

AGENCY FOR INTERNATIONAL DEVELOPMENT
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BIBLIOGRAPHIC INPUT SHEET

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1. SUBJECT CLASSIFICATION	A. PRIMARY Serials	Y-DA00-0000-G800
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2. TITLE AND SUBTITLE
Economic interdependence in southeast Asia; progress report, Dec. 1966-June, 1967

3. AUTHOR(S)
(101) Wis. Univ. Dept. of Economics

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7. REFERENCE ORGANIZATION NAME AND ADDRESS
Wis.

8. SUPPLEMENTARY NOTES (Sponsoring Organization, Publishers, Availability)
(Research summary)

9. ABSTRACT

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ECONOMIC INTERDEPENDENCE IN SOUTHEAST ASIA

Contents

- I. Research Activities
 - A. Staff Research
 - I. B. Other Activities
- II. Future Activities
- III. Summary Fiscal Report
- IV. Contract Staff

I. Research Activities

A. Staff Research -- Because a final report will soon be submitted, individual summaries of staff research have been omitted from this Progress Report. Full descriptions of completed papers are contained the "User Summary Abstracts" submitted to AID on May 20, 1967. The following list of titles records changes in projects reported in previous Progress Reports and lists new topics undertaken or completed during this report period. As in the past, the list is arranged according to the outline of the Revised Detailed Work Program dated June, 1966. Two special items supplement this list.

I.A. Economic Advantage from Economic Cooperation: Background Analysis

Special Working Paper:

Benjamin Higgins, "Trade versus Aid in the Reconstruction and Development of Southeast Asia". Subsections: Over-all view of the region; country profiles; summary--major features in Southeast Asian Development.

I.A.2. Statistical Problems In Measuring Growth

S. Naya, "The Accuracy of Southeast Asian Trade Statistics," (draft).

I.A.3. Special Topics Related to Growth

A.C. Kelley and J.G. Williamson, "The Prospects for Regional Economic Cooperation and the Rate of Household Savings in the LDC's [Indonesia]" (Research Paper).

A.C. Kelley, "Industrial Patterns, Demographic Change and Economic Growth," (draft).

I.B.1-2. Trade and Production Trends and Estimates of Comparative Advantage

S. Naya, "'Competitive' and 'Compositional' Effects of Trade: The Case of Southeast Asia," (in progress).

N. Fag El Nour, "Recent Projections of Commodity Export Prospects for Southeast Asia," (draft).

I.B.4. Government Policies to Modify Comparative Advantage

P.T. Ellsworth, "Economic Consequences of Import Substitution: Latin America and Asia," (draft).

J.C. Leith, "Effective Rate of Protection: Analysis and An Empirical Test," (unpublished doctoral dissertation), completed.

I.B.5. The Role of Transportation Costs in Trade

W.G. Waters, "Selecting Optimal Port Technology for Less Developed Countries," (draft).

II.A. Balance of Payments, Trade and Tariffs as Related to Economic Growth and Integration

K.C. Sen, "The Foreign Exchange Constraint, Import Substitution, and Regional Groupings," (draft).

J. McClellan, "Regional Payments Unions and Regional Trade," (in progress).

S. Naya, et.al., "Prospects for Trade Liberalization Among the ASA Countries," (in progress).

T. Morgan, "Preferences Revisited--With Applications for Southeast Asia," (research paper).

II.B. Regional Economic Systems and Their Implications

A.C. Kelley and J. Knowles, "Regional Integration and National Economic Development: The Case of Southeast Asia," (draft).

II.B. Regional Economic Systems and Their Implications (continued)

N. Spoelstra, "Regional Economic Systems: A Comparative Study of Integration and Disintegration," (in progress).

H. Hinrichs, "A Regional Industrial Bank: A New Approach to Economic Integration in Southeast Asia," (draft).

P.F. Bell, "A Quantitative Study of Entrepreneurship and Socio-Economic Determinants of Development in Asia," (research paper).

Special Joint Research Projects of All the Staff:

(Reference: Obligations of Appendix B of Contract, pp. 1-3. #1, #2, and #3 are in draft; #4 projected for July, August. These studies in part summarize and draw on other studies listed separately, and in part are supplementary and new.)

#1 -- The Economic Advantage to Countries of Southeast Asia from Economic Cooperation and Coordination.

Sub-Sections: Estimates of comparative advantage in the region for specific commodities, with trends in time and possible modification of trends; evaluation of past tests of gains from better resource allocation; transportation costs as influences on specialization and trade in the region; government revenues in the region from trade levies as compared with other revenue sources.

#2 -- The Theory and Experience of Economic Growth and of Free Trade Association Ventures and other Forms of Economic Cooperation, as Compared with Southeast Asian Possibilities.

Sub-Sections: Theory and experience of regional associations; Southeast Asian associations; regional payments agreements; balance of payments constraints on economic development; currency barriers as checks on capital flows; a regional industrial development bank.

#3 -- National Plans and Regional Integration in Southeast Asia; Successes and Failures in National Plans as Related to Regional Economic Interests.

#4 -- Suggestions for AID Strategy on Regional Economic Cooperation.

I. Research Activities

B. Other Activities -- In January, 1967, a conference of leading Asian economists was held in Bangkok at which 11 papers relating to Asian economic development and economic cooperation were discussed. The papers and the proceedings of the conference will be published by the University of Wisconsin Press. The tentative table of contents is:

Contents

- Wu Ta-yeh, "Problems and Prospects of Economic Cooperation in Southeast Asia".
- Hiroshi Kitamura and A.N. Bhagat, "Aspects of Regional Harmonization of National Development Plans".
- Nurul Islam, "Tariff Protection, Comparative Costs and Industrialization".
- I-Shuan Sun, "Trade Policies and Economic Development in Taiwan".
- Suparb Yossundara and Yune Hunkraton, "Some Salient Aspects of Thailand's Trade During 1955-1964".
- K.R. Chou, Hong Kong's Changing Pattern of Trade and Economic Interdependence in Southeast Asia".
- Amado A. Castro, "Philippine Export Development, 1950-1965".
- Lim Chong Yah, "West Malaysian External Trade, 1947-1965".
- D.T. Lakdawala and R.H. Patil, "Prospects of India's Foreign Trade with ECAFE Countries".
- H.N.S. Karunatilake, "Trade Agreements on Trade and Production in Ceylon".
- D.V. Ramana and Ken'ichi Odawara, "Deficit Financing and Import Substitution India, 1951-1965".
- J. Panglaykim and Ken Thomas, "Trade, Production, and Inflation in Indonesia".
- Discussants and Commentators: E.D. Hawkins, R.J. Lampman, D.S. Paauw, J.H. Power, G. Sicat, and A. Tang.

II. Future Activities

Activities during the remaining three months of the project will consist of completing studies in progress and preparing the final reports.

III. SUMMARY FISCAL REPORT

Line Item No.	Category	This Period		Total to 5/31/67
		12/1/66 5/31/67	6/1/66 11/30/66	
1.	Salaries, wages, stipends, consulting fees total	31,146.29	29,181.31	157,485.05
	--12/1/66-4/30/67	25,765.40		
	May, 1967 estimate	5,380.89		
2.	Allowances	- 0 -	- 0 -	- 0 -
3.	Travel and Transportation	3,921.77	354.80	12,271.23
	--12/1/66-4/30/67	3,921.77		
	May, 1967 estimate	- 0 -		
4.	Other Direct Costs Total	2,463.87	1,612.18	10,681.37
	--12/1/66-4/30/67	1,809.37		
	May, 1967 estimate	654.50		
5.	Overhead			
	11/1/66-4/30/67	13,296.22	10,760.23	64,422.68
6.	Equipment and Material	- 0 -	- 0 -	- 0 -
7.	Research Services by Non-U.S. Persons Total	4,566.98	2,129.64	23,505.63
	--12/1/66-4/30/67	3,966.98		
	May, 1967 estimate	600.00		
8.	Conference Total	4,163.27	- 0 --	4,163.27
	--12/1/66-4/30/67	3,658.27		
	May, 1967 estimate	505.00		
TOTAL ALL LINES		<u>\$59,558.40</u>	<u>\$44,038.16</u>	<u>\$272,529.23</u>
12/1/66-5/31/67		52,418.01		
May, 1967 estimate		7,140.39		

IV. CONTRACT STAFF

Personnel Employed

	<u>This Period</u>	<u>Planned for Future Periods</u>
<u>1. Senior Staff</u>		
a. Theodore Morgan (Professor of Economics) & Campus Coordinator	Dec.'66-June'67 (1/2 time)	July-Aug.'67 (2/3's time)
b. P.T. Ellsworth (Professor of Economics)	Dec.'66-May'67 (1/3 time)	None
c. Allen C. Kelley (Assistant Professor of Economics)	Dec.'66-May'67 (1/2 time)	None
d. Everett D. Hawkins (Professor of Economics)	None	July-Aug.'67 (1/2 time)
<u>2. Central Staff</u>		
<u>Project Associates</u>		
1) Seiji Naya (Assistant Professor of Economics)	Dec.'66-May'67 (1/2 time)	July-Aug.'67 (full time)
2) Nyle Spoelstra	Mid-Jan.'67-May'67 (1/2 time)	July-Aug.'67 (1/2 time)
3) J.C. Leith	None	July-Aug.'67 (1/2 time)
<u>Campus Research Assistants</u>		
1) J.C. Leith	Dec.'66-June'67 (1/2 time)	
2) J. McClellan	Dec.'66-May'67 (1/2 time)	July-Aug.'67 (3/4 time)
3) K.C. Sen	Dec.'66-June'67 (1/2 time)	July-Aug.'67 (1/2 time)
4) N. Fag El Nour (Mrs.)	Dec.'66-June'67 (On Graduate School Funds)	July-Aug.'67 (1/2 time)
<u>Secretaries</u>		
1) Mrs. Liesl Tarkow	Dec.'66-June'67 (1/3 time)	July-Aug.'67 (1/3 time)
2) Mrs. Betsy Spoelstra	Dec.'66-June'67 (3/4 time)	July-Aug.'67 (3/4 time)

3. and 5. Lecturers and Consultants

- a. Professor Delbert A. Snider: "Optimum Exchange Rate Adjustment and Currency Areas," Miami University, December 6.
- b. Professor Harvey Leibenstein: "X-Efficiency, Entrepreneurship and Growth," University of California, Berkeley, December 13.
- c. Professor Irma Adelman: "Detecting Potentially Good Performances Among Developing Nations," Northwestern University, March 21.
- d. Professor Lloyd Metzler: "Flexible Exchanges and International Monetary Stability," University of Chicago, April 4.
- e. Professor Arthur T. Mosher: "Geographical Programming for Agricultural Development," University of Minnesota, April 11.
- f. Dr. Bela Balassa: "Economic Growth and Protection in Latin America;" IBRD, April 25.
- g. Professor Hollis B. Chenery: "Patterns of Economic Development," Harvard University, May 2.
- h. Mr. Albert Waterston: "A Practical Approach to Planning," IBRD, May 9.
- i. Dr. John Pincus, "The Costs and Benefits of Aid," Rand Corporation, Washington, D.C., May 23.

4. Non-U.S. Personal

None