

Commercial Development, Industrialization and the ASEAN Village, 1967–1987

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Introduction

The thrust of this whole study on the popular history of the ASEAN is to describe how the regional grouping has performed in its first twenty years, 1967–1987. Specifically the study seeks to answer questions on what the ASEAN has done, what it is doing, what it has not done, and what it should be doing. The idea is to give the educated readers within the region reliable information regarding the ASEAN during the first two decades of its existence and to make a critical evaluation of how the ASEAN directly or indirectly influenced political, social, cultural, and economic development in the region. In other words, what difference has the ASEAN made in the life of the millions of people comprising the population of the member countries of Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand?

This study is expected to focus on how commercialization and industrialization have drastically changed the character of the ASEAN village and to describe the nature of this change, and how the policies of the ASEAN directly or indirectly contributed to this change. In particular, this study will relate the changes in the rural areas of the ASEAN region to what the ASEAN as a group has done to promote village development in the member countries. It will therefore be in order to include in the discussion a treatment of the ASEAN's policies to promote commercialization and industrialization and how these policies, and the projects the ASEAN has undertaken in pursuit of these policies, have affected the ASEAN village, and how they have brought about changes in the character of the ASEAN village.

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ASEAN Commercial Development

The ASEAN Declaration signed in Bangkok, Thailand, by the foreign ministers of the five original member countries on 8 August 1967 defined seven objectives of the regional grouping in terms of growth, peace, collaboration, facilities, progress, studies, and organization. Of these, the declarations on growth and progress provide the general basis for action by the ASEAN for purposes of promoting commercial development and industrialization within the region. The objective on growth is stated thus "To accelerate the economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of South-East Asian Nations."¹ The objective on economic and social progress is expressed in the following manner : "To collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communications facilities and the raising of the living standards of their peoples."²

ASEAN commercial development is promoted not only in terms of export trade with the world market but also in terms of intra-ASEAN trade. According to available information, there has been an increase in absolute terms of ASEAN exports to industrialized countries, to socialist countries and to countries within the region itself. For example, in 1964 even prior to the formation of the ASEAN, the countries in the region exported to the industrialized countries products valued at US\$2.2 billion. By 1974, the value of exports to the same countries reached the amount of US\$ 14 billion. It is interesting to note however that while the value of commerce with the industrial nations rose over the period from 1964 to 1974, the total share of the industrial nations in the export trade of the ASEAN went down from 70% in 1964 to 62% in 1974.³

While the share of the industrial market which includes the United States, Japan and the European Economic Community declined, intra-ASEAN trade rose significantly. Exports within the ASEAN region amounted to just US\$270 million in 1964. A decade later, the value of the export trade went up thirteen-fold to US\$3.6 billion, or a dramatic increase in relative terms from 8.6% in 1964 to 16% in 1974.⁴ Meanwhile, trade with the socialist countries also increased, with the share of the latter in the ASEAN export trade reaching 2.9% by 1974.⁵

As for the ASEAN import trade, the developments were complementary to what happened in the export trade sector. In practical terms, this meant the reduction of the volume of imports by the ASEAN from the industrial countries. In 1964, the ASEAN imports from the industrial countries stood at 66%. This percentage went down to 57% in 1974. This trend was true in the import trade of the ASEAN with specific industrial countries like the United States and Japan, which witnessed a decline in their share of the ASEAN import trade by 17.9% in 1964 to 14.5% in 1974 and by 25.6% in 1964 to 24.2% in 1974 respectively.⁶ However, with regard to the European Economic Community, the ASEAN import trade increased from 13% in 1964 to 16.2% in 1974. As for the socialist countries, their share of the ASEAN import trade went down like that of the United States and Japan from 4% in 1964 to 3.8% in 1974.

In other words, the ASEAN experienced a decrease in its export trade with the industrial countries while witnessing a remarkable increase in intra-ASEAN export trade. The developments in the export trade sector were paralleled by the decline in the ASEAN import trade with the industrial countries and with the socialist countries, while at the same time spurring the increase of the intra-ASEAN trade from 9.3% in 1964 to 10.7% in 1974.⁷

The trends in the export and import trade sectors of the ASEAN from 1964 to 1974 were sustained in the next several years due to the cooperation demonstrated by the member countries in the economic sphere. The remarkable expansion of intra-ASEAN commerce was stimulated by what economists call tariff-cutting exercises. For example, during the eight-year period from 1978 to 1985, 54% of the trade preferences offered by the ASEAN countries were by across-the-board tariff cuts : 44% by voluntary offers, and 2% via the item-by-item basis.⁸

Moreover, the ASEAN Preferential Trading Arrangements Agreement permits instruments other than tariff-cutting exercises such as long-term quality contracts, purchase finance support at preferential interest rates, preference in procurement by government entities, and liberalization of non-tariff measures for purposes of liberalizing trade within the ASEAN region.⁹ However, the instruments for trade liberalization identified in this 1977 Agreement have not been fully availed of for one reason or another, such as impediments or obstacles in their operationalization.¹⁰

In any case, available information suggests a gradual rise in the monetary worth of

intra-ASEAN trade as a whole. In 1978, the total cash value of intra-ASEAN trade stood at US\$9.84 billion. This amount rose to US\$27.38 billion in 1983. Here we see ASEAN trade expanding by 2.78 times from 1978 to 1983. Exports within the ASEAN region increased from US\$4.89 billion to US\$13.94 billion during the same period while imports within the region also increased from US\$4.94 billion to US\$13.41 billion or an expansion rate of 2.85 times and 2.71 times respectively.¹¹

ASEAN trade among the member countries outpaced in expansion the region's trade with the extra-region market. Although still substantial, the export trade of the ASEAN with the outside world expanded only by 1.71 times, or from US\$31.78 billion to US\$54.24 billion, while the import trade expanded, only by 2 times, or from US\$31.20 billion to US\$62.71 billion. During the period from 1978 to 1983, the total value of trade within the ASEAN rose at the rate of 25% per annum; exports within the region rose at the rate of 25% per annum while imports within the region rose at the rate of 23% per annum. For ASEAN trade with the outside world, the expansion rates are as follows for the same period: 14.41% per annum for total ASEAN trade; 12.84% for exports; and 15.71 for imports.¹² The preceding discussion shows that the ASEAN track record in trade and commercial cooperation has gone beyond mere rhetoric or lip service to real cash jingles and mutually profitable relationships.

ASEAN Industrialization

While the ASEAN member countries may be said to be industrializing, there is no definitive ASEAN industry policy. However, the three components of ASEAN industrial cooperation may be regarded as constituting ASEAN industry policy. The three components are the ASEAN Industrial Projects (AIPs); the ASEAN Industrial Complementarity Projects (AICPs); and the ASEAN Industrial Joint Ventures (AIJVs). These components have been rationalized in terms of economies of scale deemed to bring advantages and benefits to the member countries of the regional grouping.¹³

The AIP scheme, an important component of industrial cooperation among the ASEAN member countries, was launched during the ASEAN Heads of Government Meeting in Bali, Indonesia, in 1976. Under this scheme, each Member country received authority to undertake a large-scale industrial project costing US\$300 to US\$400 million. The output of each of the AIPs would enjoy preferential access under the ASEAN Preferential Trading Arrangements Agreement. The projects approved by the Bali Sum-

mit Meeting included the Urea Projects of Indonesia and Malaysia ; the Copper Fabrication Project in the Philippines, the Hepatitis B Vaccine Project in Singapore, and the Rock Salt–Soda Ash Project in Thailand.¹⁴ The AIPs approved by the ASEAN Heads of Government in 1976 were meant to be undertaken by their respective host governments. Each host country was permitted to hold 60% of the equity capital while the balance of 40% would be divided equally among the other member countries.

Of the above AIPs, only the Indonesian and Malaysian Urea Projects have become fully operational. As of July 1985, the Indonesian Urea Project located in Aceh, North Sumatra, had produced 342,379 tons of urea fertilizer.¹⁵ Its production schedule is on target and its output is almost equally divided between the domestic Indonesian market (52%) and the export markets (48%) of the Philippines and Thailand. Meanwhile, the Malaysian urea project had by October 1985 attained a level of output of 2,222 metric tons of ammonia.¹⁶ As for the other approved AIPs, they have not gotten underway yet for one reason or another. In the case of the Copper Fabrication Project in the Philippines, the latest about it is that it has been suspended until the country is able to iron out its external debt rescheduling agreements with the creditor nations. And in the case of the Hepatitis B Vaccine Project in Singapore, its technological aspects are still the subject of a thorough study. Meanwhile, the Rock Salt–Soda Ash Project in Thailand has been cancelled altogether, although the Thais are reportedly formulating a substitute proposal.¹⁷

The AIPs were intended to generate employment opportunities for the local inhabitants where they were to be based, to infuse and to conserve foreign currency for their host countries, to stimulate greater food production for the benefit of the ASEAN region, and to increase the demand for locally-made or available materials thereby cutting down on imports.¹⁸ In other words, the AIPs were the concrete manifestations of the growth objective of the ASEAN Declaration in Bangkok in 1967 because their immediate implementation would have indeed accelerated economic development and progress in the region. Unfortunately, the AIPs could not be implemented immediately due to procedural delays in the approval of the project proposals.¹⁹ The procedures have been too complicated and bureaucratic, thereby hampering the processing of papers, which in turn prevented the faster realization of the goals envisaged by the AIPs. Thus, after several years since their approval by the ASEAN Heads of Government in 1976, only the Indonesian and Malaysian Urea Projects had commenced production, and even then, they were completed only much later. In fact, the Philippines originally chose to undertake a

Phosphate Fertilizer Project and has had two changes in project proposals, while Singapore originally chose to undertake a Diesel Engine Project but had to withdraw the same because of the failure of some newer countries to comply with previously agreed upon engine sizes eligible for acceptance under the preferential trading arrangements of the ASEAN. Nonetheless, in a gesture of statesmanship, Singapore presented another proposal in the form of the Hepatitis B Vaccine Project instead of abandoning the AIPs completely.²⁰ Whatever the case may be, it can be said that the ASEAN has not really tapped to the fullest extent the potential that is there in order to advance the idea of economic cooperation through the sharing of markets and the pooling of resources so as to give impetus to regional commercial and industrial development.

Aside from the AIPs, the ASEAN initiated in June 1981 another measure designed to accelerate economic growth and promote ASEAN cooperation in the economic sphere by providing the context within which the private business sector in the region could engage in productive interaction. This was the ASEAN Industrial Complementation Program (AIC) which was aimed at enabling ASEAN industries to develop horizontal linkages in given industries like the automotive industry.²¹ The idea is to bring about an improvement in the economies of scale. Unfortunately, the AIC program has not achieved progress because some of the member countries such as Malaysia which have their own respective automotive development programs preferred to proceed individually.²² Besides, there was difficulty in coming to terms as to which products to identify and allocate to the ASEAN members and in deciding on the issue of preferences acceptable to all the participating countries of the association.²³

While some economists have called for the scrapping of the AIC agreement, there is no denying that its intent was to permit the member countries to produce complementary products in selected industries so that the participants could then subject the chosen items to preferential exchange thereby promoting intra-ASEAN trade as envisaged by the program.²⁴ What is needed is the political will on the part of the ASEAN member countries to simplify the process involved in defining the coverage of the program and to show greater readiness to engage in complementation rather than moving in opposite directions as in the automotive industry.

The third major agreement entered into by the ASEAN member countries for purposes of economic cooperation is the ASEAN Industrial Joint Venture Program (AIJV). The AIJV agreement is described as the most flexible framework for the promo-

tion of regionally based industries.²⁵ Like the AIC scheme, the AIJV agreement provides an opportunity for intra-ASEAN private business sector interaction and participation. It was approved by the ASEAN in November 1983 after years of frustrating talks. The scheme allows certified AIJV products to be produced and exchanged preferentially among the participating countries. Private investors are permitted to engage in the production of the products qualified under the AIJV scheme. The location of production within the participating countries is at the discretion of those making the investments. The ASEAN member countries are expected to accord to themselves the same tariff preference to certified AIJV products consistent with the principle of most-favored nation.²⁶

While the AIJV scheme has been hailed as the most significant agreement designed to open a new chapter in industrial cooperation among the ASEAN member states because it provides the opportunity for the ASEAN countries to share their markets and pool their resources, the implementing procedures are believed to be onerous. Moreover, the 50% discount rate on existing tariff cannot be regarded as providing for a total sharing of markets, even as observers feel that the member countries should make necessary compromise with regard to the accreditation of projects under the AIJV scheme.²⁷

Notwithstanding these negative observations regarding the AIJV scheme, the ASEAN has given its go signal to seven projects which are being implemented at their own pace. These projects involve the following products: (a) mechanical and power rack and pinion steerings; (b) slaughtered meat; (c) security paper; (d) motorcycle electrical parts; (e) potash feldspar and quartz; (f) frit; and (g) constant velocity joints. Some of these projects have completed trial production. Some have their plants still under construction or still in the design stage; while the others are pending either because the availability of raw materials is still being determined or because the production costs are being restudied; while one project has not gone beyond the planning stage.²⁸

Taken together, the AIPs, the AIC, and the AIJVs represent a forward march toward realizing industrial and economic cooperation, even if the projects under each scheme have not commenced production or have not taken off the ground for one reason or another. At least a step has been taken and given more time and greater political will, the ASEAN member countries will overcome whatever hindrances there are at the present time.

Other measures being proposed to full economic cooperation include the adoption in the coming years of the following: (a) the use of ASEAN currencies as medium of exchange in intra-ASEAN trade; (b) the free movement within the region of ASEAN-sourced raw materials; (c) the formation of a joint intra-ASEAN shipping company employing efficient and all-weather roll on roll off ships; (d) the establishment of an ASEAN Bankers Acceptance to finance intra-ASEAN trade at low interest rate; (e) the establishment of special ASEAN trading preferences with the United States; (f) the extension of national status to ASEAN citizens investing in AIJV projects; (g) the acceptance of investments by financial institutions agreeing to divest to ASEAN nationals for purposes of meeting nationality requirements; (h) the coordination by the ASEAN airlines of their flight schedules under passenger pooling arrangements; (i) the adoption of uniform investment rules; (j) the development of capital markets in the ASEAN member countries; (k) the establishment of an ASEAN Export-Import Bank; (l) the formation of a regional export insurance firm; and (m) the freer movement of intra-ASEAN manpower.²⁹ It is believed that the measures mentioned above, if adopted, could lead to greater ASEAN economic growth, business progress, and industrial development. In fact the proposed measures may even lead to the establishment of an ASEAN Free Trade zone by the year 2000.³⁰ Hopefully, the next twenty years of the ASEAN will see real progress achieved in this direction.

The ASEAN Village

At the outset, it is necessary to say that there is no "stereotyped image" of traditional ASEAN villages. There is a great deal of variety among villages even within each country, much more so within the entire ASEAN region. Based on the present level of knowledge about the ASEAN villages, it is not even possible to say that the ASEAN villages have a uniform social structure, and it would even be more risky to say that there exists a general pattern to fit the ASEAN villages in terms of farming methods, social customs, and life experiences.³¹ The difficulty in making generalizations stems from the fact that even with regard to the matter of paddy cultivation, there are types or categories according to the physiography of their locations, namely, fan-type paddy cultivation; delta-type paddy cultivation; swamp-type paddy cultivation; plateau-type paddy cultivation.³² The types of paddy cultivation determine the nature of the farming methods, social customs, and life experiences of the inhabitants dwelling in the villages found in each geographic setting.

Nonetheless, there is no denying the fact that there has been a plethora of studies undertaken on villages in the ASEAN region during the past twenty or so years. The Japanese scholars appear to be the most assiduous and interested in making village studies in the region. Dutch scholars like Otto van den Muijzenberg have also done intensive fieldwork in ASEAN villages like those in the Philippines. Unfortunately their works are not available to me at this time. Majority of the researches have focused on individual villages. Representative studies include Koichi Mizuno, "The Economic Life of a Rural Community in Northern Thailand," *Southeast Asian Studies* V, No. 3 (Kyoto University, 1976); Yoshihiro Tsubouchi, "Socioeconomic Changes in a Malay Village Caused by Tobacco Cultivation," *Southeast Asian Studies* IX, No. 4 (Kyoto University, 1972); Masuo Kuchiba, Yoshihiro Tsubouchi, and Narifumi Maeda (eds.), *Three Malay Villages: A Sociology of Paddy Growers in West Malaysia* (Honolulu, 1979); Akira Takahashi, *Land and Peasants in Central Luzon: Socio-Economic Structure of a Bulacan Village* (Tokyo, 1969); and Tsuyoshi Kato, "Social Changes in a Centrifugal Society: The Minangkabau of West Sumatra," Unpublished Ph.D. dissertation, Cornell University, 1977. Virtually all these studies and the others like them were based on intensive fieldwork in the villages where they were undertaken, with the scholars living in them over long periods of time.

On the basis of the findings of these scholars, some general features of village society in the ASEAN region emerge although such features are true only insofar as traditional *lowland* villages are concerned. These features include the lack of communal unity and autonomous organization; the dominance of bilateral kinship relations; and the inextricable link between land tenure and kinship relations, which in turn causes the absence of social stratification in the village. The absence of community cohesion and of an autonomous organization in the villages may be traceable to such factors as a compelling ecological condition that would make the inhabitants unite and work together and be imbued with the cooperative spirit that would ensure their success in meeting any contingency facing them. This is often compounded by the non-existence of an institutional structure to which the villagers could show their group loyalty and by which their activities could be directed in favor of communal unity. In such a situation, the households in these loosely structured villages are nothing but mere social entities over which no control is exercised by the village. The inhabitants may have the same experience of living in impoverishment and they may have commonalities in terms of customs and practices but the bonds are not strong enough to guarantee absolute loyalty such as one can see in Japanese villages.

If there is any feeling of group cohesion, this is manifested only within the bilateral kin compounds and neighborhoods. The members of these bilateral kin compounds and neighborhoods constitute several circles of kinsmen, each circle being independent from the others. It is in such groups that the shared experiences of a common life are most evident, and it is with such groups that the villagers develop a sense of identification and emotional attachment. In them, one finds stability in village life.

With regard to kinship relations and land tenure, there is no denying the fact that they are closely intertwined precisely because work in the farmland is oftentimes carried out through the participation of the members of the kinship group doing various phases of crop production. Nonetheless, those in the kinship group without farmland find themselves occupying a lower social stratum than that occupied by their kin owning farmland. Therefore, even within bilateral kinship groups, there is social stratification and this is a general feature found in most of the lowland villages of the ASEAN region.³³

I personally participated in an international and interdisciplinary research project in 1977-1979 entitled "A Comparative Study of Paddy-Growing Communities in Southeast Asia and Japan." The project was funded by the Toyota Foundation of Japan and the research team was composed of scholars from Japan, Thailand, Malaysia, Indonesia and the Philippines. Aside from sociologists and anthropologists, the project included historians, economists, agronomists, geographers, geomorphologists, and botanists. The team traveled together and conducted joint fieldwork in selected survey sites in the Philippines, Thailand, Malaysia, Indonesia and Japan. The survey areas in the Southeast Asian countries were all located in lowland areas. The same is true with the survey sites in Japan, although one Japanese fieldwork site is located in an island in the Okinawa archipelago.

For our purposes, I will confine my observations to the villages located in the flat plains of the four ASEAN countries the research team visited, namely, Phakthan in the Bang Rajan district of Singburi province, Thailand; Parit II in Tanjung Karang, Selangor, Malaysia; Geneng in the Sukoharjo Regency, Central Java, Indonesia, and Calaoan, San Nicolas, Pangasinan province, Philippines. The research project may have been undertaken years ago but I believe that my observations are still valid and a fresh fieldwork in the said survey sites will most likely substantiate what I have to say.

Phakthan. This village apparently dates back to the second half of the eighteenth

century and it was cleared by those who sought refuge in its forested areas to escape from the clutches of foreign invaders such as the Burmese. I found the village to be free from big landlords and from tenancy. Therefore, at the time I visited the place in 1977, there had been no landlord-tenant rifts such as those commonly found in rice-growing areas in the Philippines and elsewhere. Because of the forested nature of Phakthan in the old days, the territorial demarcations of the village could not be established clearly. The villagers therefore could not develop a sense of what the actual sphere of the village was. On the matter of settlement pattern, what emerged and what can be found there now are clusters of four or five houses scattered here and there. These houses are occupied by people related to one another. In relation to each other, they are very close, but in relation to the people in the other clusters elsewhere in the district, it seemed they could not care less.

The ecological environment could have conceivably contributed to a strong group consciousness among the villagers, especially in connection with flood control. Also, the clearing of the forest could have provided the basis for the spirit of communalism to develop. However, it appears that the adoption by the villagers there of the broadcasting method for rice cultivation precludes the possibility for cooperative endeavors for water control. Moreover, the clearing of the forest was done on an individual basis; that is, each family cleared its own land. Mechanization, or more specifically tractorization, appears to be spreading rapidly and a cash economy in the village is evident in this prevalence of hired labor. The traditional practice of labor exchange (*long khaek*), weak in the area in the first place because of the individualism of the peasants, has virtually been displaced by the system of hired labor. The individualism of the farmers seems to be enhanced by the absence of real control emanating from the central political administration. Institutions for village government are lacking, or if they are in existence, they are ineffective. Thai peasants are said to be traditionally suspicious of all forms of government. Even today the issue of land taxation is so touchy the government is not talking about it. The same with the matter of expenditures incurred in a pilot land consolidation project undertaken near the village. When the project got underway it was understood that the government and the farmers would shoulder the expenses on a share and share alike basis. However, despite the lapse of time between the completion of the project and my visit to Phakthan, I learned that the government had not attempted to collect from the farmers their portion of the deal. The reason lies in the strong individualism of the farmers and in their traditional resistance to government imposition. In any case, land consolidation undertaken by the Thai government accompanied by the implementation

of irrigation projects for the improvement of water utilization, led to double cropping and this in turn resulted in improved standard of living, commercialization, and monetization of village life.

Parit 2. This village came into being only in the 1930s. At that time, the district where it is located was a swamp area with malarial and crocodile-infested jungles nearby. The district of Tanjung Karang was initially devoted to copra production. However, the place shifted to rice culture when the coconut trees were afflicted by disease.

The government then undertook a reclamation project to transform the swampy land in Tanjung Karang into fertile paddy fields. This process of reclamation continues to this day, with thousands of hectares already converted into fields for rice cultivation. Parit 2 came into being in the course of this reclamation process, with most of the settlers being Malays who come from as far away as Perlis in the north and Johore in the south. Parit II was made available for rice cultivation with active governmental assistance. The government did the work of water control and it continues to perform this service for the benefit of the villagers. Thus the Parit 2 villagers did not develop a cooperative spirit because there was and is nothing for them to do anymore in as much as it is the government that is doing the irrigation and drainage works for them. Moreover, the fact that the village is inhabited by migrants from other places means that there is no solid historical, sociological, and ecological basis for them to build up strong cohesiveness and solidarity. The lack of a clear village boundary has also contributed to this looseness. Traditionally, the *kampung* is a community characterized by cohesion to the extent that an individual is not allowed self-determination in his conduct and his behavior. If he did anything contrary to accepted norms of behavior within the *kampung*, he ran the risk of censure and social ostracism. However, in Parit 2, principally because of the reasons cited above, a person could be as individualistic as he wishes to be. The settlement pattern which has emerged in Parit 2 is a study in dispersal, with the houses standing by themselves in the middle of the paddy fields. In such a situation, self-determination as well as individualism is nurtured easily, militating against cooperative endeavors and the development of proper institutions fostering a sense of community. It must be added too that mechanization and hired labor have become common in the village, contributing further to the erosion of traditional village customs and practices.

Parit 2 village has become relatively prosperous in the past several years because of the introduction of a new rice variety which yields a great deal of grains. The break-

through in rice production among the villagers occurred in the late 1960s and in the early 1970s. Their increased rice yields gave them a new prosperity and this is reflected visibly in the modern appliances and utensils which the village households acquired with gusto for their occupants. The rise in the household incomes of the villagers gave them greater confidence to enter into debt relations and mortgage arrangements and improved their capability to amortize the same.

One of the greatest casualties of the rise in the household income of the Parit 2 villagers is the traditional Malay custom of *gotong royong* or labor exchange. This custom is usually observed in the transplanting and harvesting phases of rice production. However, due to double cropping, the *gotong royong* today operates only during the transplanting phase and only on a half-day basis, and even then, the laborer is paid at least M\$3.50 for his services. Therefore, *gotong royong* is in practical terms replaced by hired labor because what is observed here is not labor exchange in the purest form but really wage earning, with different sets of people employed in the process. During the old days, mutual relations were strictly adhered to in the observance of *gotong royong* and no cash was involved.

Today, in Malaysia, new villages are being opened up by the government under the FELDA program, a federal scheme for land distribution to farmers. The FELDA villages typify today's rural settlements in Malaysia. Under the FELDA program, the benefits of land are given to the masses. The villages though are carefully governed and controlled by the federal bureaucracy. In such villages, the villagers enjoy the amenities of modern life like electricity.³⁴ The availability of power in the FELDA villages makes it easier for the inhabitants to have access to conveniences like refrigerators, television and radio sets, and other household appliances. While FELDA villagers may now be enjoying the benefits of modernization through the efforts of the government, they could be experiencing changes in their values and in their way of life, and certainly, they could be witnessing a decline in their observance of traditional Malaysian customs and practices.

Geneng. This Indonesian village is evidently an old settlement. It is today a village inhabited mostly by landless tenants although a few of the villagers own small landholdings. The landless tenancy among the Geneng villagers is traceable to the colonial period under the Dutch rulers when Java was virtually a vast plantation under the Culture System in which cash crops like tobacco were produced for export. Those who own small parcels of land produce rice, while those without land hire themselves out as laborers who

do the plowing. The transplanting and harvesting are done by women laborers. Water supply is no problem because the government has taken care to improve the irrigation dams built during the Dutch rule. The farm owner supervises the hired laborers. Renting out farmland is common although it is the person with the ready cash who can afford to leave land due to the high rental rate for paddy fields. The farmers of Geneng village, especially the large scale ones, are business minded and are always attuned to the latest trends in farming, especially when it comes to profitable farm ventures.

A phenomenon that is common in Geneng village is the desertion of the farm by the young people. Due to the increasing commercialization of farm life, people are turning to non farm income to augment their livelihood. There appears to be a change in the value system of the people which makes them leave the farms in order to seek better opportunities in urbanized centers. The young men and women in particular are the ones who are most aggressive in seeking jobs in the cities, thus causing a manpower shortage in the village, which in turn has stimulated the practice of hiring labor. The desertion of the farms by the young people may also be traced not just to a change in the value system but also to the inheritance practice among the villagers wherein the land is divided among the siblings, thus causing the land to be so carved out into small parcels that it does not become profitable anymore to till the land.³³

Other factors contributing to the phenomenon of farm or village desertion are overpopulation and education. Because more people are being born everyday, farm jobs have become scarcer, aggravated by the lack of cultivable lands due to the constraints imposed by the Javanese inheritance system. Over-population has compelled many people to seek non-farming employment opportunities in the towns and in the cities. Those who go to the towns and the cities end up landing in white-collar jobs. The preference for white-collar jobs is further reinforced by the education and learning processes received by the young men and women of the village, thus causing a change in the values and attitudes of these young people. There is now a greater attraction to being employed in an office either in the public or in the private sector, so long as there is no manual labor involved. By the way, the phenomenon of village desertion is common not only among the affluent village households but also among the lower income households and families. It is therefore something universal, transcending class lines. Employment in the urban centers confers a measure of prestige and psychological satisfaction to an individual. It gives him a feeling of "having arrived" and he is looked up to as a successful person. There is of course the magnet exerted on a person by the lights and sounds of the

city, causing him to abandon the dreariness of rural existence. All of the above in one way or the other, and in combination with each other, gave rise to the phenomenon of village desertion, or rural to urban migration and I suppose there is no stopping it.

Geneng villagers cite the government's Green Revolution program which was started in the early 1960s as an important factor leading to high productivity among the farmers in the area. The Green Revolution of Indonesia was perhaps the single most crucial reason for the rise of commercialized farmers in this paddy-growing village in particular and in Java in general. Living standards have improved because the implementation of the Green Revolution in 1970 came together with land consolidation and irrigation projects, thereby permitting the farmers to practice triple cropping by 1976.

Islam serves as the ideological basis for the unity of the Geneng villagers, despite the absence of ecological factors for village cohesion. The presence of a mosque in the center of the village serves to rally the faithful together and strengthen their bonds of unity. The presence of communal lands also contribute toward the solidarity of the villagers. To support their village government, the villagers cooperatively till the communal lands, thus fostering in them a strong spirit of cooperation. Of all the survey villages, Geneng has the most advanced system of village administration, with the community consciousness reinforced by the clustered nature of the housing settlement.

Calaoacan. This is a rice-growing community in the eastern plain of Pangasinan province. It is a settlement that is over a century old. Some of the inhabitants are small owner-cultivators, but the majority of them are landless tenants who engage in farming on the basis of share-cropping. The prevalence of tenancy can be traced to the concentration of land ownership in the hands of a few.

As in Phakthan, the settlers¹ who cleared the forest lands were those seeking greener pastures from the overpopulated towns of the Ilocos region and the coastal portion of central Pangasinan province. Calaoacan was opened up without governmental assistance. This community impresses me as having the strongest feeling of solidarity among the survey villages I visited, although it does not have firmly established institutional systems for nurturing this feeling of solidarity. At any rate, it is promising to note that the community has a traditional association to control the water of the river running near the village for the irrigation of the paddy fields of the villagers. The presence of the river, called Ambayoan, is an ecological factor which posed a challenge to the villagers. They

did respond to this challenge, although some of the villagers preferred paying the fine for not coming to help repair the brush dam, which meant that there was no rigid enforcement of the rules, and that the erring members did not face strong enough censure or social criticism for not fulfilling their duties as villagers.

Because of the prevalence of tenancy in Calaoan, social stratification is pronounced. This has led to some tension in the relations between the landlords and the tenants. However, the tension has not resulted in outright violence because of the feeling of shame the tenants have in antagonizing persons whom they perceive as their patrons and benefactors. Nevertheless, the underlying current of discontent is there and this can be alleviated only by the implementation of a true agrarian reform program.

Perhaps the greatest change that has come to the village was the adoption of double cropping during the 1970s. The impetus for this change was the construction of an irrigation dam tapping the waters of the nearby Ambayoan river. This was accompanied by the introduction of high-yielding varieties of rice. By becoming less dependent on rainfall, and by increasing their productivity per hectare, the villagers saw an improvement in their living standards. Nevertheless, it is still true that there is a high percentage of tenant farmers in the village while the scale of operated land is small. As I mentioned above, the solution is an honest-to-goodness agrarian reform program involving not just the redistribution of land but the extension by the government of support systems like feeder roads, infrastructures, and easy credit terms.³⁵

It is worth mentioning here that hired labor is becoming increasingly common and the use of labor exchange is correspondingly declining. There is also a noticeable use of farm mechanization although not yet to the same degree as the mechanization, even tractorization, of farms in central Thailand.

Changes in the ASEAN Village

The commercial developments in and the industrialization policies pursued by the ASEAN countries individually or collectively over the past twenty years or so have had an impact on the ASEAN village, especially if it is similar to the lowland villages which served as survey sites for the research team I was a part of in 1977-1979. In terms alone of government investments in agriculture, one can cite the improvements undertaken to improve irrigation systems, such as the project undertaken by the Malaysian government

in the Muda in the 1970s, or the planned qualitative developments in Tanjung Karang through the North West Selangor Agricultural Development Project, or the Bimas Project of Indonesia, or the Magat Dam Project of the Philippines. Nevertheless, there is still a need to engage in massive infrastructure constructions because of the insufficiency of irrigation and drainage facilities, as reflected in the frequent inundations in flat plains of Central Luzon and Central Thailand. The infrastructures that have been completed in any case have had a tremendous impact on the transformation of the lives of the villagers, as evident in the case of Calaoacan wherein double cropping and even triple cropping became possible, thus increasing the household incomes of the farmers. The same can be said with regard to Phakthan, Parit II and Geneng. However, in Phakthan and in Parit 2, majority of the farmers are full-time owner-cultivators, while in Calaoacan and in Geneng, majority of the farmers are on a part-time basis because of the prevalence of tenancy in their respective localities.

In the ASEAN village, small-scale rice agriculture is still predominant. For example, in Phakthan the average size is 3 hectares; in Parit 2, the average size of farms is 1.3 hectares; in Geneng, the average farm size is 0.91 hectares, while in Calaoacan, it is 0.63 hectares.³⁶ However, the small size of farms has been compensated for by the increased productivity brought about by the introduction of high yielding varieties of rice. The Green Revolution has become widespread in the ASEAN village, despite the severe criticisms made against it by such scholars as W.F. Wertheim and Ernest Feder. Wertheim called the Green Revolution a mere palliative³⁷ and Feder branded it as nothing but an imperialist tool for higher profits and to keep the peasantry exploited.³⁸ The introduction of high yielding varieties was accompanied to some extent by more irrigation facilities and the adoption by the villagers of chemical fertilizers, pesticides and greater labor inputs. This has affected the method of cultivation. Traditional agricultural methods were replaced by newer ones, such as the use of farm machineries and hired labor. This in turn affected income distribution among the villagers, partly because of the change in the pattern of labor utilization and partly because of the necessity for the farmers to buy inputs like chemical fertilizers and the like.³⁹ These inputs are usually unavailable in the village and have to be brought in from the outside.

The mechanization of farming in the ASEAN village in the past quarter of a century has an unfortunate effect on the village inhabitants. While it is possible for villagers in other countries like Japan to exploit opportunities for non agricultural occupations in order to sustain their livelihood, the ASEAN villagers have not been as fortunate. The

opportunities for non agricultural jobs are extremely rare, despite the pursuit of industrialization programs by the countries in the region. Farm mechanization, while increasing productivity and while reflecting the growth of the cash economy in the ASEAN village, has had the undesirable consequence of dislocating the small farmers as well as the tenant cultivators. The effect is to bring about the emergence and the expansion of the army of landless and unemployed farm laborers.⁴⁰

Farm mechanization is the most noticeable development in the ASEAN village during the period from 1967 to 1987 or even earlier. Mechanization is especially observable in the plowing aspect of agricultural work, wherein the hand tractor has effectively replaced the carabao or water buffalo in many farmlands around the ASEAN. With farm technology rapidly modernized since the 1960s, subsistence farming gave way to commercialized agriculture, and this in turn has resulted in the gradual disappearance of labor exchange, known as *gotong royong*⁴¹ in Indonesia and Malaysia, *long khaek* in Thailand, and *ammoyo* or *batarisan* in Central Luzon in the Philippines. Disappearing too with labor exchange is the traditional dichotomization of labor among men and women, with men traditionally engaged in harvesting and women in transplanting.⁴²

As mentioned earlier, the introduction of high-yielding rice varieties in agricultural production in the ASEAN villages in the late 1960s and in the early 1970s, accompanied by land consolidation and irrigation projects, made possible double and even triple cropping in many rural areas in the region. Double and triple cropping in turn affected the agricultural calendar of the farmers because now they do not have to rely on rainfall which comes during the monsoon season from May to September. They can plant rice virtually anytime of the year. Aside from changing the agricultural calendar, the adoption of double and triple cropping radically altered farming methods. Mechanization or tractorization became common, especially in rice farm areas where land sizes are relatively big. Moreover, hired labor increased to the point of replacing labor exchange altogether.

However, the double and triple cropping, while it definitely served to increase household incomes, also increased the expenses incurred by the farmers in agricultural production. As mentioned earlier, the farmers now require fertilizers and pesticides in order to assure better yields per hectare for their rice crops. The expenses they incur for these new and additional inputs cut into their profits and reduce their "take home" pay, so to speak. It is argued that a good solution to this problem is the establishment of credit

cooperatives to which the farmers have easy access for loans at low interest rates. However, the idea of establishing credit cooperatives in rural areas has not caught fire, and in areas where they exist, they are discredited because their managers have mismanaged the funds entrusted to them by the members of such credit cooperatives, and therefore, the farmers have become suspicious of them.

Needless to say, the rural villagers in the ASEAN region have had to endure the impact of monetization brought about by commercial development and industrialization because they too are worried about the prices of farm products and where to obtain additional cash outlays, which they wish to use for expanding their farm operations.³⁹

There are other effects of the commercial development and industrialization on village life in the ASEAN region. In Thailand, for example, small factories have been established in some of the rural communities and these factories are devoted to the extraction of oil from coconut meat and to the manufacture of tapioca. This means that in some places of the region, as in Thailand, rice is declining in importance as an agricultural crop. There is clearly a discernible change in the pattern of crops, with other crops like coconut and cassava replacing rice because of the decrease in the price of rice.⁴⁴ In the Philippines, there is a call for a shift away from sugar production in the island of Negros due also to the decline of the price of the commodity in the world market. This change in the pattern of crops will necessarily bring about corresponding readjustments in the life style, in the rituals, in the agricultural technology, and certainly in the values of the rural inhabitants. If the new crops produced succeed in bringing higher incomes to the farmers, there will surely follow modernizing influences that usually accompany prosperity.

While commercial developments and industrialization have some positive aspects, it is inevitable that they also bring negative results. There is no denying that new employment opportunities are generated, leading to rise in rural incomes and to modernization. The rural folks get to enjoy the benefits of modernization, instead of being the objects of modernization. However, the negative effects sometimes far outweigh the positive contributions. For one thing there is pollution of the air and water; even the soil is affected because of erosion and chemical poisoning especially in areas where plantations for cash crop production of say, pineapple, are established so as to keep the processing plants operating at full capacity. This is not to mention the attendant problem of landgrabbing or the displacement of small landowners from their lands, which are then gobbled up by

the big corporations running the plantations. Even the ancestral abodes of tribal minorities are intruded into and alienated legally or illegally from them, forcing them to either retreat deeper into the mountain interiors or be subjected to the creeping onslaughts of the material civilization of their lowland brothers. In other words, not only is the environment depleted of its natural richness but also the culture and the whole way of life of a people are altered for better or for worse as a result of commercial developments and industrialization. One can see this most clearly in South Cotabato on the island of Mindanao in the Philippines, where a big multinational corporation operates a processing plant surrounded by a vast plantation devoted to the production of a major cash crop. The plantation has encroached on the domain of the *lumads* or the ethnic inhabitants of the highlands of the said province.

Rural areas in the entire ASEAN region have also witnessed the rise of what are called "strategic villages." These are places which are usually along national frontiers. Sometimes they are along vital crossroads or junctions.

These villages have strategic significance militarily or commercially or even politically so that they grow tremendously due to massive government development funds poured into them.⁴⁵ Their infrastructures develop rapidly and their economies become highly monetized. Employment is generated, incomes rise, and modernization takes place in such "strategic villages," but social problems like gambling, prostitution, and drunkenness also rear their ugly heads, not to mention pollution, health hazards like the sexually transmitted diseases, and the general breakdown of traditional beliefs and values. Using again a Philippine example, I cannot help but refer to the massive infusion of development funds into Mindanao during the height of the Muslim liberation war in the 1970s. Of course this infusion had the effect of somewhat redressing the centuries-long neglect by the Manila government of Mindanao and while one can cite beneficial results, one cannot deny the effect that the same infrastructures facilitated the entry of elements out to exploit the natural resources of the island for their own vested interests. However it also happens that the "strategic villages" lose their significance so they fall into a rut and simply decay and are sometimes abandoned altogether.

Commercial developments and industrialization have had an impact on the ASEAN village in other ways. For example, the Karens of northern Thailand have been forced to abandon their shifting cultivation in favor of a rotation system with seven-year intervals. Moreover, they have been forced to abandon their notions of communal landownership

in favor of private landownership.⁴⁶ This in turn has led to the commercialization of the Karen local economy, which in turn has led to a weakening of kinship ties and the growth of individualism, not to mention the erosion of traditional native beliefs.⁴⁷

In other words, the ASEAN village has undergone significant changes in terms of agricultural technology, ownership patterns, labor utilization and so on. However, there still is a need to undertake further studies in order to include Brunei and to permit the formulation of postulates applicable to the entire ASEAN region.

It is generally conceded that the ASEAN as a regional organization for cooperation has not yet realized its full potential. The projects it has decided to undertake, particularly in the economic sphere, have not gone too far from square one. There are a number of reasons for the slow progress in economic cooperation designed to accelerate positive growth, to improve living standards, and to bring about change for the better among the millions of people constituting the region's population. Among these reasons are the competitiveness of the economies of the ASEAN member countries, and the lack of political commitment on the part of the ASEAN states to reduce if not remove altogether national economic barriers toward greater cooperation in trade and industry.

Therefore, one can say that the impact of the ASEAN on the villages of the region has been at best minimal and indirect, especially in effecting economic change for improvements. If change has taken place in the rural areas, it is more the consequence of domestic policies and internal developments than through the ASEAN. This is because the projects of the ASEAN in trade and industry, as pointed out earlier, have not been that successful. However, if the ASEAN countries will show more determination and greater vision to overcome their national pride and their bureaucratic rigidities or hang-ups, there is ground for optimism that the next generation in the life of the ASEAN will produce better results that are fully in consonance with the original intent of the Bangkok Declaration.

FOOTNOTES

1. Benjamin B. Domingo, *ASEAN-European Community Relations* (Bonn, 1979), 4.
2. *Ibid.*
3. Domingo, *ASEAN-European*, 17.
4. *Ibid.*, 18.

5. *Ibid.*
6. *Ibid.*
7. *Ibid.*
8. Vicente B. Valdepeñas, Jr., "Economic Issues in ASEAN Cooperation," in Purificacion V. Quisumbing and Josefina Nenita R. Soliman (eds.), *ASEAN in Philippine Recovery and Development : Political and Economic Issues* (Quezon City : Academy of ASEAN Law and Jurisprudence, University of the Philippines Law Complex, 1986), 45–46.
9. Valdepeñas, "Economic Issues," 46.
10. *Ibid.* These impediments and other problems related to economic cooperation are identified and discussed in Estrella D. Solidum, *The Nature of Cooperation among the ASEAN States as Perceived through Elite Attitudes – A Factor for Regionalism* (Ph.D. dissertation, University of Kentucky, 1970) 252–261.
11. *Ibid.*, 47.
12. Valdepeñas, "Economic Issues," 47.
13. Jose Concepcion, Jr., "An ASEAN Perspective on the European Community Industrial Policy : The Lesson from Its Experience," in Purificacion V. Quisumbing eds.), *EEC and ASEAN : Two Regional Community Experiences* (Manila : Foreign Service Institute and the University of the Philippines Law Center, 1983), 207.
14. "An Overview of ASEAN", in *ASEAN Information Series No. 1* (Jakarta : ASEAN Secretariat, 1985), 12. See also *Annual Report of the ASEAN Standing Committee*, 1983–1984, 9.
15. Valdepeñas, "Economic Issues," 44.
16. *Ibid.*
17. *Ibid.* See also "An Overview of ASEAN," 12 ; and *Annual Report : 1983–1984*, 9.
18. Valdepeñas, "Economic Issues," 44.
19. *Ibid.*
20. David SyCip, "Measures to Advance ASEAN Economic Cooperation," in Quisumbing and Soliman, *ASEAN in Philippine Recovery*, 62.
21. SyCip, "Measures to Advance," 62. See also Anand Panyarachun, "Keynote Address : ASEAN and ITS FUTURE," in Leuchai Chulasai and Suwarat Gypmantasiri (eds.), *The Role of Private Enterprise in Intra-ASEAN Trade in Investment* (Chiang Mai, Thailand : ASEAN and Private Enterprise Studies, Chiang Mai University, 1986), 4.
22. *Ibid.*, 63
23. Valdepeñas, "Economic Issues," 45.
24. "An Overview of Asean," 12.
25. "An Overview of Asean," 13.
26. *Ibid.*
27. SyCip, "Measures to Advance," 63.

28. Valdepeñas, "Economic Issues," 45.
29. SyCip, "Measures to Advance," 63-68. See also David SyCip, "The Role of Private Enterprise in Intra-ASEAN Trade and Investment: A Philippine Perspective," in Chulasai and Gypmantasiri, *The Role of Private Enterprise*, 38-49.
30. Valdepeñas, "Economic Issues," 56-59. See also Mingsarn Kaosa-ard and Luechai Chulasai, "The Role of Private Enterprise in Intra-ASEAN Trade and Investment: A Regional Perspective," in Chulasai and Gypmantasiri, *The Role of Private Enterprise*, 12-20.
31. Koichi Mizuno, "Japanese Scholarship on Southeast Asian Villages: A Socio-Anthropological View," in Joseph Fischer (ed.) *Foreign Values and Southeast Asian Scholarship* (Berkeley, California, 1973), 221.
32. Yoshikazu Takaya, "Paddy-Growing Society Observed Eco-Historically," in Masuo Kuchiba and Leslie E. Bauzon (eds.), *A Comparative Study of Paddy-Growing Communities in Southeast Asia and Japan* (Kyoto, 1979), 1.
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34. Comments made by Murugesu Pathnanathan during the Workshop on ASEAN: A Popular History (1967-1987), GIBA International House, Bangkok, Thailand, 3-4 October 1987.
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37. W.F. Wertheim, *Evolution and Revolution: The Rising Waves of Emancipation* (Middlesex, England: Penguin Books, Ltd., 1974), 278-282.
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40. Fredericks, "Land, Technology and Development," 14.
41. Iwasaki, "Village Security," 208.
42. Fredericks, "Land, Technology and Development," 14.
43. Kuchiba, "Survey Villages in Southeast Asia," 12-13.
44. Comments made by Suchitra Vuthisathira during the Workshop on ASEAN: A Popular History (1967-1987).
45. Comments made by Bernhard Dahm during the Workshop on ASEAN: A Popular History (1967-1987).

46. Mizuno, "Japanese Scholarship," 226 ; Iwasaki, "Village Security," 207.

47. *Ibid.*