRD in remote sensing and Geographic Information System (GIS) for the Forestry Personnel of CLMV”. Luckily, the ASEAN Foundation was attended by 17 participants from the ASEAN member countries funded all the cost of the training, which cost US\$57,325^{lvii}.

Apart from the commitments from Malaysia to the SKRL project, there were two additional commitments from all the ASEAN member nations. At the 9th

SWG on the SKRL held on October 2007, they agreed for Malaysia to host the SKRL Conference and Investors Seminar back-to-back with the 10th SWG on the SKRL in Malaysia in 2008. Finally, they approved Malaysia to be the Permanent Chair of the SWG for the SKRL project^{lviii}.

The IAI was proposed by Singaporean Prime Minister GohChok Tong at the 4th informal summit in Singapore in November 2000. The ASEAN member countries created an IAI Work Plan. According to the ASEAN Secretariat, the numbers of projects under the IAI Work Plan have gradually increased from 48 in July 2002 to 100 in May 2005 to 132 in September 2006^{lix} to 258 projects in 2008^{lx}. Among the 258 projects, the funding has been secured for 217 projects (84%), of which 186 projects have been completed, 26 projects are under implementation and 4 projects are being planned for implementation and 5 projects have secured partial funding, 14 projects are in matching process and 22 projects have not been funded yet (Table 3).

Table 3: Status of the IAI Projects.

Status	Work Plan 1 (2002-2008)	
	Number of Projects	Percentage
Projects that have secured full funding <ul style="list-style-type: none"> • Completed • Under Implementation • Planning for implementation underway 	186 26 5	84%
Projects that have secured partial funding* (Under implementation/Planning for implementation underway)	5	2%
Matching Process Underway	14	5%
No Funding Support Yet	22	9%
TOTAL	258	100%

*Donors have selected certain components of the project; funding for the remaining components has yet to be secured.

Source: ANNEX 6 'Status updates of the IAI Work Plan I (2002-2008)' 35th Meeting of the IAI Task Force, 17 October 2009, ASEAN Secretarial, Jakarta. P 1.

Among the 258 projects, diverse commitments were made including contributions of about US\$33.4 million to the IAI Work Plan. For Singapore, who created the IAI program, and Malaysia who can take the most advantage of it were far larger contributors to the plan than Brunei, Indonesia, the Philippines, or Thailand. Singapore has supported 59 projects/programs less than Malaysia's 7 projects/programs; however, Singapore has spent more than Malaysia. This was the funds under Singapore's projects/programs are larger than the funds under Malaysia's projects/programs. Of the US\$33.4 million, Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand contributed 8%, 9%, 22%, 5%, 34%, 8%, respectively (Table 4).

Table 4: ASEAN-6 Contribution to IAI Projects.

Country	Projects/Programs	Funding Secured (USD)	Percentage of Funding (%)
Brunei	13	1,592,517	8
Indonesia	16	1,263,221	9
Malaysia	66	5,246,738	22
Philippines	9	557,932	5
Singapore	59	24,266,901.50	34
Thailand	14	481,902	8
TOTAL	177	33,409,212.30	100

Note: The figures are as of October 2009.

Source: ANNEX 6 'Status update of the IAI Work Plan I (2002-2008)' 35th Meeting of the IAI Task Force, 17 October 2009, ASEAN Secretarial, Jakarta. P.2.

Among the US\$24, 2 million from Singapore for 59 projects under the IAI Work Plan (Table 4), they have concentrated on four projects under the 'HRD-Public Sector Capacity Building' component in particular. Based on the status update of the IAI Work Plan I (2002-2008), the four projects are:

1. Singapore Scholarship Program (for the period until 2008) costs \$US13,529,674 million.
2. HRD Courses (for the period until 2008) costs US\$3,320,923 million.
3. Setting Up and Operating the Four IAI Training Centers from July 2002 to September 2005 and Operation of the Four IAI Training Centers in the CLMV nations (covering the period of October 2005 to December 2008) both cost US\$2,163,633 million.
4. Singapore Cooperation Program Training Awards (for the period until 2008) costs US\$2,008,380 million (Status update of the IAI Work Plan I 2002-2008: 36).

On the other hand, Malaysia the second largest contributor to the Plan, spent US\$5,24 million to 66 projects under the IAI. The country has focused on two projects under the Regional Economic Integration (REI) component the “International Course Customized for Senior Officers of the CLMV Customs Administration on the Prospects and Challenges of Free Trade Areas (FTAs) (9-21 June 2008, 20 participants)”, which cost US\$59,021 million. Second, the “International Course Customized for Senior Officers of the CLMV Customs Administration on the WTO Valuation (13-25 October 2008, 20 participants)” costs US\$59,021 (Status update of the IAI Work Plan I, (2002-2008): 37).

4. Motivations and Commitments to the ASEAN – Mekong Sub-Regional Development and among the ASEAN-6

The AMBDC and IAI programs have had many complexities due to the differences in national interests. As already shown commitments of Singapore and Malaysia that have solidly supported their projects for the Mekong sub-region development. While the island ASEAN members (Indonesia, the Philippines, and Brunei Darussalam) were not eager in supporting them, it has been well publicized that there is inadequate financial support for the IAI (Table 4). On the other hand, Thailand is one of the main actors committed to lessening the development gap. However, much of their support was given outside the AMBDC and IAI frameworks as bilateral assistance through the ACMECS, as already explained in Chapter III.

As shown above, the fact that Thailand was not keen in maintaining the development of the Mekong sub-region by means of the ASEAN's programs. This section explores the reasons to why peninsular ASEAN members have supported them. At the same time the island ASEAN members were not keen to support them completely. In this context, the paper will present the rationale for why the peninsular ASEAN members have supported the projects of ASEAN and Mekong sub-region development.

Economically, Malaysia's proposal for the AMBDC and Singapore's initiative in the IAI, certainly tried to provide support to narrow the economic gap between the ASEAN-6 and ASEAN-4 member countries. These projects aim to improve economic to the CLMV countries in order to reduce the economic gap between the ASEAN-6 and CLMV. At the same time, Malaysia took advantage of its geography proximity to the Mekong sub-region, to build the railroad infrastructures. The railroad infrastructure link Malaysia to the entire mainland Southeast Asia, and subsequently to other areas. Similarly, Singapore connected to Malaysia by bridge can also take the benefit of the linkages sponsored by Malaysia.

Vietnam has not been the only country to rival with Thailand. Malaysia also desires to vie with Thailand over the influence of the Indochinese countries. Shiraishi (1998: 66) quotes Yoshimatsu (2008: 10) who states that Malaysia's initiative in the AMBDC derives from its rivalry with Thailand, which increased its presence in the Indochinese countries as the partner of Japan's Mekong development projects such as the Forum for Comprehensive Development of Indochina (FCDI) and the WG on Economic Cooperation in the CLM countries.

Singapore is the technologically most advanced of the ASEAN members. Politically, the country hoped to increase its influence in the region by taking advantage of information technology (IT) and educational capabilities as leverage over its neighbors (Ogasawara, 2003: 135). This was why Singapore designed most of its projects under the IAI relating to IT and educational capabilities. For example, the educational capabilities were being shown in their abundant financial support for the 'HRD-Public Sector Capacity Building' component (diverse ASEAN-6 nation's commitment to the Mekong sub-region development section). Another outstanding example of IT is that Singapore has also contributed to a large amount of funds to the projects under the 'HRD-Labor and Employment' and 'Information and Communication Technology (ICT)' programs. The projects

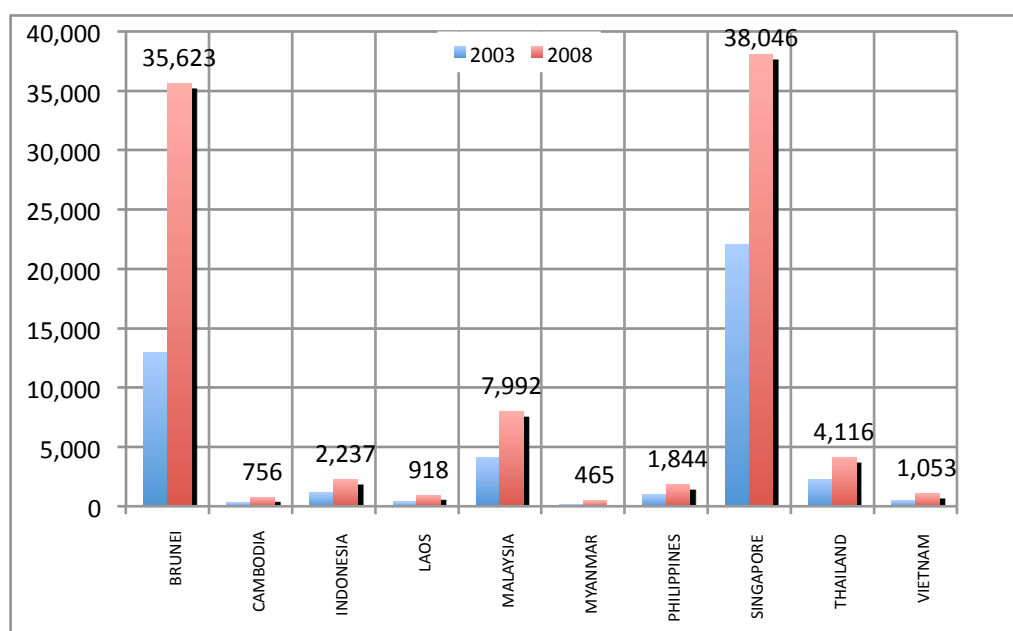
under the ‘HRD-Labor and Employment’ component related to IT were training in personal computer and network maintenance, security, application, civil service reforms, and communication skill for the IAI. On the other hand, the projects under the ICT component were Training in IT Project Design and Management for IAI, Specialized Training in IT for IAI, Managing IT in Organization for IAI, IT Train-the-Trainers for IAI, e-Government Training for IAI and Training in IT Project Design and Administration for IAI. In the next part of this section examines why the island ASEAN members were too weak to sustain the ASEAN’s projects on the sub-region development.

Geographically, the Philippines, Indonesia, and Brunei Darussalam are island countries – located off the non-mainland of Southeast Asia and cannot utilize the benefits of the hard and soft modern infrastructures under the AMBDC and IAI programs as much as Singapore and Malaysia. This was the central reason they refused to commit to both programs to a great extent, being shown in their commitments’ section and minute financial support for the IAI (Table 2). Air and sea transport are the only means for them to connect to the mainland Southeast Asia and the world as a whole. Because of this, they are more interested in developing these forms of transportation as opposed to the railroad under the AMBDC or the soft infrastructure projects of the IAI programs.

Economically, the island ASEAN members (except Brunei) are not as economically developed as Malaysia and Singapore. They have not been ready yet to assist development in the Mekong sub-region. The GDP of the Philippines and Indonesia were US\$976 and US\$1,992, and US\$1,141 and US\$2,237 in 2003 and 2008, respectively, while Malaysia and Singapore were US\$4,150 and US\$7,992, and US\$22,076 and US\$38,046 in 2003 and 2008, respectively (Chart 1). With this regard, there were a lot of rooms inside the island ASEAN members are needed to improve before much assisting to the CLMV countries.

Brunei’s GDP is even higher than Malaysia’s (Chart 1), but as previously stated Brunei is an island country in the Southeast Asia and cannot take advantage of the ASEAN development programs. This is why they have not been actively involved in either program. Moreover, because of the national interests, the country wants to concentrate more on the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA) project with Malaysia, Indonesia, and Philippines than the ASEAN’s programs on the Mekong sub-region development.

Chart 1. GDP Per Capita in the ASEAN Member States.



Notes: Myanmar data is based on the parallel exchange rate as used in the IMF-WEO database of April 2009, in which the US\$1 = 1,103 kyats (2008). The official rate was 5.43 kyats/US\$ in 2008.

Sources: Made by author quoted from ASEAN Secretariat (2005: 3, 14, 41) and ASEAN Economic Community Chart book (2009: 10). Available at <http://www.asean.org/publications/AEC-Chartbook-2009.pdf>.

As a final point, the island countries with the exception of Brunei also have domestically underdeveloped areas to take care of. Under Abdurrahman Wahid's Indonesian administration, the government was not involved with the attention given by ASEAN to the Mekong sub-regional development (Withaya, 2006: 5). In 1992, President Fidel V. Ramos of the Philippines proposed the expansion of economic cooperation underdeveloped areas in Indonesia and Malaysia and with Brunei Darussalam as a major economic and diplomatic initiative in ASEAN^{lxix}. The three leaders of Malaysia, Indonesia, and Brunei satisfactorily received this Philippine initiative. They then created formally a project called "BIMP-EAGA" on March 24, 1994 in Davao City in Mindanao, Philippines^{lxxii}. This program was launched to accelerate development of some of the lesser-developed areas in the region including – Indonesia: East and West Kalimantan, Central Kalimantan, Southeast Kalimantan, North Sulawesi, Central Sulawesi, South Sulawesi,

Southeast Sulawesi, Maluku, and Irian Jaya; Malaysia: Sabah and Sarawak states, and the Federal Territory of Labuan; and Philippines: Mindanao and Palawan –, and accelerate the economic development of Brunei Darussalam (Study term of Asian Development Bank, 2004: 1). The aims of the program are to increase trade, tourism and investments with and outside the sub-region by facilitating the free movement of people, goods, and services; making the best use of common infrastructure and natural resources; and taking the fullest advantage of economic complementation (Dominguez, 1998: 2).

To commit with this project, they created the WGs in 1994 to expand air linkages; sea linkages, transportation and shipping services; joint tourism development; expansion of fisheries cooperation; construction and construction materials; telecommunications' environmental protection and management; forestry; people mobility; HRD; capital formation and financial services; energy; and agro-industry (Dominguez, 1998: 4-5). The Asian Financial Crisis in 1997 and the El Niño weather phenomenon that hit most of those areas in 1998 seriously hampered the developments plans. These issues have caused the island ASEAN members to concentrate on domestic projects rather than concentrated on the Mekong sub-region development's projects. When the economic crisis struck in 1997, the ASEAN-6 member countries similarly turned to their own severe economic problems dropped and indefinitely deferred the implementation of agreed-upon development projects (Hund, 2007: 255).

The previously described developments in the sub-region weren't paid considered from within and outside the ASEAN member countries until 2000s because the ASEAN member nations and extra-regional countries were focused on the development of the Mekong sub-region. As can be seen, the Mekong sub-region is at the heart of Asia, which is located in the middle of Northeast Asia and South Asia. The external states can take benefit to linkages in the Indian Ocean to the inside China as well as to the East China Sea. In order to have ASEAN and the ASEAN partner members' attentions to the BIMP-EAGA project, the island states used the mixed strategy. First they agreed to support the Mekong sub-region development programs. This was the key reason why they approved and supported to the AMBDC and IAI. In exchange, they may get support from them for the BIMP-EAGA. It's important to note that in the Hanoi Declaration in July 2001 that ASEAN confirmed its support to the development for the Mekong sub-region programs. ASEAN also supports the convening of a seminar in Brunei

Darussalam on the “Complementing regional integration through Sub-regional Groupings/Growth Areas: (BIMP-EAGA)^{lxiii}”.

In addition, the island countries did not only use trade off strategy with ASEAN and they also showed their commitment to construct a BIMP-EAGA Roadmap 2006-2010 in order to revise on the BIMP-EAGA project. The BIMP-EAGA Roadmap was approved and adopted during the 2nd BIMP-EAGA Leaders’ Summit in Kuala Lumpur last December 11, 2005^{lxiv}. They then created a BIMP-EAGA Action Plan to implement the programs and projects under the BIMP-EAGA Roadmap 2006-2010. The Action Plan has been supported by both ASEAN members and external states. As a result, they were able to obtain financial support from regional actors namely, the BIMP Facilitation Center (BIMP-FC), BIMP-EAGA Business Council (BEBC), National Secretariats (NS) of the member countries, Small and Medium Enterprise Development (SME) Cluster, Joint Tourism Development (JTD) Cluster, Natural Resources Development (NRD) Cluster, Transport, Infrastructure and ICT Development (TIID) Cluster, BIMP-EAGA Tourism Council (BETC), BIMP-EAGA Media and Communicators Association (BEMCA). They also found financial support from various partner organizations, including the ADB, German Technical Cooperation Agency (GTZ), ASEAN, ASEAN Japan Centre, and World Wildlife Fund (WWF)^{lxv}. Both financial supported have sustained to the projects under the BIMP-EAGA Roadmap 2006-2010 ASEAN-projects.

5. The Impact of the Diverse Motivations and Commitments on the ASEAN – Mekong Sub-Regional Development

Because of the diversity of national interests, the ASEAN member countries have not been able to harmonize a united policy toward the Mekong sub-region. The peninsular of ASEAN countries have strongly supported the ASEAN – Mekong sub-region development programs, whereas the island of ASEAN members has not been keen to support them. This disunity of motivations and commitments to the sub-region development included positive and negative side to the Mekong sub-region development as below.

5.1. Positive Aspects of the Disunited Motivations and Commitments to the ASEAN – Mekong Sub-Regional Development

The lack of unity in the coordination of policy has been caused by the two ASEAN programs agreements got approved more rapidly as a positive side. Those programs would have taken more time if the ASEAN member countries had been stronger cooperative. In this context, there are two reasons, as will be stated follow.

First, if the Southeast Asian island countries had been more interested in AMBDC and IAI programs, the island countries would have taken part in the two programs discussions seriously. This is especially important given ASEAN's focus on finding consensus between its members. Practically, it's very hard to reach consensus, so it would have taken time to get a green light from the island countries if they participated with the programs critically.

The second reason is geographic. The fact is that the peninsular countries, which are closer to the sub-region, have a clearer picture of the political economic, and social factors of the Mekong countries. Therefore, they do not as much convincing on the need for more in-depth studies on the sub-region. Unlike the peninsular countries, even the island countries are located in the Southeast Asian region, but they are located further than the peninsular countries to the Mekong Sub-region. So the level of knowing the sub-region is a little bit behind the peninsular countries. With this regard, the island nations may need more time to study the issues on the sub-region than the continental ASEAN members. All in all, the consensus and geography will slow the process of reaching agreements for those two programs because the island ASEAN members need more time to study the sub-region and to discuss the merits of the AMBDC and IAI programs. In the following section, the book will take a look at the negative points.

5.2. Negative Aspects of the Disunited Motivations and Commitments to the ASEAN – Mekong Sub-Regional Development

There are three negative aspects of the disunited enthusiasms and assurances between the peninsular countries and island ASEAN member countries to the Mekong sub-region development programs as follows: first, the programs of ASEAN to advance the Mekong sub-region as well as the program (BIMP-

EAGA) to the development of Brunei, Indonesia, Malaysia, and the Philippines haven't received solid external assistance. As a Cambodian Government Official stated in Chapter III forming a group of CLMV aimed to gain much more economic support from external states, especially, the developed countries such as the US, Japan, and the EU. In connection to this, individual countries cannot seek economic assistance from other the ASEAN partnerships. A Cambodian Government Official added more that forming a larger group of states gives the region a becoming bigger voice – and helps develop trust and transparency in the region while at the same time tackling corruption. The same thing to a Cambodian Government Official's statements, if the collective ASEAN-6 member countries had been made, rather than bilateral base, by putting both side programs (AMBDC and IAI, and BIMP-EAGA) implemented as a factual the ASEAN's programs, the ASEAN partners or external states may have provided more economic assistances for the three programs. ASEAN has fundamental limitations to coordinating the AMBDC and IAI programs that its members have tried to push forward on the bilateral base with specific diplomatic objectives (Yoshimatsu, 2008: 12).

Second, the different distribution from the ASEAN-6 member countries has caused the weakness or limitation of the development of the Mekong sub-region. Due to the fact that the Mekong sub-region cannot absorb or gain total benefits from the ASEAN-programs (AMBDC and IAI) for the development of the sub-region. It obvious the programs don't work well or in the effective way if the peninsular countries and island ASEAN member countries do not work in harmony to implement the ASEAN programs. For example, there are 46 projects under the AMBDC but based on the AMBDC's Joint Media Statement, 14 projects have not been implemented because of lacking of funds and support from other members of ASEAN^{lxvi}. Importantly, the SKRL project, which is the core project under the AMBDC, hasn't finished yet since the beginning of the project, which started from 1996 until now. Malaysia committed to the SKRL project by providing RM 2 million to conduct a detailed technical study on the proposed railway line and the additional links to be added. Nevertheless there were no other ASEAN members yet found to finance to the SKRL project. This is a large setback for the Mekong sub-region because the SKRL project is a project concentrated on the railroad (one of the cheapest means of transportation) not only to the Mekong sub-region, but also to the entire region and the world (Figure

2). On the other hand, the IAI projects also haven't completed successfully yet. Table 3 shows that 5 projects have been partially funding and are being implemented, 14 projects have been matching process underway and 22 projects, which have no funding supported yet. Additionally, the projects that were attempted were not always successful. If the peninsular countries and island ASEAN member countries still are not cooperative like these due to the differences in national interests, the aims and purposes of ASEAN, to integration into an ASEAN Community and East Asian Regional Integration may have a very long way to go.

6. Conclusion

Malaysia created the AMBDC and has played a crucial role to develop it. Malaysia has strongly fostered the SKRL project by providing a lot funds to study it. On the other hand, the IAI was created by Singapore in late 2000. Later, the Hanoi Declaration was initiated in order to lay down four fields for the IAI to concentrate on. In 2002, the Foreign Ministers of ASEAN proposed that the IAI Work Plan aimed to implement on the four fields within six years.

However, both programs didn't work as smoothly as they expected. Thailand had not been interested in either program because its own priorities. In connection, the ASEAN's island members have not been involved either due to other factors. Three other projects (the Hanoi Declaration on Narrowing Development Gap, VAP, and ADF) were initiated in order to track down those issues. The new projects have played an important role for both ASEAN programs. For example, the Hanoi Declaration appointed the IAI to work on four areas traded off with the island ASEAN countries to support both ASEAN programs, gave assistance to both AMBDC and IAI to gain aid from the ASEAN partnerships. The VAP enlarged the scope of the IAI Work Plan and upheld the trade off. Finally, the ADF was to raise fund from its members to sustain the VAP implementation.

Regarding about research question two, the book will start exploring the reasoning of the diverse motivations the ASEAN-6 member countries to its programs. Both Malaysia and Singapore are interested in narrowing the income gap within ASEAN by initiating the AMBDC and IAI. Malaysia created the SKRL project under the AMBDC program aimed at developing railroad

transportation linkages to the whole mainland of the Southeast Asia, which can also connect to other regions. Singapore has strongly supported the AMBDC because the country can take full advantage from the linkage as well. Additionally, Singapore is advanced technologically among the ASEAN members and wants to use this privilege to increase their influence to the region. This is reason for their sponsorship of IT related and educational capabilities under the IAI. Lastly, Malaysia politically wished to rival against Thailand over the influence of the Mekong sub-region by joining Japan's Mekong development projects such as the FCDI and the WG on Economic Cooperation in CLM.

On the other hand, there are three main factors that motivated the island ASEAN members were not keen to support the ASEAN programs in the Mekong sub-region. First, the AMBDC and IAI programs concentrate on developing mainland Southeast Asia hard and soft infrastructures. The Philippines, Indonesia, and Brunei cannot fully take advantage of Malaysia and Singapore from the programs because they are off the coast of Southeast Asia. Second, Chart 1 shows that their GDPs (except Brunei) are limited compared to Malaysia and Singapore. This proves that their capitals are modest to assist to the AMBDC and IAI programs. As a final point, they also have their own program (BIMP-EAGA) for its underdeveloped sub-region with Brunei and Malaysia. They need to improve those areas, rather than assist to the Mekong sub-region and at the same time they need more attention within and outside the ASEAN members to its program.

Research question 3: the peninsular ASEAN-6 nations may be able to gain a lot of benefits from those projects, as they concentrate on the development of CLMV. This is the reason why the peninsular ASEAN members have not only showed commitments, but they also proved their commitments to those programs. The island ASEAN members, as having not got much benefit from the AMBDC and IAI programs, have just showed and proved little commitments them. The discontinuity in ASEAN-6's commitments have had positive and negatives effects. For the positive side, those programs got approval faster than the cooperation because the programs did not need more time to build consensus with other members or do further studies. Regarding the negative side, it lost some economic assistance from the ASEAN partners and restraint of the development of the Mekong sub-region.

CHAPTER FIVE
POWER STRUGGLE OVER THE MEKONG SUB-REGIONAL
DEVELOPMENT IN THE EAST ASIAN CONTEXT

1. Introduction

The six Mekong countries, Cambodia, Laos, Myanmar, Thailand, Vietnam and the Yunnan province of China, make up one of the poorest regions in the world. In 1992, the ADB launched a program called the “GMS” in order to eliminate poverty in those countries, improve the people’s living standards, and promote the economic and social development. Since then, the ADB has been giving assistance to programs to enhance economic relations among themselves so as to focus on infrastructure development, freer flow of capitals and goods in the Mekong countries.

The development of the Mekong sub-region is tremendously vital for East Asia in terms of its geo-economic and geo-political development. Both China and Japan have used the ADB as a tool to facilitate the Mekong sub-region development. China, with its close linkage with the Mekong sub-region, has used the GMS program as a tool to benefit for their country. So far, China has built many projects under the program. This is not enough for the sub-region development; China also created other program launched independently from the GMS program for the development of the sub-region. Knowing that China is further ahead in growing influence to the Mekong nations, Japan has also launched many projects through the GMS program and independently from the program in order to catch up with the faster growing influence of China.

The main objectives of this chapter are, first, to explore China and Japan’s policies and measures to the improvement of the Mekong sub-region. Second, to examine China and Japan’s commitments increased concerning the development of the sub-region. Last, to see the positive and negative sides of the influences of Sino – Japan rivalries on the improvement of the sub-region. These will answer to three inter-related empirical questions. First, what kinds of policies and measures have China and Japan put into action to strengthen the development of the Mekong sub-region? Second, why have China and Japan committed to the sub-region development? And third, how have the rivalries that have been adopted by both China and Japan influenced to the sub-region?

2. China and Mekong Sub-Regional Development

Relations between countries were much improved after the 1990s, due to the fact that China has supported the development of the Mekong sub-region through the GMS program^{lxvii}, created by the ADB. As already stated, the program was a significant benefit for China. In the next section, the GMS program will be shortly introduced in order to proceed to an analysis of China's commitment and the intention of China to the development of the Mekong nations.

2.1. Asian Development Bank (ADB) and Greater Mekong Sub-region (GMS) Economic Cooperation Program

Historically, the development of the economy and society along the Mekong River has lagged behind due to a variety of factors including the strong influence of international politics, ideology, interstate wars, boundary, and civil wars. In the new millennium, the six riparian states (Cambodia, Laos, Myanmar, Thailand, Vietnam and the Yunnan province of China) wished to restructure their economic systems, reform their industries, and open larger to the outside world with increasing economic growth being their common goal.

Seeing this, the ADB^{lxviii} assisted the six riparian states by launching a program called the Greater Mekong Sub-region (GMS) Economic Cooperation Program in 1992, which received firm support from the six riparian states. There are three main goals for this program to (1) assist substantial economic progress, (2) to reduce poverty in the GMS countries by strengthening economic linkages between all member countries, and (3) to fulfill and improve development opportunities, advance trade and investment, and restructure cross-border arrangements.

The six nations, Cambodia, Laos, Myanmar, Thailand, Vietnam and China, held the first ministerial meeting for developing the Mekong sub-region in late 1992. Henceforth, the ministerial meeting has been held once a year in principle. In its original manifestation, the GMS program identified on the following 11 flagship projects sectors: (a) North-South Economic Corridors, (b) East-West Economic Corridors (c) South Economic Corridors, (d) transportation, (e) energy, (f) trade investment, (g) HRD, (h) environmental protection, (i) telecommunications, (j) agriculture, and (k) tourism in Mekong River^{lxix}. In the

following section, the study takes a look at the China's commitments to the GMS program.

2.2. China's Commitments to GMS

China has showed its commitment to the GMS not only verbally, but also in action. In March 2005, the Chinese government set up the Regional Cooperation and Poverty Reduction Fund within the ADB with the contribution of US\$20 million. All the bank's developing country members were eligible for grants under the funds but the priority was given to the members of the GMS program^{lxx}.

Interestingly, China, as one of the main beneficiaries of the program, has continuingly showed their commitment to the program. In the GMS Summit Meeting on July 5, 2005, which was held in China's Yunnan Province, Chinese Premier Wen Jiabao noted China's expedited and deepened cooperation in such fields as telecommunication, environment, tourism, agriculture, and HRD, all of which are essential components for advancing the GMS program^{lxxi}. He also showed the Chinese government's commitment by saying, "I hereby announce that the government has decided to individually expand the range of products eligible for preferential tariff from the CLM countries as of January 1, 2006 with an aim to raise the level of intra-regional trade cooperation"^{lxxii}. To confirm with this statement, Beijing unilaterally removed tariffs for more than 200 items from the CLM countries in an effort to boost bilateral trade with the Mekong countries.

Therefore, at the 3rd GMS Summit on March 31, 2008 hosted in Laos's Vientiane City, Premier Wen Jiabao showed its commitment again to the GMS nations that the Chinese government will further its cooperation with the Mekong countries under the ADB program^{lxxiii}. To prove its commitment, Prime Minister Wen said that in the next three years, under the GMS framework, China would provide training courses to 1,000 individuals from the sub-region countries essentially doubling the previous number. In addition, China also increased government scholarships for countries in the sub-region to 200 in 2008^{lxxiv}. Moreover, the Chinese government contributed US\$30 million to the total cost US\$97 million, to the North-South Corridor Route 3 Highway under the GMS framework^{lxxv}.

2.3. China's Mekong Commitments Outside the ADB's GMS Program

Besides increasing its commitments in the GMS program, China has also introduced one project called the 'Early Harvest Program (EHP)' independent of the GMS framework to boost bilateral ties and complement the sub-region's development. The program is a concrete measure to initiate a China – ASEAN Free Trade Agreement (CAFTA).

2.3.1. The Early Harvest Program (EHP)

The EHP is a provision of the Framework Agreement on Comprehensive Economic Cooperation between the ASEAN and China^{lxxvi}, which aims to accelerate tariff reduction on trade goods. Hing and Hossein (2008: 20-21) pointed out that the EHP covers products included in Chapters 1–8 of the Harmonized Commodity Description and System (HS)^{lxxvii} at the 8/9 digit level, and includes live animals, meat and edible meat offal, fish, dairy products, other animal products, live trees, edible vegetables and edible fruits and nuts. In connection, Hing (2006: 1) observes that China and ASEAN initiated the EHP to reduce the tariff of 562 agricultural products. All the products covered under the EHP are separated by many categories for tariff reduction and elimination according to the status of Most Favored Nation (MFN)^{lxxviii} tariffs, which differ from nation to nation.

To prove China's commitment to the program, at the Ninth ASEAN-China Summit Meeting in Bali, Indonesia on October 6, 2003, China and the ASEAN member countries signed on implementation of the EHP of the "Protocol of Amend the Framework Agreement on Comprehensive Economic Cooperation between the Association of Southeast Asian Nations and People's Republic of China". Finally, the implementation of the EHP began in 2004.

This program strongly facilitates Mekong sub-regional development. Due to the fact that they are the most impoverished nations in the sub-region, the CLMV countries enjoyed more benefits than the other ASEAN-6 member countries^{lxxix}. Based on Hing and Hossein (2008: 20), the EHP permitted a three-year time frame for tariff reduction for the ASEAN-6 and China, and a longer time frame for CLMV for five years.

2.4. China's Intent in the Mekong Sub-Regional Cooperation

China's rising intents to the GMS countries cooperation are due to the possible benefits the country can gain in the process.

Economically, the Mekong sub-region could become an important raw material supplier and market area for Chinese goods. In the current state of trade between the Mekong countries and Chinese seems to be mutual, but trade would benefit China more than the Mekong countries^{lxxx}. Table 5 shows that the balances of trade have been deeply in China's favor for many years. China's exports to Cambodia, Laos, Myanmar, Thailand, and Vietnam have continuously shown a large trade surplus every year. They reached US\$1887, US\$-307, US\$1,079, US\$11,172, and US\$28,356 in between 2004 and 2008, respectively.

Table 5. The Mekong Sub-region Member States Trade with China, 2004-2008 (Value in Million US\$).

Country name	2004	2005	2006	2007	2008	2004-2008
Cambodia						
Exports	12	15	13	11	13	64
Imports	337	430	516	653	15	1,951
Balance						-1887
Laos						
Exports	1	4	1	35	15	56
Imports	89	185	23	23	43	363
Balance						-307
Myanmar						
Exports	75	119	133	475	499	1301
Imports	351	397	397	564	671	2380
Balance						-1,079
Thailand						
Exports	7,098	9,083	10,840	14,873	15,931	57,825
Imports	8,183	11,116	13,578	16,184	19,936	68997
Balance						-11,172
Vietnam						
Exports	2,711	2,828	3,015	3,336	4,491	16,381
Imports	4,416	5,322	7,306	12,148	15,545	44,737
Balance						-28,356

Source: ASEAN Trade Statistics Database (Data as of July 2009)^{lxxxii}.

Second, China aims to develop its southern and western provinces, the Yunnan Province and Guangxi Zhuang Autonomous Region, which were underdeveloped areas. Based on China's Statistical Yearbook (2006: 66) in 2005, the GDP per capita of both Yunnan and Guangxi were 8,788 Yuan and 7,835 Yuan, 37 per cent and 44 per cent below the nation average respectively (14,040 Yuan). The fast economic growth has made a major challenge for Chinese policy makers. The economic gap between eastern coastal areas and southwestern areas is an increasingly large. Beijing recognizes the development gap as a potential threat to the country's political stability and even the rule of the Chinese Communist Party (Masaki, 2007). By recognizing this problem, China, first, assisted to the development the Yunnan province by letting the province develop trades ties with its southern neighbors. In 1984, the Chinese government allowed 27 border districts of the province to be trading points with its neighbors. There have been five national-level border towns and 12 provincial-level border towns in Yunnan since 1992 (Masviriyakul 2004: 305-7). In order to motivate economic advancement and contribute to the increase of economic exchanges, the Chinese government has facilitated transportation infrastructure that linked Yunnan to its southern neighbors made up of the Kunming-Bangkok Highway, Kunming-Singapore Railway Link, Lancang-Mekong River Navigation.

China then assisted with the Guangxi Zhuang Autonomous Region, which became the base for economic linkages with the Southeast Asian countries. In October 2003, Chinese Premier Wen Jiabao proposed holding the 'China-ASEAN Expo and China – ASEAN Business and Investment Summit' (CABIS) in order to stimulate commercial linkages between the two parties and sustain the building of the ASEAN – China Free Trade Area. These events were held in Nanning's capital of Guangxi. Moreover, in 2006, China also launched a program called the 'Pan-Tonkin Gulf Economic Cooperation scheme between Guangxi province and Vietnam', because China wanted to improve Guangxi further (Liu, 2008: 6-7).

On top of that, China launched the 'Go Global Policy'^{lxxxii} that was integrated into the Tenth Five-Year Plan 2001 – 2005, which was adopted in late 2000. The Tenth Five-Year Plan 2001 – 2005 was a plan emphasizing on the "Go West" approach aimed at converting the poorer western part of the country into an attraction for local and overseas investors to come to narrow the development gap between the eastern coastal areas and the western part areas. This development is also linked to develop the southern provinces and to the Shanghai Cooperation

Organization (SCO) and the Central Asia Regional Economic Cooperation (CAREC) with ASEAN that could be regarded as a driving force for developing the southern provinces (Aoyama 2007:110 quoted by Yoshimatsu, 2008: 16).

The third reason China created the EHP, which is a part of the ASEAN-China Free Trade Agreement, was because the country wanted to improve the economies in the LDC countries in the Mekong sub-region^{lxxxiii}, to reduce the economic gap between the original and new members of ASEAN. In this regard, China would be able to fully implement ASEAN-China Free Trade Agreement. The older members of ASEAN are more developed countries, while the new members of ASEAN are countries in the earliest stage of economic development (Table 1). This economic gap cannot let ASEAN use full implementation of the CAFTA because the economics of the ASEAN member countries is still being divided into these two divisions. This can be unjust for the ASEAN member countries to have the CAFTA with a giant country like China. Not concentrating deeply on the economic aspect, the book would like to explain similarly the idea that if ASEAN enters an FTA with China, the competitiveness will be a threat to their domestic companies and products. For example, China has financial capital and can produce the same products at lower costs. In this case, the domestic companies of the ASEAN member countries may go bankrupt. This can result in potential job loss and idle factories for a loss of tax base.

China also appears to be interested in creating a win-win strategy with ASEAN on the CAFTA. To achieve this, China has to first assist the most impoverished Mekong countries (CLMV) in order to reduce the economic gap between the older and the newer members to be one strong ASEAN that can balance with China. By reducing the economic gap between the ASEAN-6 and ASEAN-4 member countries, China created the EHP under the framework of the FA in 2004, as ready mentioned previously. The EHP began with an agreed three-year timeframe for tariff reduction for the ASEAN-6 member countries and China, and a much longer timeframe for the poorest Mekong countries, CLMV, until 2010.

Last but not least, China's increasing commitments to the development of the Mekong sub-region can be explained by geopolitics. The economy of the People's Republic of China has a rapidly been developing market economy and China became the third largest in the world in 2008 after the U.S. and Japan with a nominal GDP of US\$4.4 trillion^{lxxxiv}, and also their military spending. In March

2002, China announced that it was going to increase its military budget by 17.6 percent to US\$20 billion, which will dwarf the budget of the next comparable nation Australia by almost 3 times over^{lxxxv}. These two things can be a huge threat to its ASEAN neighbors. In order to ameliorate their neighbor's concerns, China has to show its friendliness. In a keynote speech to the Boao Forum in April 2002, Premier Zhu Rongji underlined China's growing economy posed no threat to Asia and stressed that China was ready to work with its neighbors to build "a thriving new Asia". In the same vein, Zhang (2003) argued that China's cooperation in the Mekong countries is a widespread security strategy to maintain stability and cohesion of the region by way of economic cooperation.

3. Japan and Mekong Sub-Regional Development

China and Japan have the largest influences on the East Asian region. When one side does something, another side has to react as well in order to balance the influential power between them. Starting in the 1990s, China began to strongly support the Mekong sub-region by participating with the GMS program, creating its own program EHP, IAI and AMBDC. As a result, China is far ahead in influencing to the sub-region than Japan. In response, Japan has invested more efforts and financial resources in the Mekong Sub-region.

3.1. Japan's Mekong Sub-Regional Cooperation in the 1990s

In order to build superior relations with the Mekong sub-region to compete with China, in the early 1990s, Japan launched two programs to assist the development of the Mekong sub-region. The first was the "Forum for Comprehensive Development of Indochina (FCDI)" and the second was the "AEM-METI Economic and Industrial Cooperation Committee (AMEICC)".

In 1993, Japanese Prime Minister Kiichi Miyazawa first proposed the FCDI (ESCAP, 2008: 6). The Ministry of Foreign Affairs (MoFA) of Japan then launched the FCDI. The forum's ministerial meeting was held in February 1995 with the participation of 24 countries (included CLV) and several international organizations. The forum primarily served as a platform for exchanging views on

balanced development of the CLV countries and for addressing the needs and opportunities for economic and social cooperation in the sub-region.

The objectives of the FCDI were to (1) strengthen and capabilities of officials engaging in formulating development projects, (2) to establish international cooperation through voluntary coordination of assistances based on information exchange among participating nations and organizations, and (3) to promote market economies in the three countries. In the forum's ministerial meeting held in 1995, the WGs on infrastructure development and HRD were formed to coordinate their respective areas (ESCAP, 2008: 7-8).

On the other hand, the Ministry of Economy Trade and Industry (METI) of Japan created the AMEICC. It was developed and restructured from the WG on Economic Cooperation in Indochinese countries and Myanmar, established in 1994 to support these countries to be members of ASEAN, which was later renamed as the "Working Group on Economic Cooperation in Cambodia, Lao PDR and Myanmar" (CLM – WG) in 1995 (ESCAP, 2008: 7-8). The CLM – WG aimed to be a forum to discuss industrial cooperation, development in human resources, and institutional reforms. In December 1997, the CLM – WG was changed into the "AEM – METI Economic and Industrial Cooperation Committee" (AMEICC). The AMEICC designed to promote industrial development through the construction of infrastructure, improvements in business environments, industrial and trade financing, and human resources^{lxxxvi}.

There are nine WGs under the AMEICC on the following areas: 1. HRD, Small and Medium Enterprise, 2. Supporting Industries and Rural Industries (SME/SI/RI), 3. West-East Corridor Development, 4. Statistics, 5. Automobile Industry, 6. Chemical Industry, 7. IT, 8. Consumer Electronic Industry, and 9. Textile and Garment Industry. The ten ASEAN member countries^{lxxxvii} and Japan participated in the program.

However, as it can be seen, the FCDI created by the MoFA and the AMEICC created by the METI were not truly successful. It was because there was overlapping actual activity, namely the aid of HRD. Moreover, the FCDI and AMEICC enclosed with the six ASEAN member countries. The Japanese government wanted to have a program that enables the government to deal with the Mekong sub-region nations directly, in the same position as the Chinese government that has held the Ministerial and Summit Meetings with the five Mekong countries under the GMS program. This was the main reason why Japan

created a new program and also proved their commitments on it in the new millennium. The details of which are explained below.

3.2. Japan's New Commitments in the 2000s

In the 2000s, the Japanese government initiated a new program called the “Mekong – Japan Foreign Ministers’ Meeting”. After creating the new program, the government has launched many new commitments to it.

Due to the fact that the FCDI’s and AMEICC’s programs were unpopular, the Japanese government aimed at developing better relations with the Mekong sub-region still. On November 30, 2004, Prime Minister Junichiro Koizumi of Japan held the first Summit Meeting with the CLV countries in Vientiane, Laos. He joined the press release of CLV and Japan summit. He expressed Japan’s intention to cooperate as for the development and prosperity of the sub-region, and to work at narrowing the economic gap between the new and old members of ASEAN^{lxxxviii}. To achieve these goals, the foreign ministers of Japan and the CLV countries argued all the possible actual cooperative programs to meet the intention of Prime Minister Koizumi. As a result, at the foreign ministers’ third meeting, they initiated the Japan – Mekong Region Partnership Program in January 2007^{lxxxix}, as proposed by the foreign minister of Japan.

There are three goals of the Japan – Mekong Region Partnership program. The three goals are to enhance Japanese Mekong partnership, sustainable economic growth in the Mekong sub-region, and the life and dignity for the people in the Mekong sub-region and fulfillment of their potential^{xc}. This program included three priority areas and three new commitments. The three priority areas are (1) the promotion of integration and linkages of regional economies, improve socio-economic infrastructure and institutions, (2) the expansion of trade and investment between Japan and the Mekong sub-region, development legal frameworks, improve business environment for trade and investment, and promote industrial cooperation, and (3) the sharing of values (democracy, rule of law, etc) and to pursue common goals of the sub-region (poverty reduction, infectious diseases control, and environment)^{xcⁱ}. There are three new commitments to the Japanese sponsored program, first, is the expansion of Official Development Assistance (ODA) to the Mekong sub-region. Japan will expand its ODA to each of the CLMV countries for the next three years. Japan

assured US\$ 40 million to the CLMV countries of which approximately US\$20 million would be used to assist the CLV “Development Triangle”. Second, is the bilateral investment agreements with Cambodia and Laos which will commence negotiations on bilateral investments with Japan. In addition, Japan and Laos will establish public-private joint dialogue to improve environment for trade and investment. Last, the new commitment was the proposal to hold the Japan – the Mekong Sub-region Ministerial Meeting. Japan will invite relevant ministers from the five Mekong countries to further strengthen dialogue between Japan and the Mekong sub-region countries^{xcii}.

To prove the country’s new commitments above, the Japanese government established an official institution with the Mekong countries. On January 16, 2008, the first Mekong – Japan Foreign Ministers’ Meeting was held in Tokyo. Foreign Minister of Japan H.E. Mr. Masahiko Koumura chaired of the meeting, in which five Foreign Ministers of the Mekong sub-region countries (CLMV and Thailand) participated. The meeting sought to show clearly again about the commitment of the Japanese government. They provided US\$20 million to assist the “East West Economic Corridor” and the “Second East West Economic Corridor”. At the meeting, all of the foreign ministers announced their approval about Japan’s commitment and also affirmed 23 concrete projects for the CLV Triangle Development.

3.3. Why Japan’s Commitments Deepened

Japan’s declining position in both political and economic dimensions, while China’s improving its position in Southeast Asia in both of them (Yoshimatsu, 2008: 23-23). In the new millennium, the Chinese government has begun numerous policies to toughen political linkages with the Southeast Asian countries. For example, China with its counterpart with the Southeast Asian issued the Declaration on the Conduct of Parties in the South China Sea in 2002. The Chinese government reiterated China’s desire to use peaceful means to solving the disputes over the South China Sea Islands (Chung, 2005:19). Furthermore, China has supported the Treaty of Amity and Cooperation in the Southeast Asia since the beginning of the Treaty and consults on China’s intention to accede to the Protocol to the Treaty on the Southeast Asia Nuclear Weapon-Free Zone^{xciii}. In October 2003 in Bali, Indonesia, China and ASEAN’s

leaders signed the Treaty of Amity and Cooperation. This signing was the first time a regional and world great power China and non-member of Southeast Asia to sign the Treaty. China also signed the Joint Declaration on the ASEAN-China Strategic Partnership for Peace and Prosperity at the summit in Bali. China was converted into the first considered partner of ASEAN and ASEAN was the first regional grouping with which China formed such a partnership (Wang, 2005: 171-72). All of these efforts are the trustworthy relationship with the ASEAN countries.

Japan's declining position in both political and economic dimensions in Southeast Asia and China's strategic diplomacy urged its government to re-evaluate its policies to the Mekong sub-region. Started in the early 2000s, the Japanese government adjusted its ODA and policies towards building formal institutions, commercial arrangements, and normative values, as well as making stronger commitments toward deepening development in the Mekong sub-region.

Politically, these new policies show Japan's desire balance China's increasing influence in the region. The geopolitical nature of the rivalry can be seen in the Mekong – Japan Foreign Ministerial Meetings in the new millennium after FCDI and AMEICC programs with the old ASEAN member countries. The Mekong – Japan Foreign Ministerial Meetings was held in 2008 only between Japan and Mekong nations. The meeting with the Mekong countries alone reinforced the bond between Japan and the Mekong region, so as to obtain the same recognition in the region as China that held ministerial and summit meetings with the five Mekong countries under the GMS program.

Obviously, the geopolitical nature of the rivalry can be seen in the type of projects that the Japanese government has committed to. By seeing the Chinese government has committed to its own projects on vertical transport corridors (North-South Economic Corridor linking Kunming and Bangkok, and the second North-South Economic Corridor connecting Kunming and Hai Phong in Vietnam), Japan began to create its own projects on horizontal corridors (East-West Economic Corridor and the second East-West Economic Corridor) in order to counter China. These will heavily influence the development of transport infrastructure from China.

Additionally, the Japanese government attempted to draw a distinction to its approach from the Chinese government in the Universal Values (democracy, rule of law), as already explained above, which was included in the three Priority

Areas. In 20 August 2007, Prime Minister Shinzo Abe stated that Japan would like to pursue the "Values Diplomacy" to help the Mekong River countries to advance the rule of law and build up election mechanisms that reflect the popular will. This shows Japan as a regional leader and to be strategic for its commitment to reducing the influence of China, which has complexity in realizing these values.

Apart from geopolitical rivalry, the new policies and commitments from Japan for the development of the Mekong sub-region are also capable of assisting the business sector with the Mekong nations, as its trade value with them is modest. In Table 6, Japan's trade value to the CLMV countries was just ¥7,926 to 29,382, 5,411 to 5,830, 23,403 to 55,284 and 247,926 to 1,385,654, between 1995 and 2007, respectively. This was the reason to why Japan has actively supported developing the Mekong sub-region transport infrastructure on the "East-West Economic Corridor," and the "Second East-West Economic Corridor" under the GMS program. Both corridors can facilitate Japan firms' operations in that sub-region.

Japan's intention to improve its business interests in the Mekong sub-region was made in the first Mekong-Japan foreign ministers' meeting, which was held in January 2008, a seminar for promoting investment in the Mekong sub-region called the "Mekong Regional Investment Promotion Seminar in Tokyo - The Opportunities & Challenges of the Region as Japanese Investment Destination" was organized. This seminar aimed at giving Japanese investors an opportunity to deepen their understanding on the investment there^{xciv}.

Table 6. Japan's Trade Value with ASEAN (Million Yen)

Japan's Trade with	Year	1995	2000	2005	2006	2007
Cambodia	Trade Value	7,926	11,229	20,262	23,503	29,382
	Export	7,240	5,602	8,620	9,520	3,046
	Import	686	5,627	11,642	13,983	16,336
	Balance	6,554	-25	-3,022	-4,463	-3,290
Laos	Trade Value	5,411	3,589	3,039	3,821	5,830
	Export	2,634	2,300	2,152	2,387	4,420
	Import	2,777	1,289	887	1,434	1,410
	Balance	-143	1,011	1,265	953	3,010
Myanmar	Trade Value	23,403	33,912	32,605	40,680	55,284
		14,688	21,037	10,132	12,071	20,603

	Export	8,735	12,875	22,473	28,609	34,681
	Import	5,933	8,162	-12,341	-16,538	-14,078
	Balance					
Vietnam	Trade	247,926	497,472	898,008	1,097,067	1,385,654
	Value	86,439	212,870	396,369	481,508	665,897
	Export	161,487	284,602	501,639	615,559	719,757
	Import	-75,048	-71,732	-105,270	-134,051	-53,860
	Balance					

Source: Japan Tariff Association: The Summary Reports on Trade of Japan 1990-2007, p.12.

As a final point, the Mekong sub-region is blessed with rich in natural resources. Japan, though rich in human resources and has painstakingly exerted much investment into their development, not much its own raw materials. This is an important reason as to why Japan has wanted involvement in the development of the sub-region, to make the Mekong River its backyard and source of raw materials to sustain its status as the second largest industrial economy in the world.

4. The Influence of the Sino- Japan Rivalry on the Mekong Regional Development

This section elaborates on the positive and negative effects of rivalries between China and Japan for the Mekong sub-region development.

4.1. The Positive Aspects of the Chinese Japanese Rivalry in the Mekong Sub-Region

The book observed that there are two major aspects of the rivalries between China and Japan on the Mekong sub-regional development and two influences from those rivalries. First, it provides assistance in solving the transport infrastructure issues in the region. Under the ADB's GMS program, China has committed to the development of the "North-South Economic Corridors", a 2,000 km highway linking Kunming's capital of Yunnan province, and the Bangkok passing through Laos. While Japan couldn't have helped in constructing vertical corridors because it would not only assist development in the Mekong sub-region as well as helping China. Japan wanted was to benefit the Mekong sub-region as a

whole while also facilitating business for Japanese firms' operating in the region. This was why Japan supported the construction of the horizontal corridors, the first East-West Corridor and the second East – West Economic Corridor through its influence in the ADB. The horizontal and vertical corridors will provide essential transportation channels, opening doors for regional interaction such as conducting trade easily and making the development of regional economy stronger. The establishment of the corridors also connects the island members of ASEAN to the East and South, and enlarges westward connections to India and the Mekong River with the Ganges River.

Other rivalry between China and Japan was found in the book was that the Chinese government showed its commitments to the GMS through the ADB to support 11 flagship programs. Among 11 flagship programs, China pays more attention to transport infrastructure under the North-South Economic Corridors project. To counter China's growing influence in the sub-region in term of infrastructure in the new millennium, the Japanese government set up a new policy to create the Mekong-Japan Foreign Ministers' Summit Meeting concentrating on transport infrastructure through the GMS program. All in all, China and Japan have tried to use the GMS program as a forum to rival each other's transport infrastructures demand to develop the Mekong sub-region. This brought "junctions" or "crossroad" to the sub-region where the North South and East West corridors meet. One such junction is that of EWEC and NSEC: National Road No.2 (NR2) of Thailand and the NR1 of Vietnam.

Partially due to these crossroads trade and investment in the Mekong sub-region is increasing from day to day (based on both data from China and Japan above), and human resources are also improving. This is one of the factors that have contributed to the economic development of Mekong sub-region (Chart 1.).

4.2. The Negative Aspects of the Japanese Chinese Rivalry in the Mekong Sub-Region

Chapter 3 found that Vietnamese – Thai competition caused the Mekong sub-region had no any formal sub-regional economic institutionalization. Unlike, China and Japan, which competed with each other to develop of the Mekong sub-region is capable of gaining two separate formal sub-regional economic institutionalizations. The sub-region may need only one formal sub-regional

economic institutionalization. For example, the ADB set up a GMS program in 1992. By seeing the GMS program has a lot of advantages for China, the country's solidly supports it. They then launched the "China – GMS Summit Meeting" under GMS program. Envious of China's engagement, Japan created the "Mekong – Japan Summit Meeting" in the new millennium. The first meeting started in November 2009 and proved that the two countries view one another essentially as political and economic competitors rather than potential collaborators.

In this context, it is pointless to have two formal sub-region institutions that view other antagonistically and do not work together or engage in discussions to find ways to work together for mutual benefits of the Mekong sub-region. As a result, the rivalry has impeded the future of ASEAN integration by 2015^{xcv}, as well as the foundation of a stronger East Asian Community. The main aim of assisting the Mekong nations, especially the CLMV countries, was to increase economic level to the levels of the original ASEAN-6 member countries. Reflecting the rivalry between China and Japan, Japan's spent much time and money to build the Japan – Mekong Summit Meeting just to be given the same status as China's GMS Summit Meeting. As previously stated, Japan created the FCDI and AMEICC in 1990s, but those projects included other members beside the Mekong sub-region member nations and were not given the status as the GMS's Summit Meeting which only has the Mekong countries as members. The country then created a formal institution Mekong – Japan Summit Meeting to be equivalent to the GMS's Summit Meeting. If they had not spent so much time and effort in creating the formal institution Mekong – Japan Summit Meeting, they would have been able to focus on the GMS's Summit Meeting with China that may be a great help and accelerate the integration between the newer and older members of ASEAN.

Generally speaking, what the Mekong countries need is the cooperation between China and Japan in order to build a strong formal institution to be a platform to discuss exploring ways to work together or function in more effective way for mutual benefit. Until the rivalry between them is solved and more cooperative relationships are established in the Mekong sub-region, the true sense of ASEAN community 2015 as well as East Asian Community will never be possible.

5. Conclusion

The book found that China has assisted Mekong sub-regional development since the 1990s. China and Japan used the GMS program under the ADB as a tool to gain development benefits. They set up policies to contribute to the program such as setting up the Regional Cooperation and Poverty Reduction Fund, removing tariffs from CLM, providing about 1/3 out of the total costs to be built the North-South Corridor Route 3 highway, and offering training and scholarships. Finally, China initiated its own program (EHP) to sub-regional development. The new program gave a longer timeframe for CLMV for tariff reduction.

On the other hand, to match its power with China in the sub-regional development, in the 1990s the Japanese's MoFA initiated the FCDI and the METI created the AMEICC. However, both of these programs were overlapping activities with the Japan foreign ministers' meetings under both programs were included ASEAN-6 member countries. In this context, Japan was not provided with the same status as China has held Ministerial and Summit Meetings with the five Mekong countries. In the new millennium, Japan and the CLV countries constructed the Japan – Mekong Region Partnership Program. This program consisted of three new commitments from Japan, namely the expansion ODA to CLMV, investment agreements with Cambodia and Laos, and the holding of a Japan – Mekong Region Ministerial Meeting. Japan then set up formal institutions with the Mekong countries. This meeting was the place to confirm the three new commitments.

The book also found that Chinese motivation to commit to the sub-regional development primarily due to the fact that the sub-region could become a considerable market for them. The economic transactions between China and the Mekong countries seem to be reciprocated. However, the economic situation is more favorable to China. Second, China desired to develop its the southern part of its territory. China aims to improve the Yunnan Province first by allowing the province to trade with its southern neighbors and created the transportation infrastructure. The country then added the Guangxi Zhuang into the GMS because they wanted the region to become a gateway to Southeast Asia. Finally, the country launched the Go Global Policy that was integrated into the tenth five-year plan. These policies aimed to improve the poor western and southern provinces.

The development of the southern provinces also prevented a threat to the country's political stability by reducing the economic gap between the eastern coastal and western and southern regions. Third, China aimed to implement the CAFTA by 2010. This is why China built the EHP to reduce the development gap among the ASEAN member countries. Lastly, China's rising commitments to the development of the sub-region had geopolitical dimensions. The rapid development of its market economy and the large spending on military expansion were a huge threat to its ASEAN neighbors. In order not to create panic in the region, China needs a strong relationship with the ASEAN member countries.

Japanese motivations for the development of the Mekong sub-region are mostly due to geopolitical reasons. It opposes China's increasing influence in the region. Japan's geopolitical motivation can be seen when by its policy to have the Summit and Ministerial Meetings in the new millennium giving Japan the same status as China's Ministerial and Summit Meetings with the five Mekong nations. Moreover, the project is to build Japanese assisted infrastructure corridors, to decrease China influence on transport infrastructure in the sub-region. Apart from these two policies, Japan launched the Universal Values approach there. This approach, which has been inflexible for the Chinese government in realizing these values, will promote Japanese position as a regional leader. These policies could considerably oppose China's increasing influence there. Furthermore, Japan may partly expand its business sectors there as well. The expansion of Japanese business sectors was shown in the first Mekong-Japan Foreign Ministers' Meeting. Japan arranged a seminar "Mekong Regional Investment Promotion Seminar in Tokyo-The Opportunities and Challenges of the Region as Japanese Investment Destination". The seminar provided Japanese investors an opportunity to take advantage of the potential of the Mekong sub-region.

The author's analysis on the policies and measures adopted by China and Japan influenced to the Mekong sub-region described the positive and negative implications of the rivalry. As for positive side, the sub-region has gained modern transportation infrastructure. China has committed to the development of the vertical corridors and Japan pushed forward the horizontal corridors to China-initiated projects. Both countries' policies contribute not only to the economic development, but also poverty alleviation in the sub-region. With regard to the negative side, impact of the Chinese and Japanese rivalry created two formal sub-

regional economic institutionalizations: the formal “GMS Summit Meeting” and the second “Mekong-Japan Summit Meeting”. The two formal institutions have not cooperated with each other. This issue may retard the process of the ASEAN and East Asian communities’ integration.

CHAPTER SIX

CONCLUDING REMARKS

This chapter provides a summary of the findings described in the empirical chapter III, IV, and V. The author will provide concise answers to the three research questions by synthesizing the information presented in empirical chapters III, IV, and V. Finally, the book will provide recommendations for future avenues not covered in this book.

1. Summary of Findings

This part reviews the findings in order to answer the first research question: It identifies the policies and measures have states in the East Asian region implemented in order to support the development of the Mekong sub-region. The development of the Mekong sub-region is necessary to implement liberalization, deregulation, privatization policies, and reformed its closed market into more open markets completely after the end of the Cold War. In addition to this, it is also imperative for regional integration in Southeast Asia, as well as in East Asia as a whole. In this context, numerous concrete policies and measures to the Mekong sub-region development were initiated by the states in East Asia.

With regard to the concrete policies and measures, under observation found that Vietnam created the EWEC program in 1998 in Manila. Vietnam created the WG to follow up with the program. In the third EWEC Senior Official's Meeting, they approved an EWEC promotion initiative and, finally, Vietnam arranged the "EWEC Week 2007". These two occasions were aimed to increase the public awareness over the EWEC, invite local and international businesses to invest in the EWEC areas, and provide a platform to discuss about the EWEC. In addition to these, Vietnam suggested the Development Triangle CLV in 1999 and in early 2002 they arranged an Indochinese Summit Meeting with Laos and Cambodia in Vietnam to follow up with the Vietnamese government's proposal. Unlike the EWEC, Vietnam hasn't showed much commitment to the program. However, the program is still active due to economic assistant from Japan.

In contrast to the Vietnamese section, the researcher discovered that the Thai government created two programs competing with the Vietnamese government. First, they designed the Golden Quadrangle program in 1992.

Unluckily, the program wasn't successful because they snubbed Cambodia and Vietnam in the program. According to Asia Times (2002), the four governments of China, Laos, Myanmar and Thailand have not actively committed on the program because China and Vietnam wanted to avoid the political strains between Hanoi and Beijing, which faced off over Cambodia in the 1970s and 1980s. Second, former Thai's premier Thaksin raised an idea of creating the ECS program. The program encompasses the economic development between Thailand and the CLM nations. Thaksin then appointed his deputy prime ministers to focus on the generally aspect of the program with the CLM countries. Later, the ECS Summit Meeting was held in 2003 and the program was transformed into the ACMECS. Thailand created a Three Pairs of Sister Cities project under the ACMECS. Subsequently, Thailand offered grants and loans to the CLM nations to construct roads connecting to Thailand to the CLM countries. Hence, Thailand provided a lot of funds for the implementation of 42 projects under the ACMECS and supported the cooperation for five years projects. Somchai, who succeeded of Thaksin as a prime minister, still supported Thaksin's policies and arranged an extra 100 post-graduate scholarship to the ACMECS countries to study in Thailand.

The author found the concrete policies and measures from the ASEAN level that the ASEAN-6 member countries launched two collective programs namely the AMBDC in 1996 and the IAI in 2000; however, these collective programs have many issues. The peninsular countries, Malaysia and Singapore, who were the sponsors of these programs, were actively committed to both of them. Malaysia arranged meetings for the AMBDC, and provided funds to the SKRL project under the AMBDC and the 66 projects under the IAI program. In connection, Singapore also donated a lot of fund to the 59 projects under the IAI program. While Vietnam and Thailand, the two dominate states in the Mekong sub-region, have supported their own programs rather than the ASEAN programs to rival with each other. On the other hand, the island ASEAN members have interests in their own program showing their lack of commitment to the ASEAN programs on the Mekong sub-regional development.

By realizing the problems, the ASEAN members initiated the Hanoi Declaration on Narrowing Development Gap, VAP, and ADF programs. These three programs complement the AMBDC and IAI. The author sees that the Hanoi Declaration was designed from the ASEAN members aimed to improve the IAI

framework on infrastructure, HRD, information and communications technology, and increase trade. On top of that, it was a trade off strategy between the island ASEAN members and the peninsular countries. The island ASEAN members supported the sub-region development. In exchange to this, the peninsular countries also supported the island ASEAN countries program (BIMP-EAGA). The author also views the VAP as a way to sustain the first aim of the Hanoi Declaration and enlarge scope of the IAI CLMV Work Plan. Finally, the author view on the ADF is that it raises fund from the ASEAN members individually to sustain the VAP implementation.

Even more interesting than the ASEAN level, the author found out that China and Japan have been using their membership in international organizations to create its programs to compete with each other. In this context, the Chinese government has used the GMS economic development as a tool to rival the Japanese government. Likewise, China set up a regional cooperation and poverty reduction funds under the GMS. The country then contributed them to this newly setting up and removed tariffs from the CLM nations. In addition, China has been actively supported the North-South Corridor Route 3 highway. The country alone provided one third of the total of \$US97 for constructing the corridor. The HRD in the Mekong countries is considered necessary, where China offered training and scholarships to them. China also initiated the EHP to reduce tariffs for the ASEAN-10 member countries to import to China while simultaneously advancing the economic development of the Mekong sub-region. In doing so, China provided longer time frame for the CLMV nations than the ASEAN-6 countries.

Japan also initiated many policies and measures in order to match with its long-lasting competitor China in order to influence to the ASEAN member countries. Japan initiated the FCDI and AMEICC programs in 1990s. Those two programs weren't equal in value with the GMS Ministerial and Summit Meetings between China and the Mekong countries. In the new millennium, Japan revised its approach to make stronger relationships with the Mekong sub-region. They created the Japan – Mekong Region Partnership program. The program illustrated their three new commitments to expansion ODA to the CLVM countries, investment agreements with Cambodia and Laos, and the holding of the Japan – Mekong Region Ministerial Meeting. Notably, some of the funds donated to the sub-region for some projects related to the corridor and HRD programs have gone through the GMS.

Next, the paper will provide the summaries of the findings of research question II. Research question II is that what are the main factors that motivated the states in the East Asian region to commit themselves to sustain the sound of the Mekong sub-region? Through the author's analysis, he found out that there are two main important factors. They are economic and political factors. The economic factors will be discussed below.

With regard to the economic factors, geographically, the Mekong sub-region is at the heart of the East Asian region. Many corridors were provided to set up in the sub-region. Significantly, Malaysia created railroads in the Mekong sub-region. The corridors and railroads which facilitate the transportation of goods and the movement of people in the East Asia or link up the East Asian region to other regions in the world. However, the island countries may not be able to benefit completely and their GDP are modest among the ASEAN-6 member countries, so they are not keen interested in supporting the sound of the sub-regional development. Besides the highways and railroads, many other programs were launched with the nature of narrowing the economic gap between the ASEAN-6 and ASEAN-4 member countries. Moreover, most of the states in the East Asia hope to benefit from the richness of natural resources in the sub-region.

Vietnam created the EWEC to advance the development of its Centre provinces – Quang Tri, Thua Thien Hue, and Da Nang. They put the EWEC into the GMS program in order to gain the ADB's loans. Then they constructed a new border checkpoint with Laos and implemented in pilot single window – single stop customs inspection at the checkpoints. Later, the Vietnamese leaders created many economic zones (FTAZ, SMI, SEZs and others) that allowed businesses to operate with special conditions. In such efforts, the country rehabilitated transportation infrastructure projects to connect the Central Provinces to region. Rehabilitation of the transport sector may to improve tourism in those areas as they have many historical sites. The author discovered that Thailand was interested in the ACMECS for the personal interests of its Prim Minister Thaksin who created the program, aimed for his own interests. After creating the program, he offered loans to Burma in exchange for concessions to his own Shin Satellite Co. At the same time, the program also benefits the country. It advances the economic areas along the borders between Thailand and CLM. The economic development at the borders is also aimed at reducing illicit alien workers from

entering the center of Thailand and causing drug inflow and various crimes.

At the ASEAN-6, Singapore created the IAI program, to increase its influence in the Southeast Asian countries (including the Mekong sub-region) by taking advantage of IT and educational capabilities technological leverage. Most of the projects under the IAI program are soft infrastructures primarily concentrated on IT and educational capabilities. On the other hand, Indonesia and the Philippines didn't concentrate much on the sub-region development because as the author suggested, they would like to pay more attention to their own underdeveloped areas. Those areas are close to the underdeveloped areas of Malaysia and the richness territory of Brunei. Because of the national interests, Brunei participated with the initiative program (BIMP-EAGA) from Indonesia and the Philippines to develop those areas. All in all, the non-continental ASEAN members have focused on the program rather than the ASEAN programs to the Mekong sub-region development.

China created close links with the Mekong sub-region as a key to export their merchandises and advance the development of its southern Yunnan Province and Guangxi Zhuang Autonomous regions. With regard to these, the Chinese government put the Guangxi Zhuang into the GMS program and held the CABIS that aimed to increase trade between Guangxi Zhuang and the Mekong countries and, at the same time, they continue to improve the ACFTA. Moreover, China launched two policies: the Go Global and Go West Policy. They advertised domestic and international businesses to invest in the Western part of China. The development of the Western is considered as a driving force for developing the Southern parts. Apart from using the GMS program to develop the Mekong sub-region, China additionally created the EHP to reduce the gap issue between the ASEAN-6 and ASEAN-4. China aimed to exercise the implementation of the CAFTA by 2010 completely. On the Japanese side, the Japanese government aimed to advance the weak business sectors in the sub-region. The government has aggressively built the first and second EWEC in the sub-region aimed to facilitate Japan firms' operations there. In 2008, they organized a seminar called the "Mekong Regional Investment Promotion Seminar in Tokyo". The seminar provided the Japanese investors to gain more aware of the business potentials in the Mekong sub-region.

For the political factors the author found that there are intense political rivalries among the states in East Asia. Vietnam aimed to build collective poorest

countries in the region as a way to raise more economic assistance more effectively ways from the ASEAN-6 member countries and the ASEAN organ partners. In 1998 the Vietnamese government hosted the ASEAN's Sixth Summit Meeting partly because of this. The meeting mainly concentrated on raising the ASEAN-6 countries to give a special treatment for them. Vietnam successfully obtained endorsement from other ASEAN-6 member countries for the special treatment for the group-4 (Christophe, 2007: 39). Politically, the initiation of the ACMECS intended to regain Thailand's influence on the Indochinese countries and Myanmar after the Asian Financial Crisis in 1997-1998, and to gain geopolitical power to as balance Vietnam's rising influence in the sub-region. The geopolitical nature became clear when Thailand created the Three Pairs of Sister Cities with the CLM countries to be given the same as position as Vietnam who created the Triangle Development CLV. In addition to this, the aim of the ACMECS program was focused on land infrastructure projects. Interestingly, Malaysia, which is not located near the Indochinese countries, would like to balance with Thailand, who has dominated to the Indochinese countries by joint many programs from Japan and their own programs since the end of the Cold War.

On the other hand, rising economics and military budgets are a threat to the Southeast Asian countries. The responsiveness through the development of the Mekong sub-region is geopolitics for China in order to erase the Southeast Asian countries' fearfulness. Two keys government ministers of Japan launched the FCDI and AMEICC programs in 1990s in order to sustain economic development of the sub-region. However, the two programs were not much successful. In the new millennium, the Japanese government created new policies. They designed to promote direct connections with the Indochinese countries by merging commercial arrangements, formal institutions, financial resources and normative ideas. Moreover, the government created the horizontal corridors against the vertical corridors of China to the sub-region. Reconsidering its policies to involve in the Mekong sub-region again was considered as a geopolitical nature as an opposite of the China's rising influence in Southeast Asia.

Finally, the summaries of the findings of the research question III are stated. Research question III is how have the rivalries that have been adopted by the states in the East Asia influenced development in the Mekong sub-region? After observing the rivalries among the states in the East Asia to the sub-region,

the author found that there are positive and negative influences on the sub-region which are as followed:

Thailand actively supported the GMS transportation infrastructures flagship projects and provided ODA to the CLM countries to build land roads for the major sister-cities between Thailand and CLM in opposition to the EWEC that focused on the water infrastructure. In connection, the Japanese government constructed the horizontal corridors to reduce the heavily influential China's vertical corridors to the sub-region. Because of these two rivalries, the sub-region obtained not only water and land modern transport infrastructure, but also obtained transport infrastructure to both horizontal and vertical lines.

Likewise, the author analyzed the lowest-income border areas have been developed. Because of the nature of both Vietnam and Thailand's programs, they've paid attention to the borders development areas. Finally, the AMBDC and IAI programs put into operation ASEAN's programs on the growth of the Mekong sub-region; however, as can be seen, these two programs were mainly implemented as a bilateral agreement between the peninsular countries and Mekong countries. For that reason, they were approved faster because they do not have time for studying and discussion with the non-continental ASEAN members.

The study found that because of the rivalries between Vietnam and Thailand, and Japan and China, the sub-region would never have a well-built formal institution. So far, the individuals, who initiate programs, have had to conduct meetings for its programs and meetings have omitted the rivalry members. For instance, the Development Triangle CLV program (Vietnam) has arranged meetings and skipped Thai membership. In revenging the Three Pairs of Sister Cities project (Thailand) skipped Vietnam from its project meeting as well. There was also no Japanese membership with China on the sub-regional Summit Meetings. To revenge China that skipped Japan from its sub-regional Summit Meetings, China was not allowed to join with Japan on the Mekong sub-regional Summit Meetings either. As a matter of fact, many programs have not functioned efficiently due to a lack of cooperation. Initiated a formal institution would function in more effectively ways than they had done inefficiently already. The only one formal institution is better – it assists to work together and engage in more discussions.

Last but not least, the island countries of Southeast Asia have been weak in sustaining the ASEAN-6 programs on the Mekong sub-region development. In

this context, progress has been slow in sub-regional development. For example, 14 projects among the total of 46 projects, under the AMBDC, have failed. And 22 projects among the total of 258 projects, under the IAI, have been unsuccessful either. Lastly, the lack of unification between the peninsular and island countries has not received much exterior assistance to ASEAN's programs (AMBDC, IAI, and BIMP-EAGA) soundly. Collectively ASEAN members should seek additional external supports.

2. Future research

The book has predominantly covered four major areas: states actors' policies and measures to the development of the Mekong sub-region, the core reasons that engaged the states in the East Asia to the growth of the sub-region, the rivalries among states in the East Asian region to advance the sub-region, and the influences from the rivalries to the sub-region. With these regards, the book recommends for the future researchers to two avenues. First, the readers should conduct research on the non-state actors (Business groups, Non-Governmental Organizations (NGOs) and many others actors), which related to the state actors to sustain the growth of the sub-region. The non-state actors have been interested in the sub-region and their natural resources, markets, HRD and other factors. Consequently, they are lobby groups to change the government policies and put forward them to the development of the sub-region. Second, the researchers should examine the extra-regional countries, namely the United State, India, Australia and other countries outside the Mekong sub-regional development and, somehow, they may stand in rival relations with the states in the East Asian region to the sub-region.

End Notes

ⁱ GDP is measured increments of millions and in United States Dollars (USD).

ⁱⁱ In the new millennium is the time period from 2000 to 2009.

ⁱⁱⁱ Southeast Asian Consensus as understood in the ASEAN context is not to be confused with unanimity. Rather, it represents a commitment to finding a ‘way of moving forward by establishing what seems to have broad support’. In a consensus situation, ‘not everyone would always be comfortable’, but they tend to ‘go along so long as their basic interests were not disregarded’.

^{iv} ADB is a development institution with "poverty reduction" as its overarching objective adopted in 1999. ADB lends approximately 600 billion yen (US\$5 billion) annually to countries in the Asia Pacific region, and Japan has been the top donor country of the ADB. For details of ADB and its relation to Japan, see <http://www.jacs.org/en/sdap/inspection/ADB_japan.pdf>.

^v The economic corridor is a concept introduced at the GMS Eighth Ministerial Meeting in 1998 at a time when the Greater Mekong Sub-region Economic Cooperation Program (GMS-ECP) implementation was stalled by the Asian Financial Crisis.

^{vi} The East–West Economic Corridor is a simple route from Danang of Vietnam on the coast of the Pacific Ocean, to Maulamyine of Myanmar on the coast of the Indian Ocean. The North–South Economic Corridor is divided into divisions: Bangkok–Kunming Road and Kunming–Hanoi–Haiphong Road. The Bangkok–Kunming Road has two routes between Chiangrai of Thailand and Xiaomengyang of China, which are the Laos Route and the Myanmar Route. The Southern Economic Corridor has two routes between Sisophon and Phnom Penh: the National Road 5 (NR5) route and the NR6 route.

^{vii} ACMECS is a program to convert the Mekong sub-region to a peaceful, stable, and prosperous area in the 2003–2012 period by such means as (a) enhancement of competitiveness along the borders and promotion of growth, (b) relocation of agriculture and manufacturing to the places where relative economic advantage exists, (c) reduction of income disparity and creation of employment.

^{viii} The Asian Development Band, the main promoter of the GMS Economic Cooperation Program, has conducted several studies of the Mekong sub-region development. The representative study is Asian Development Bank.

^{ix} Malaysia is not mentioned in this paper because it will be only explored the relationship between Thailand and the Mekong sub-region.

^x ‘Danang City Vietnam, Socio-Economy East-West Economic Corridor: Why East-West Economic Corridor?’. Available at <http://www.danang.gov.vn/home/view.asp?id=82&id_theloai=737>.

^{xi} Keiichi Ono Director, first Southeast Asia Division, in charge of the relations with CLMTV countries, from Japanese Ministry of Foreign Affairs, speech at Ritsumeikan

Center for Asia Pacific Studies (RCAPS), December 2009, Oita, Japan; A New Partnership between Japan and the Mekong sub-region: Today and tomorrow of the relations with Cambodia, Lao PDR, Myanmar, Thailand and Vietnam.

^{xii} A group of the LDC is the CLMV countries.

^{xiii} Interview, occupation and position: Chief of Education and Cooperation Office, Anti-corruption Unit, Office of the Council of Ministers, Kingdom of Cambodia; at the National Assembly, August 23, 2009, Phnom Penh, Cambodia.

^{xiv} To accelerate the ASEAN Free Trade Area (AFTA), the leaders of ASEAN-6 agreed on the Common Effective Preferential Tariff (CEPT) Scheme for the AFTA. They would advance the implementation of AFTA by one year from 2002 to 2003. They also agreed to achieve a minimum of 90% of their total tariff lines with tariffs of 0-5% by the year 2000, which would account for 90% of intra-ASEAN trade. While asked for the new members of ASEAN, they were given special treatment by maximize their tariff lines between 0-5% by 2003 for Vietnam and 2005 for Laos and Myanmar; and expand the number of tariff lines in the 0% category by 2006 for Vietnam and by 2008 for Laos and Myanmar. For details of this special treatment, see

<<http://www.ioc.u-tokyo.ac.jp/~worldjpn/documents/texts/asean/19981216.O1E.html>>.

^{xv} The Early Harvest Program (EHP) will be explained in detail in Chapter 5.

^{xvi} Lao Bao is a small town in the Huring Hoa district of Quang Tri province of Vietnam. This town is close to Laos.

^{xvii} ‘Panorama: Vietnam’s economic performance in 2005’. Available at <http://www.rozvojovestredisko.cz/files/infoprior/vietnam_performance_2005.pdf>.

^{xviii} ‘VIETNAM: Danang Gears Up for East-West Corridor’ Available at <http://www.newsmekong.org/?q=vietnam_danang_gears_up_for_east-west_corridor>.

^{xix} Tien Sa Seaport and Lien Chieu Port are largest ports, where located in Da Nang Cities of Vietnam.

^{xx} Dong Ha is the capital town of Quang Tri Province of Vietnam.

^{xxi} *Asia Times*, Nov 16, 2002.

^{xxii} ‘Department of International Economic Affairs Division of Economic Relations and Cooperation’. Available at <<http://www.thaigov.go.th/webold/news/press/thaksin/ecs.htm>>.

^{xxiii} ‘Economic Cooperation Strategy (ECS) among Cambodia, Lao PDR, Myanmar and Thailand: Department of International Economic Affairs Division of Economic Relations and Cooperation’. Available at <<http://www.thaigov.go.th/webold/news/press/thaksin/ecs.htm>>.

^{xxiv} ‘Joint Statement: Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy ACMECS Ministerial’, Bangkok, Thailand, November 2, 2005; Ministry of Foreign Affairs of Thailand, available at <<http://www.mfa.go.th/business/2137.php?id=1531>>.

^{xxv} ‘Thailand Commits to the Development of Transportation Network with ACMECS’, Bangkok, Thailand, November 11, 2008. Available at <<http://thailand.prd.go.th/print.php?id=3927&type=inside>>.

^{xxvi} ‘Thailand Commits to the Development of Transportation Network with ACMECS’, Bangkok, Thailand, November 11, 2008. Available at <<http://thailand.prd.go.th/print.php?id=3927&type=inside>>.

^{xxvii} Vietnam pushed forwards the development of the EWEC, which expected to provide greater roles to the port (water transport infrastructures) of Da Nang city in Vietnam. Asked for the land infrastructures which across Laos, Thailand, and ended up in Myanmar’s seaport (Mawlamyine seaport), they asked Japan to help with that. Japan has been happy to help with it because they can retain influence in the development of transport infrastructure by pushing forward the horizontal corridors against China-initiated vertical corridors. Furthermore information about it will be explained in Chapter V. Thailand as a part of the projects also has helped to build the land infrastructures.

^{xxviii} Interview, occupation and position: Chief of Education and Cooperation Office, Anti-corruption Unit, Office of the Council of Ministers, Kingdom of Cambodia; at the National Assembly, August 23, 2009, Phnom Penh, Cambodia.

^{xxix} ‘U.S. Department of State: 2008 Human Rights Report’, Thailand, December 13, 2009. Available at <<http://www.state.gov/g/drl/rls/hrrpt/2008/eap/119058.htm>>.

^{xxx} In April 1986, Thaksin founded Advanced Info Service (AIS). It started off as a computer rental business. In October 1990, it launched analog 900 MHz mobile phone services with a 20-year concession from the Telephone Organization of Thailand, and later became the first company allowed to operate on the GSM 900 frequency. The mobile phone boom in Thailand was just beginning, with Total Access Communications receiving a concession a month later for the GSM 1800 frequency. AIS grew rapidly and were listed on the Stock Exchange of Thailand in November 1991. It established a GSM network in 1994 and eventually became the largest mobile phone operator in Thailand. The Shinawatra Computer and Communications Group was founded in 1987 and listed in 1990. In 1990, Thaksin founded Shinawatra Satellite, which has developed and operated four Thaicom communications satellites. Later, Thaicom communications satellites renamed into Shin Satellite Co.

^{xxxi} *The Nations*, June 4, 2006.

^{xxxii} *The Nations*, October 31, 2005.

^{xxxiii} *The Nation*, June 4, 2006.

^{xxxiv} ‘Thailand Commits to the Development of Transportation Network with ACMECS’. Available at <<http://thailand.prd.go.th/print.php?id=3927&type=inside>>.

^{xxxv} For details of this CBTA, see <<http://www.adb.org/GMS/Cross-Border/default.asp>>.

^{xxxvi} ‘Asian Development Bank (ADB): GMS Cross-Border Transport Agreement’. Available at <<http://www.adb.org/GMS/Cross-Border/default.asp>>.

^{xxxvii} Many reasons of delaying of CBTA: first the thick CBTA documents, which are in English, are known to government officials who participated in the negotiation, but officials at border check points do not understand them. Second, ministers of transportation signed CBTA. The National Transport Facilitation Committee (NTFC), which was formed in each country, is composed of officials coming from related ministries such as taxation, health, agriculture, and homeland affairs. However, one financial minister was allegedly quoted by reports as saying that he did not know anything about the signing of the CBTA by a transport-related minister. Third, there are several contradictions between the CBTA and domestic regulations. For details of delaying of CBTA, see <Masami Ishida (2009), ‘Special Economic Zones and Economic Corridors’, the Development Studies Center of Institute of Developing Economies, Japan: ERIA Discussion Paper Series: ERIA-DP-2009-16. P9.

^{xxxviii} Interview, occupation and position: Chief of Education and Cooperation Office, Anti-corruption Unit, Office of the Council of Ministers, Kingdom of Cambodia; at the National Assembly, August 23, 2009, Phnom Penh, Cambodia.

^{xxxix} Above ASEAN ‘Overview’. Available at <http://www.aseansec.org/about_ASEAN.html>.

^{xl} ‘Association of Southeast Asian Nations: Basic Framework of ASEAN- Mekong Basin Development Cooperation’, Kuala Lumpur, 17 June 1996. Available at <<http://www.aseansec.org/6353.htm>>.

^{xli} ‘ASEAN Mekong Basin Development Cooperation (AMBDC)’. Available at <<http://www.aseansec.org/19591.htm>>.

^{xlii} ‘Association of Southeast Asian Nations: Basic Framework of ASEAN- Mekong Basin Development Cooperation’, Kuala Lumpur, 17 June 1996. Available at <<http://www.aseansec.org/6353.htm>>.

^{xliii} ‘Association of Southeast Asian Nations: Basic Framework of ASEAN- Mekong Basin Development Cooperation’, Kuala Lumpur, 17 June 1996. Available at <<http://www.aseansec.org/6353.htm>>.

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- ^{xliv} ‘The Ha Noi Declaration on Narrowing Development Gap for Closer ASEAN Integration Hanoi’, Vietnam, 23 July 2001. Available at <http://www.aseansec.org/934.htm>.
- ^{xlv} ‘The Ha Noi Declaration on Narrowing Development Gap for Closer ASEAN Integration Hanoi’, Vietnam, 23 July 2001. Available at <http://www.aseansec.org/934.htm>.
- ^{xlvi} ‘The Ha Noi Declaration on Narrowing Development Gap for Closer ASEAN Integration Hanoi’, Vietnam, 23 July 2001. Available at <http://www.aseansec.org/934.htm>.
- ^{xlvii} Joint communiqué of the 35th ASEAN Ministerial Meeting Bandar Seri Begawan, 29-30 July 2002: ‘Responding to Challenges: Securing A Better Future’. Available at <http://www.aseansec.org/10189.htm>.
- ^{xlvi} ‘Initiative for ASEAN Integration (IAI) Work Plan for the CLMV countries progress’, report as at May 15, 2005. Available at <http://www.aseansec.org/pdf/IAI-Article.pdf>.
- ^{xlix} ‘Vientiane action program (VAP) 2004-2010: Towards shared prosperity and destiny in an integrated, peaceful and caring ASEAN Community’, page 20-21. Available at <http://www.aseansec.org/VAP-10th%20ASEAN%20Summit.pdf>.
- ^l ‘Vientiane action program (VAP) 2004-2010: Towards shared prosperity and destiny in an integrated, peaceful and caring ASEAN Community’, page 20-21. Available at <http://www.aseansec.org/VAP-10th%20ASEAN%20Summit.pdf>.
- ^{li} For details of the Agreement on the Establishment of the ASEAN Development Fund Vientiane, see <http://www.aseansec.org/17577.htm> and <http://www.aseansec.org/ADF-TOR.pdf>.
- ^{lii} ‘Terms of reference of the ASEAN development fund (ADF)’. Available at <http://www.aseansec.org/ADF-TOR.pdf>.
- ^{liii} ‘Terms of reference of the ASEAN Development Fund (ADF)’. Available at <http://www.aseansec.org/ADF-TOR.pdf>.
- ^{liv} ‘ASEAN-Mekong Basin Development Cooperation (AMBDC)’. Available at http://www.miti.gov.my/cms/content.jsp?id=com.tms.cms.article.Article_bc03eba4-c0a81573-aba0aba0-ff751500.
- ^{lv} ‘The 11th Ministerial Meeting of the ASEAN-Mekong Basin Development Cooperation (AMBDC)’, Joint Media Statement, Bangkok, Thailand, 16 August 2009. Available at <http://www.aseansec.org/JMS-11th-AMBDC.pdf>.

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- ^{lvi} ‘Highlights of the First Ministerial Meeting on ASEAN-Mekong Basin Development Cooperation’, Kuala Lumpur, 17 June 1996. Available at <<http://www.aseansec.org/6351.htm>>.
- ^{lvii} ‘ASEAN-Mekong Basin Development Cooperation (AMBDC)’. Available at <http://www.miti.gov.my/cms/content.jsp?id=com.tms.cms.article.Article_bc03eba4-c0a81573-aba0aba0-ff751500>.
- ^{lviii} ‘ASEAN-Mekong Basin Development Cooperation (AMBDC)’. Available at <http://www.miti.gov.my/cms/content.jsp?id=com.tms.cms.article.Article_bc03eba4-c0a81573-aba0aba0-ff751500>.
- ^{lix} ‘Highlights of the First Ministerial Meeting on ASEAN-Mekong on ASEAN-Mekong Basin Development Cooperation’, Kuala Lumpur, 17 June 1996. Available at <<http://www.aseansec.org/6351.htm>>.
- ^{lx} ‘Status Update of the IAI Work Plan I (2002-2008): 35th Meeting of the IAI ask Force’, ASEAN Secretariat, Jakarta, 17 October 2009. Available at <<http://www.aseansec.org/21636>>.
- ^{lxi} ‘Overview of BIMP-EAGA: History’. Available at <<http://www.eu-eaga.org/overview.html>>.
- ^{lxii} ‘Overview of BIMP-EAGA: History’. Available at <<http://www.eu-eaga.org/overview.html>>.
- ^{lxiii} ‘Ha Noi Declaration On Narrowing Development Gap For Closer ASEAN Integration Hanoi’, Vietnam, 23 July 2001. Available at <<http://www.aseansec.org/934.htm>>.
- ^{lxiv} ‘Press release: The ASEAN Secretariat – BIMP-EAGA Consultation Meeting’, ASEAN Secretariat, Jakarta, 14-15 June 2006. Available at <<http://www.aseansec.org/18483.htm>>.
- ^{lxv} ‘BIMP-EAGA Roadmap to Development (2006-2010)’, page 2. Available at <<http://www.aseansec.org/18500-a.pdf>>.
- ^{lxvi} ‘The 11th Ministerial Meeting of the ASEAN-Mekong Basin Development Cooperation (AMBDC)’, Joint Media Statement, Bangkok, Thailand, 16 August 2009. Available at <<http://www.aseansec.org/JMS-11th-AMBDC.pdf>>.
- ^{lxvii} The GMS Program, which began with a conference at the ADB Headquarters in Manila in December 1992, has promoted various projects in the fields of transport, energy, telecommunications, tourism, human resource development, and so on. In November 2002, the first GMS summit was held in Cambodia. At the meeting, the leaders reconfirmed a strategic action plan that included eleven flagship programs amounting to US\$1 billion over the next ten years.

^{lxviii} ADB is an international development finance institution whose mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Headquartered in Manila, and it was established in 1966, ADB is owned and financed by its 67 members, of which 48 are from the region and 19 are from other parts of the globe. ADB's main partners are governments, the private sector, nongovernment organizations, development agencies, community-based organizations, and foundations. For details of ADB, see <<http://www.adb.org/About/default.asp>>.

^{lxix} 'Neat Network of East Asian Think-tanks (Mekong Sub-regional Cooperation'. Available at <http://www.neat.org.cn/english/hzjzen/index.php?topic_id=001004001>.

^{lxx} For details of ADB's funding policies, see <<http://www.adb.org/RCFund/default.asp>>.

^{lxxi} 'The Second GMS Summit holds in China's Kunming, Yunnan' <<http://www.gmsec.cn/en/economicen/newscenter/0524619.shtml>>.

^{lxxii} 'A Stronger Partnership for Common Prosperity, Speech by H.E. Mr. Wen Jiabao, Premier of the State Council of China At the Opening Ceremony of the 2nd GMS Summit', Kunming, China, July 5, 2005. Available at <<http://www.fmprc.gov.cn/eng/wjdt/zyjh/t203764.htm>>.

^{lxxiii} *China Daily*, March 29, 2008.

^{lxxiv} 'Wen Jiabao Attends Third Summit of Greater Mekong Sub-region', March 31, 2008. Available at <<http://www.fmcpoc.gov.hk/eng/zgwjsw/t420722.htm>>.

^{lxxv} *The Straits Times*, April 1, 2008.

^{lxxvi} At the Eighth ASEAN and China Summit in Phnom Penh, Cambodia on November 4, 2002, the leaders of China and ASEAN member states signed the "Framework Agreement (FA) on Comprehensive Economic Cooperation between the People's Republic of China and the Association of South East Asian Nations". For details of this agreement, see <<http://tradeinservices.mofcom.gov.cn/en/b/2009-08-15/76350.shtml>>.

^{lxxvii} The Harmonized commodity Description and Coding System (HS) of tariff nomenclature is an internationally standardized system of names and numbers for classifying traded products developed and maintained by the World Customs Organization (WCO) (formerly the Customs Co-operation Council), an independent intergovernmental organization with over 170 member countries based in Brussels, Belgium. For details of this system, see <http://en.wikipedia.org/wiki/Harmonized_System> or <<http://www.wcoomd.org/home.htm>>.

^{lxxviii} Most Favor Nation (MFN) is a principle that treats other people equally under the WTO agreements, countries cannot normally discriminate between their trading partners.

Grant someone a special favor (such as a lower customs duty rate for one of their products) and you have to do the same for all other WTO members. For details of this principle, see < http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm#seebox >.

^{lxxix} ASEAN six countries are: Indonesia, Malaysia, the Philippines, Singapore and Thailand and Brunei Darussalam.

^{lxxx} The reasons that the economic equivalence is much far in favor of China's government than Mekong sub-region are that: first, China is more industrially highly developed. Second, China has much more human resources and financial capital. Third, China is more aggressive in attracting foreign direct investment in term of largest populations. Fourth, China has a much better export ability. Nearly all of the GMS countries, except Thailand, are lacking in all strategic resources such as human and financial assets as well as technological accessibility.

^{lxxxi} Association of Southeast Asian Nations, 'ASEAN – China Free Trade Area 'ASEAN Member States Trade Data with China'. Available at <<http://www.aseansec.org/19105.htm>>.

^{lxxxii} The "Go Global Policy" aimed to ease excessive domestic competition and provide opportunities to expand business operations and sources of new innovations in oversea markets, and Southeast Asia was positioned as the main locus for this objective.

^{lxxxiii} Based on the United Nations and the Development Assistance Committee (DAC) of the Organization of Economic Cooperation and Development (OECD), Cambodia, Laos, and Myanmar (CLM) are defined as LDC. Their GDP per capita are US \$371, \$315, and \$168 respectively. On the other hand, the GDP per capita of Vietnam is US \$483, and this is slightly larger than those of CLM. However, Vietnam is defined as another low-income country by the OECD-DAC.

^{lxxxiv} 'China revises figures, 'becomes world's number three economy''. Available at <<http://www.google.com/hostednews/afp/article/ALeqM5iIkb0ROhMRHuiHORRDBbyOcPbtxA>>.

^{lxxxv} 'CICC (Taiwanese government website), "Beijing's Defense Spending Could Double by 2005: CIA Chief". Available at <<http://216.239.51.100/search?q=cache:N2PcEwYnI4IC:www.taipei.org/teco/cicc/news/english/e-03-21-02/e-03-21-02-1.htm+Japanese+defense+spending&hl=en&ie=UTF-8>>.

^{lxxxvi} 'AMEICC, AEM-METI Economic and Industrial Cooperation Committee: About AMIECC'. Available at <<http://www.ameicc.org/index.pl?id=2175&isa=Category&op=show>>.

^{lxxxvii} ASEAN 10 countries: Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam.

^{lxxxviii} ‘Joint press release of Cambodia, Laos, Vietnam (CLV) and Japan Summit’. Available at <<http://www.mofa.go.jp/region/asia-paci/clv/joint0411.html>>.

^{lxxxix} ‘Chair’s Statement Mekong-Japan Foreign Ministers’ Meeting’. Available at <<http://www.mofa.go.jp/region/asia-paci/mekong/meet0801.html>>.

^{xc} ‘Japan - Mekong Region Partnership Program’. Available at <<http://www.mofa.go.jp/region/asia-paci/mekong/goal.pdf>>.

^{xc i} ‘Japan - Mekong Region Partnership Program’. Available at <<http://www.mofa.go.jp/region/asia-paci/mekong/goal.pdf>>.

^{xc ii} ‘Japan - Mekong Region Partnership Program’. Available at <<http://www.mofa.go.jp/region/asia-paci/mekong/goal.pdf>>.

^{xc iii} ‘Joint declaration of the heads of state/government of the Association of Southeast Asian Nations and the People’s Republic of China on strategic partnership for peace and prosperity’. Available at <<http://www.aseansec.org/15265.htm>>.

^{xc iv} ‘The Mekong Regional Investment Promotion Seminar in Tokyo-The Opportunities & Challenges of the Region as Japanese Investment Destination’ Panel Discussion with Foreign Ministers from Cambodia, Lao PDR, Myanmar, Thailand, Vietnam and Mr. Kuniki Nakamori from Asian Development Bank. Available at <<http://old.asean.or.jp/invest/archive/speech/fy07%20mekong/panel%20discussion.pdf>>.

^{xc v} For details of the integration of ASEAN, see <http://www.aseansec.org/about_ASEAN.html>.

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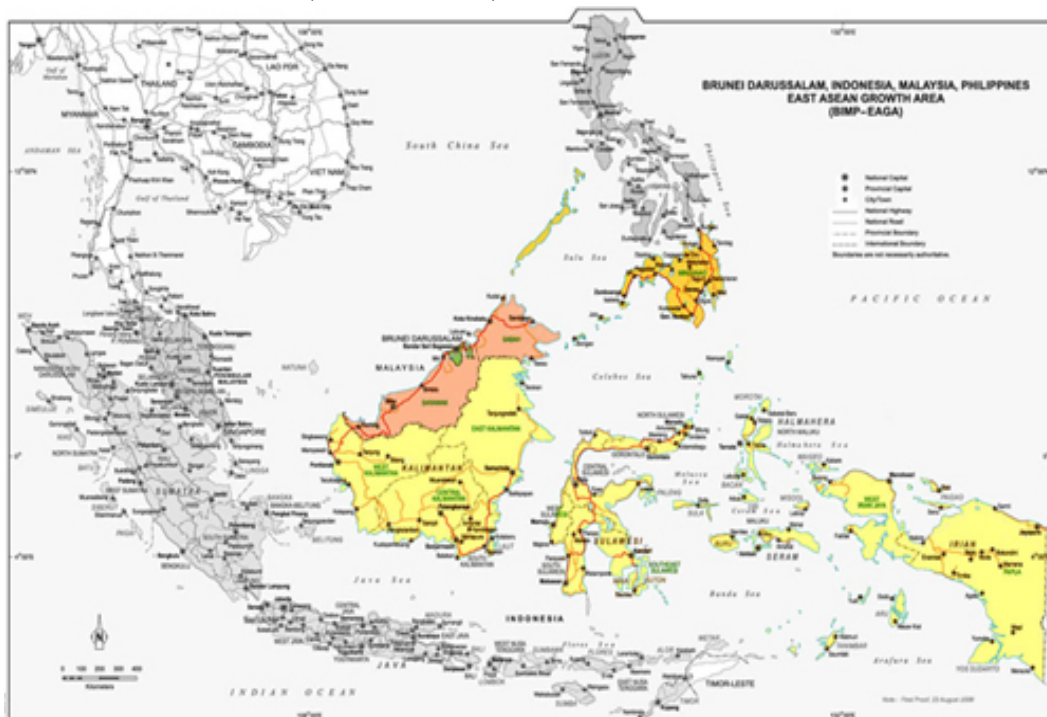
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APPENDIX

A. Map

Figure 3. Map of Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)



Source: Prioritizing Strategic Directions for BIMP-EAGA: Final Report ADB TA No, 6059 – REG (2004: cover page).

B. Table 7. Summary of programs/projects for the development of the Mekong Sub-region (chronological order)

Table: 7. Summary of programs/projects for the development of the Mekong Sub-region (chronological order)

Program/Project	Year	Initiator	Aim
Greater Mekong Sub-region (GMS) Economic Cooperation Development	In 1992	Asian Development Bank (ADB)	To assist substantial economic progress; to reduce poverty in the GMS countries by strengthening economic linkages between all member countries; and to fulfill and improve development opportunities, advance trade and investment, and restructure cross-border arrangements.
Golden Quadrangle	In 1992	Thailand	Tried to link the underdeveloped border areas among China, Laos, Myanmar and Thailand to the exterior world. The main cooperation under the framework has been focused on transportation and infrastructure development, especially trans-border roads and highways, and river ports.
Forum for Comprehensive Development of Indochina (FCDI)	In 1993	Japan	To strengthen the capabilities of officials engaging in formulating development projects; to establish international cooperation through voluntary coordination of assistances based on information exchange among participating nations and organizations; and to promote market economies in the three countries.
ASEAN Mekong Basin Development Cooperation (AMBDC)	In 1996	Created by ASEAN with Malaysia's proposal	To reduce the gaps between ASEAN-4 and ASEAN-6 through the development of infrastructure capacities; development of trade and investment-generating activities; development of agricultural sector; sustainable development of natural resources; development of the industrial sector; development of the tourism sector; HRD and support for training; and science and technology cooperation. The program focuses on hard infrastructures.

AEM-METI Economic and Industrial Cooperation Committee (AMEICC)	First meeting in 1998	Japan	To promote industrial development through the construction of infrastructure, improvements in business environments, industrial and trade financing, and human resources.
West-East Economic Corridor I (EWEC I)*	ASEAN summit in 1998 (Hanoi)	Vietnam	To further strengthen economic cooperation and facilitate trade, investment, and development among Laos, Myanmar, Thailand and Vietnam; to reduce transportation cost in the project influence area, and make the movement of goods and passengers more efficient; and to reduce poverty, support development of rural and border areas, increase the earnings of low-income groups, provide employment opportunities for women, and promote tourism.
Development Triangle CLV	Vientiane Summit of 3 Indochinese Countries in 1999	Vietnam	To implement measures such as investment to develop transport, establishment of border economic zones to boost trade, promotion of tourism, development of the processing industry and improvement in medical and educational infrastructure; to facilitate linkage and mutual assistance among the provinces in the Development Triangle; to utilize the resources of each province and each country in an efficient manner for the sake of pushing up rapid and stable development; to properly address the social issues and protecting the ecological environment; thereby to make a practical contribution to strengthening the economic cooperation between three countries of CLV.
Initiative for ASEAN Integration (IAI)	In 2000	Created by ASEAN with Singapore's proposal	To narrow down the development gap between the old and new members of ASEAN. The program focuses on soft infrastructures.
West-East Economic Corridor II (EWEC II)	GMS ministerial meeting in 2002	No clear but the Japanese government is a main supporter to the program	To further strengthen economic cooperation and facilitate trade, investment, and development among Vietnam, Cambodia, Thailand, and Myanmar; to reduce transportation cost in the project influence area, and make the movement of goods and passengers more efficient; and to reduce poverty, support development of rural and border areas, increase the earnings of low-income groups, provide employment opportunities for women, and promote tourism.

Early Harvest Program (EHP)	In 2002	China	To narrow down the development gap between the old and new members of ASEAN. EHP permitted three-year time frame for tariff reduction for the ASEAN-6 and China, and a longer time frame for newly ASEAN members, CLMV, for five years.
Ayeyawady, Chao Phraya, and Mekong Economic Cooperation Strategy (ACMECS)	In 2003	Thailand	To convert the region to a peaceful, stable, and prosperous area in the 2003-2012 period by such means as (a) enhancement of competitiveness along the borders and promotion of growth, (b) relocation of agriculture and manufacturing to the places where relative economic advantage exists, (c) reduction of income disparity and creation of employment.
ASEAN Development Fund (ADF)	In 2004	ASEAN	To raise fund from each ASEAN member countries to contribute to the ADF in order to sustain the VAP implementation.
Vientiane Action Program (VAP)	In 2004	ASEAN	In the fourth pillar 'Goals and Strategies for Narrowing the Development Gap' has endeavored two things. First, the peninsular countries reaffirmed its commitment to sustain the first aim of the Hanoi Declaration (trade off or compromise strategy).

Made by author.