

ASEAN and Southeast Asian peace: nation building, economic performance, and ASEAN's security management

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Abstract

The Southeast Asian peace literature points out at least three points of view regarding regional peace: some emphasize ASEAN's successful security management, others doubt its effectiveness, and a third body of research argues that it is achieved by a 'capitalist peace' trajectory. In this article, I refute the capitalist peace argument and construct a theory to bridge the two contradictory perspectives on ASEAN, arguing that the pacifying effect of ASEAN should be understood as a conditional one, which hinges on Southeast Asian countries' economic performance. For decades, nation building and economic growth have been the main goals of Southeast Asian countries as well as the foundation to their leaders' rule given the countries' distinct historical backgrounds. When the leaders are not able to maintain good economic performance, they tend to emphasize the nation building issues, such as provoking territorial disputes, to keep their ruling legitimacy, thus compromising ASEAN's security management. Empirical analysis of the onset of militarized interstate disputes from 1950 to 2001 confirms my argument.

1 Introduction

Southeast Asian countries have enjoyed peaceful international relations since the end of World War II. Although there were some intra- and interstate wars during the 1960s and 1970s, there is an academic consensus that Southeast Asia has generally become a very peaceful region since the end of the Sino-Vietnamese war in 1979, which is shown by the lack of interstate violence and the exceptionally low levels of battle deaths (Leifer, 1989; Tønnesson, 2009; Kivimäki, 2011; Goldsmith, 2014). However, even though scholars have reached a general consensus that the region has become a peaceful place, what contributes to the peaceful situation remains a puzzle. The main theories of international relations have different explanations to account for this, while all of them have their limitations (Solingen, 2007; Tønnesson, 2009).

Generally speaking, the literature provides at least three competing perspectives to explain how the current peaceful situation could be achieved. First, the liberal peace theory emphasizes the pacifying effects of democracy, interdependence, and intergovernmental organizations (Oneal and Russett, 1999, 2001; Goldsmith, 2007). Second, the constructivist theory of peace underlines the successful security management of the Association of Southeast Asian Nations (ASEAN) based on Southeast Asian countries' commonly shared identity, interests, values, and norms that form a well-functioning security community through a process of social construction (Acharya, 2001, 2004; Kivimäki, 2001; Ba, 2009). Third, Tang (2012) argues that Southeast Asian peace should be achieved by a capitalist peace trajectory, since adopting a policy of liberalization for economic development can exert a strong conflict-constraining effect. Southeast Asian dyads who both adopt economic liberalization policies tend to avoid engaging in militarized conflict with each other because doing so will compromise their most important objective – pursuing economic development. As Tang (2012) demonstrated, there are few democratic dyads in the region, there is a low degree of interdependence between those countries, and interstate conflict does happen between ASEAN-member states, meaning that Southeast Asian peace is maintained by neither the liberal peace components nor by ASEAN's security management, but by the capitalist peace concerns.

Given the discrepancies in the literature about what contributes to Southeast Asian peace, the goal of this research is to develop an argument

to bridge the contradicting explanations. To fulfill this objective, the tasks of this research are twofold. The first task is to demonstrate that capitalist peace concerns are not the main reason for the restraint of conflict behavior of Southeast Asian countries; thus I can pave the way for re-appraising the role of ASEAN in the regional peace; the second task is to restore the importance of ASEAN in maintaining regional peace and explain why ASEAN's security management capabilities vary across time and space. I will proceed with my argument as follows. In the next section, I re-appraise Tang's (2012) argument by investigating Southeast Asian countries that have adopted an economic liberalization policy based on his original data, showing that Southeast Asian peace may not be well explained by the capitalist peace trajectory. Then, in the third section, I present my argument that ASEAN's security management does play an important role in the maintenance of Southeast Asian peace; however, its effectiveness is conditional in that it hinges on the economic performance of its member states. In the fourth section, I test my argument using data of conflict onset between all of the eleven Southeast Asian countries from 1950 to 2001,¹ showing that all the statistical results (along with the substantive effects and various sensitivity checks) strongly support my argument. In the last section, I discuss my findings with previous literature about theorizing Asia's international relations as a conclusion.

2 Explaining Southeast Asian peace

The literature indicates that the capitalist peace concern and ASEAN's security management are the most important reasons for Southeast Asian countries to refrain from engaging in militarized conflict. I will demonstrate that the capitalist peace concern is misleading and explain why ASEAN's security management capabilities in the region are better understood as conditional, in that they depend on Southeast Asian states' economic performance.

2.1 *The capitalist trajectory revisited*

After investigating the militarized interstate disputes among all eleven Southeast Asian countries, Tang (2012) finds that neither the constructivist

1 The 11 Southeast Asian countries in my sample from 1950 to 2001 include Brunei (1984~), Cambodia (1953~), Indonesia, Laos (1953~), Malaysia (1957~), Myanmar, the Philippines, Singapore (1965~), Thailand, North Vietnam (1954~), and South Vietnam (1954~1975). All of them were ASEAN members by 1999 when Cambodia finally gained admission.

peace theory, which emphasizes ASEAN's security management through consensus building, nor the liberal peace theory, which underlines the pacifying effects of democracy and economic dependence, can well account for Southeast Asian peace. Instead, he argues, it is Southeast Asian states' motivations and preferences to promote national economic development on the liberal capitalist trajectory that has a significant influence on the formation of Southeast Asian peace, because failure on the part of these Southeast Asian leaders' to promote national wealth may jeopardize their ruling foundation. Since Southeast Asian leaders' domestic ruling coalition prefers the liberal capitalist approach of economic development and the success of the liberal capitalist development approach hinges on a stable, open, and adaptable economic environment and market, as a consequence, these leaders will be less likely to act belligerently since doing so hurts this capitalist development strategy (Tang, 2012, p. 390).

To support his argument, Tang uses empirical evidence to demonstrate that Southeast Asian peace from 1950 to 2000 may not be well explained by democracy, economic interdependence, or ASEAN's security management. As he demonstrates, in Southeast Asia, democratic dyads are few (only 44 of the total 1,998 non-directed dyad-year observations, as shown in his Figure 1), economic interdependence is generally at a very low level (as shown in his Figure 2), and there are still 11 of the total 85 militarized interstate disputes (MIDs) from 1950 to 2001 between joint ASEAN dyads (as shown in his Figure 3). Thus, he argues that there must be another factor that better promotes Southeast Asian peace. This factor, he argues, is the capitalist peace concern, which suggests that Southeast Asian peace is maintained by countries that adopt economic liberalization policies.

However, after scrutinizing the empirical evidence Tang used,² I find two facts that may compromise his capitalist peace argument regarding Southeast Asian peace. The first problem is that observations of Southeast Asian dyads that both adopt a policy of economic liberalization are too few to be influential on the regional peace.³ Among the total 1,998 dyad-

2 I replicated Tang's (2012) data in the same way according to his description.

3 Tang (2012) adopts Sachs and Warner's (1995) binary category to define whether both states in a dyad-year t are a jointly open trade regime, coded as 1 if yes and 0 otherwise. According to Sachs and Warner (1995), a country is coded as a closed trade regime if any one of the following criteria is true: non-tariff barriers cover 40% or more of trade, average tariff rates are 40% or more, the black market exchange rate depreciated by 20% or more relative to the official exchange rate during the 1970s or 1980s, a socialist economy is in place, or a state

year observations in his sample space, only 258 of them are dyads that both adopt economic liberalization policies (<13% of the total sample space). In his article, Tang claims that ‘such low frequency of democratic dyads gives rise to a suspect about the implication of democratic peace in Southeast Asia’ (Tang, 2012, p. 392). By the same logic, we should have doubts over the implications of capitalist peace in the region as well. Therefore, although Southeast Asian dyads that both adopt an economic liberalization policy seldom have militarized disputes with each other, it may not be the main reason why regional peace is maintained.

The second problem is whether adopting an economic liberalization policy does make the country more reluctant to use force as the capitalist peace theory claims. I review this effect by tabulating the dyadic and the monadic MID records before and after both countries or one country adopted an economic liberalization policy. Table 1 presents the dyadic result. As we can see in Table 1, among the total 55 dyad combinations of the eleven Southeast Asia countries,⁴ only 10 of them are dyads that have both adopted economic liberalization policies. Besides, among the 10 Southeast Asian dyads that both adopted economic liberalization policies, only 2 of them, namely ‘Malaysia – the Philippines’ and ‘Malaysia – Indonesia,’ had experienced MID before they both adopted these policies, and the militarized conflict between Malaysia and Indonesia had been solved long before they both adopted the policies in question. To be more specific, among all the Southeast Asian dyads from 1950 to 2001 where both countries adopted economic liberalization policies, there is only 1 dyad-year observation that had MID after they both adopted these policies, that being Malaysia and Singapore in 1992. Therefore, Tang’s independent variable (*JntELP*, a dichotomous dyad-year variable denoting whether both countries adopt an economic liberalization policy in each dyad-year) will no doubt be statistically significant under any circumstances since there is only 1 MID among the total 258 *JntELP* dyad-year observations. Put differently, while most of the *JntELP* dyads are those who had never had any MID before or had resolved their conflict issue before they became a *JntELP* dyad, the pacifying effect of the capitalist peace trajectory may be over-emphasized.

monopoly on exports exists. The Sachs and Warner data spans the years 1950 to 1992, and lately it has been expanded by Wacziarg and Welch (2008) through 1999.

4 There are a total 11 countries (including the two Vietnams in the 1970s) in Southeast Asia after the end of World War II.

Table 1 MID onset between *JntELP* dyads before and after they became *JntELP* dyads, 1950–2001

<i>JntELP</i> dyad	Year of becoming <i>JntELP</i>	Number of MID occurring before becoming <i>JntELP</i> (year of MID)	Number of MID occurring after becoming <i>JntELP</i> (year of MID)
Thailand–Malaysia	1963	0	0
Thailand–Singapore	1965	0	0
Thailand–Philippines	1989	0	0
Thailand–Indonesia	1971	0	0
Malaysia–Singapore	1965	0	1 (1992)
Malaysia–Philippines	1989	5 (1968, 1979, 1980, 1985, 1988)	0
Malaysia–Indonesia	1971	3 (1963, 1964, 1965)	0
Singapore–Philippines	1989	0	0
Singapore–Indonesia	1971	0	0
Philippines–Indonesia	1989	0	0

Table 2 Monadic MID onset analysis of countries who adopt economic liberalization policy, 1950–2001

Country	Total number of MID occurring from 1950 to 2001	Year of adopting economic liberalization policy	Number of MID occurring before/after adopting economic liberalization policy (MID per year, before/after)
Indonesia	4	1971	1/3 (0.045/0.097)
Malaysia	10	1963	0/10 (0.000/0.256)
Philippines	9	1989	7/2 (0.175/0.154)
Singapore	1	1965	0/1 (0.000/0.027)
Thailand	51	1950	0/51 (0.000/0.981)

Note: Among the eleven total Southeast Asian countries, six countries (Brunei, Cambodia, Laos, Myanmar, North Vietnam, and South Vietnam) did not adopt an economic liberalization policy during the sample period from 1950 to 2001.

According to Tang's (2012) argument, Southeast Asian states that adopt economic liberalization policies are less likely to act belligerently in foreign affairs because 'the success of the liberal capitalist development approach hinges on a stable, open, and adaptable economic environment and market' (Tang, 2012, p. 390). In other words, the pacifying effect of the

capitalist approach should be not only a dyadic phenomenon but also a monadic one. Table 2 presents the monadic analysis, comparing the frequency of MID before and after each country's adoption of an economic liberalization policy. Among the eleven total Southeast Asian countries in the 52-year sample space, only 5 of them have adopted policies of economic liberalization. And among the five countries who adopted such policies, only the Philippines experienced more MIDs and had a higher probability of experiencing an MID prior to liberalization. The four remaining countries are actually *more likely* to experience MID *after* opening up their markets. In sum, both the dyadic and monadic analyses of the MID record among the Southeast Asian countries suggest that the capitalist peace trajectory argument may be misleading.⁵

By re-investigating Tang's (2012) empirical evidence, I find that Southeast Asian peace may not follow a capitalist peace trajectory as Tang claims. *JntELP* dyads are few in the region. Most of the *JntELP* dyads are those that had never had any conflict record before becoming *JntELP*, and among the *JntELP* dyads that had experienced conflict before becoming *JntELP*, they had reached a stable resolution beforehand. Therefore, I posit that there must be other factors that contribute to Southeast Asian peace. As Tang (2012) has demonstrated, democratic dyads are few in the region and interdependence between Southeast Asian countries is generally at a very low degree. Given that the liberal peace factors are less likely the answer to Southeast Asian peace and that many scholars have emphasized ASEAN's contributions toward regional security management, I posit that the answer to Southeast Asian peace lies in a reappraisal of ASEAN's role in the region, especially when it comes to explaining the variation of its effectiveness in security management. In the next section, I will review the debate about the role of ASEAN in the regional peace and construct a theory to bridge the contradicting views about ASEAN's security management capabilities in Southeast Asia.

2.2 The debate about ASEAN

When it comes to what contributes to Southeast Asian peace, the literature leads us to the debate over whether ASEAN's security management exerts

5 There might be a strategic effect in the monadic level of analysis that other states may be more likely to initiate conflict against countries that adopted an economic liberalization policy, since the former knows that the latter does not want conflict and thus is more likely to make a concession. This strategic effect in the monadic level further puts in doubt Tang's argument that Southeast Asian peace is based on a capitalist trajectory.

a meaningful pacifying effect in the region. Opponents criticize its weak institutionalization and incapability in enforcing security management measures, while supporters emphasize its importance in promoting socialization in the region that achieves conflict resolution through consensus building. Both the opponents and the supports can find empirical evidence to support their contradictory perspectives: while the latter find that ASEAN did constrain conflict in the region in terms of frequency of conflicts, number of battle deaths, and conflict termination (Acharya, 1998, 2001; Kivimäki, 2011), the former demonstrate that failed coordination and militarized conflict did occur between ASEAN members (Leifer, 1989; Khong, 1997; Acharya, 1998, 2001) and that ASEAN did not have a statistically significant pacifying effect in the dyadic level of analysis (Tang, 2012). These two contradictory perspectives suggest that the ASEAN way of security management sometimes works but sometimes does not and that a correct understanding of ASEAN should not investigate whether it works to stabilize the region, but rather find out what the preconditions are that mediate its effectiveness in interstate coordination and conflict constraint. Therefore, to explain Southeast Asian peace, it is crucial to figure out what enables and undermines ASEAN in collective security management. Below I first discuss whether the mainstream international relations theories could explain this puzzle satisfactorily, and then I set forth my argument to offer a better explanation.

Different perspectives of international relations theories have different explanations about the evolution and decline of ASEAN's capabilities in stabilizing the region as an 'international regime'. Realists hold the perspective that the predominance of individual foreign policies has compromised the collective actions of ASEAN from the start (Rüland, 2000; Jones and Smith, 2007). However, this realist perspective does not explain why sometimes individual countries are prone to act collectively but at other times less so (Acharya, 1998, 2001, 2013), especially when there are no clear relative power dynamics in the region if ASEAN is only a reflection of power politics as the realists claim (Gilpin, 1981; Mearsheimer, 1994/95). The liberals who start from a functional approach predict that we should see that ASEAN's institutionalization, legalization and contractualization increase as time goes by (Mitrany, 1948; Keohane, 1984); those who subscribe to the pluralistic domestic approach may contend that it depends on the attitudes of the domestic coalitions of each member state

(Solingen, 2008). However, the liberal theories are not able to explain why this ‘deepening’ effect does not take hold in ASEAN like it does in its European counterpart, the European Union (Johnston, 2012, pp. 63–67). And furthermore, what impacts the attitudes of domestic coalitions in each country on whether to comply with ASEAN’s collective decision remains a puzzle that the liberals are not able to answer (Tønnesson, 2009; Acharya, 2013).⁶

The constructivists’ explanation about the role of ASEAN is the most accepted view, as it distinguishes the uniqueness of an ‘ideational’ Asia from the ‘material’ Western world (Acharya, 2001; Khoo, 2004; Tan, 2006; Kivimäki, 2008; Narine, 2008; Stubbs, 2008; Johnston, 2012; Kohno, 2014). Through the emphasis on the social construction for consensus based on common interests, values, and norms, ASEAN maintains regional peace by constructing a ‘security community’ (Deutsch, 1961; Adler and Barnett, 1998) which promotes peace through socialization instead of sanctions or coercion. Since a security community is built on the process of socialization, ‘[w]hether any specific security community will continue to function in the long run will depend on the ability of its facilities for peaceful adjustment to keep ahead of the strains and burdens which any growth of social transaction may throw upon them’ (Deutsch, 1961, p. 103). These ‘strains and burdens’ could result from both the internal and the external, such as the failure of consensus building or the adding of new unsocialized members and the resulting new material burdens. However, this constructivist approach does not go unchallenged. What determines the success or failure of internal consensus building and whether the adding of new members will compromise the original consensus remain a question the constructivists have not answered satisfactorily. For example, the security community argument does not give us clear and consistent answers about the following puzzles of ASEAN: why old ASEAN members such as the Philippines and Thailand have had more battle deaths after they joined ASEAN while all the other Southeast Asian countries have largely reduced them (Kivimäki, 2011); why Indonesia and the Philippines have experienced more conflicts after they joined ASEAN (Kivimäki, 2011, p. 75); why MIDs, especially those that were fatal, did

6 A good example is that Southeast Asian states’ compliance with ASEAN’s coordination varies across time and space even though almost all of the Southeast Asian leaders remain the same ones given their undemocratic regimes.

occur between joint ASEAN countries (Tang, 2012, p. 395); why, after 1996, the ASEAN principle of non-interference in domestic affairs was not as clear as before (Kivimäki, 2001); why the mechanisms of peace that have existed since the founding of ASEAN are in the process of being eroded while there is no direct threat to peace in the region (Kivimäki, 2001); and why the 1997 financial crisis largely compromised the leadership of ASEAN (Solingen, 2004). Answering these questions with ‘the failure of internal consensus building’ is tautological, and explaining them with ‘the effect of adding new unsocialized members’ does not account for the variation after each wave of ASEAN expansion. For these reasons, I argue that the constructivists’ perspective about the ASEAN security community is not sufficient to explain the variation of the effectiveness of ASEAN’s security management and that its effectiveness should be conditional depending on other factors.

If the effectiveness of ASEAN’s capabilities in security management is conditional, what is the most important precondition that mediates its capabilities of constraining conflict in the region? I argue that ASEAN’s conflict-constraining capability is conditioned on Southeast Asian countries’ economic performance. Since Southeast Asian countries have become independent from their colonizers after the end of World War II, due to their special historical and socioeconomic backgrounds, nation building and economic growth have been the most important goals of the leaders and their ruling coalitions. When leaders of Southeast Asian countries are able to maintain good economic performance, they thus have the ‘performance legitimacy’ for their political survival. However, if they are not able to sustain economic growth, the likelihood that they have to resort to nation building issues to distract their domestic audiences through aggressive external action – such as claiming ownership of disputed territory with neighboring countries or emphasizing the priority of their own ethnic groups – is increased, thus compromising ASEAN’s ability to build a consensus and increasing the probability of conflict. The ultimate importance of pursuing nation building and economic growth distinguishes Southeast Asian leaders from all other countries or regions in the world because of Southeast Asia’s unique historical and socioeconomic background. To get a complete picture of ASEAN’s role in regional peace, we must take this special background into account.

Why are nation building and economic performance the most important concerns of leaders in Southeast Asian countries but not in others?

Taking a look at their initial situation at the moment of independence after the end of World War II is revealing. Table 3 summarizes the initial conditions of Southeast Asian countries at the moment of their independence. There are four unique preconditions in the region that explain why nation building and economic performance are the most important goals of Southeast Asian countries: *their experience of long being colonized, their variety of domestic ethnic groups, their thirst after emerging from poverty, and their disputed territorial issues due to fractured geography.* As Southeast Asian countries became independent after World War II, these four preconditions created domestic coalitions focusing on issues of nation building and economic performance. Given that most Southeast Asian countries are not consolidated democracies, which means that the leaders' ruling legitimacy largely depends on whether they can solve their domestic problems, it is imperative for leaders in Southeast Asia to fulfill these two goals in order to survive politically.

In contrast to the other regions of the world, almost all Southeast Asian countries were colonized by Europeans in the 19th century, with Thailand being the lone exception. However, although nominally Thailand was an independent country at that time, it was actually an artificial buffer zone under the control of the British (in India) and French (in Indochina). Long colonized by Western imperial powers and then occupied by Japan during World War II, the populations of Southeast Asian countries have been treated unequally across different ethnic groups, have been in poverty, and have longed for their own ethnic autonomy. Meanwhile, the variety of domestic ethnic groups divided by different religions further complicated these countries' efforts in national identity building. The Western colonizers and Japan selected certain ethnic groups and made them leaders of their puppet regimes in order to facilitate their rule in these countries, which further exacerbated the animosity between the ruling ethnic groups and those they ruled over. Besides, the ruling ethnic groups also took advantage of their power to expropriate the wealth of the ruled, making the societies more unequal and stratified. As we can see in Table 3, in the 1950s when many countries became independent, most of them had a *GDP per capita* of <2,000 USD, while the United States' *GDP per capita* was >10,000 then. Plus, the fact that wealth was highly concentrated among the ruling groups further exacerbated the situation. As a consequence, at the moment of their independence from the Western and Japanese colonizers, Southeast

Table 3 Background of Southeast Asian countries in their early years after independence

Country	Colonized before independence	Ethnic groups	Religion groups	Year of independence	GDP <i>per capita</i> in the 1950s and in 2000	Territorial dispute with other Southeast Asian countries
Brunei	Yes, by Great Britain and Japan	Malay 65.7%, Chinese 10.3%, other indigenous 3.4%, other 20.6% (in 2011)	Muslim (official) 78.8%, Christian 8.7%, Buddhist 7.8%, other (includes indigenous beliefs) 4.7% (in 2011)	1984	17,358 (in 1984) 19,022 (in 2000)	Yes, with Malaysia and Vietnam
Cambodia	Yes, by France and Japan	Khmer 90%, Vietnamese 5%, Chinese 1%, other 4%	Buddhist (official) 96.9%, Muslim 1.9%, Christian 0.4%, other 0.8% (in 2008)	1953	1,680 (in 1953) 2,042 (in 2000)	Yes, with Thailand and Vietnam
Indonesia	Yes, by the Netherlands and Japan	Javanese 40.1%, Sundanese 15.5%, Malay 3.7%, Batak 3.6%, Madurese 3%, Betawi 2.9%, Minangkabau 2.7%, Buginese 2.7%, Bantenese 2%, Banjarese 1.7%, Balinese 1.7%, Acehnese 1.4%, Dayak 1.4%, Sasak 1.3%, Chinese 1.2%, other 15% (in 2010)	Muslim 87.2%, Christian 7%, Roman Catholic 2.9%, Hindu 1.7%, other 0.9% (includes Buddhist and Confucian), unspecified 0.4% (in 2010)	1945	936 (in 1950) 3,642 (in 2000)	Yes, with Malaysia and the Philippines
Laos	Yes, by France and Japan	Lao 55%, Khmou 11%, Hmong 8%, other (over 100 minor ethnic groups) 26% (in 2005)	Buddhist 67%, Christian 1.5%, other and unspecified 31.5% (in 2005)	1954	1,730 (in 1954) 1,367 (in 2000)	Yes, with Thailand

Malaysia	Yes, by Portugal, Great Britain, and Japan	Malay 50.1%, Chinese 22.6%, indigenous 11.8%, Indian 6.7%, other 0.7%, non-citizens 8.2% (in 2010)	Muslim (official) 61.3%, Buddhist 19.8%, Christian 9.2%, Hindu 6.3%, Confucianism, Taoism, other traditional Chinese religions 1.3%, other 0.4%, none 0.8%, unspecified 1% (in 2010)	1963	1,971 (in 1954) 9,919 (in 2000)	Yes, with Singapore, Indonesia, the Philippines, and Vietnam
Myanmar	Yes, by Great Britain and Japan	Burman 68%, Shan 9%, Karen 7%, Rakhine 4%, Chinese 3%, Indian 2%, Mon 2%, other 5%	Buddhist 89%, Christian 4% (Baptist 3%, Roman Catholic 1%), Muslim 4%, Animist 1%, other 2%	1948	309 (in 1950) 829 (in 2000)	Yes, with Thailand
The Philippines	Yes, by Spain, the United States, and Japan	Tagalog 28.1%, Cebuano 13.1%, Ilocano 9%, Bisaya/Binisaya 7.6%, Hiligaynon Ilonggo 7.5%, Bikol 6%, Waray 3.4%, other 25.3% (in 2000)	Catholic 82.9% (Roman Catholic 80.9%, Aglipayan 2%), Muslim 5%, Evangelical 2.8%, Iglesia ni Kristo 2.3%, other Christian 4.5%, other 1.8%, unspecified 0.6%, none 0.1% (in 2000)	1946	1,343 (in 1950) 3,425 (in 2000)	Yes, with Indonesia, Malaysia, and Vietnam
Singapore	Yes, by Great Britain and Japan	Chinese 74.2%, Malay 13.3%, Indian 9.2%, other 3.3% (in 2013)	Buddhist 33.9%, Muslim 14.3%, Taoist 11.3%, Catholic 7.1%, Hindu 5.2%, other Christian 11%, other 0.7%, none 16.4% (in 2010)	1965	3,086 (in 1965) 27,186 (in 2000)	Yes, with Malaysia
Thailand	No, but controlled by Great Britain, France, and Japan	Thai 95.9%, Burmese 2%, other 1.3%, unspecified 0.9% (in 2010)	Buddhist (official) 93.6%, Muslim 4.9%, Christian 1.2%, other 0.2%, none 0.1% (in 2010)	1932	837 (in 1953) 6857 (in 2000)	Yes, with Laos, Cambodia, and Myanmar

Continued

Table 3 Continued

Country	Colonized before independence	Ethnic groups	Religion groups	Year of independence	GDP <i>per capita</i> in the 1950s and in 2000	Territorial dispute with other Southeast Asian countries
Vietnam (North Vietnam)	Yes, by France and Japan	Kinh (Viet) 85.7%, Tay 1.9%, Thai 1.8%, Muong 1.5%, Khmer 1.5%, Mong 1.2%, Nung 1.1%, others 5.3% (in 1999)	Buddhist 9.3%, Catholic 6.7%, Hoa Hao 1.5%, Cao Dai 1.1%, Protestant 0.5%, Muslim 0.1%, none 80.8% (in 1999)	1945	1162 (in 1954) 1,812 (in 2000)	Yes, with Malaysia, Philippines, and Cambodia
South Vietnam	Yes, by France and Japan			1945	814 (in 1954) 988 (in 1975)	

Source: GDP *per capita* is the real GDP *per capita* in 1996 US dollar value, data from Gleditsch (2002). As a comparison, GDP *per capita* of the United States in 1950 is 10,703, and 33,293 in 2000. Data of ethnic groups in each Southeast Asian country are from The CIA World Factbook on the CIA website: <https://www.cia.gov/index.html>. Data of territorial disputes are from Amer (1998).

Asian countries faced extreme difficulty in nation building and badly needed to get out of poverty.

Given these preconditions, the best way for Southeast Asian leaders to stabilize their ruling foundations was to make progress in economic growth. Only by doing so could the leaders improve the faith of various domestic groups in their undemocratic political regimes. If they were not able to do so, their ruling legitimacy was soon to be in danger. A good example is how the 1997 financial crisis resulted in the quick overturning or reform of many long-lasting nondemocratic governments in Southeast Asia. In Thailand, the united government was replaced by the Democratic Party and a new constitution was passed in the same year, which foreshadowed a series of coups that continue to this day; in Indonesia, the Suharto government, which had been in power for 32 years, was overturned after the event of the May 1998 Riots, in which more than one thousand Chinese Indonesians were killed because the Indonesians believed they were responsible for taking away most of the wealth; in Malaysia, Prime Minister Mahathir Mohamad, who had ruled for 17 years, had to start a power struggle against his Deputy Prime Minister and Minister of Finance Anwar Ibrahim in order to remain in power.⁷ In Southeast Asian countries where the fragile political regimes are still in search of equilibrium, economic downturn forces the leaders to find a way out of a legitimacy crisis. Another set of preconditions that affect Southeast Asia leaders' calculations when facing economic downturn – domestic ethnic conflicts and international territorial disputes – play an important role here. Bad economic performance gives leaders more incentive to resort to provoking domestic and international disputes in order to maintain their ruling legitimacy. An initial probing of the Southeast Asian MID data reveals this pattern. Among the total 85 Southeast Asian MIDs from 1950 to 2001, 71 of them happened in a year when at least one state in the dyad had a growth rate of <3%; among the total 85 MIDs, 11 of them happened between joint ASEAN members, and 5 of the 11 ASEAN-member MIDs happened when at least one state in the dyad had a growth rate of <3%. Therefore, I argue that to understand the effectiveness of ASEAN's security management in the region, we must take nation building and economic performance, the two most important goals of

7 Refer to Solingen (2004) for a more detailed discussion about how the 1997 financial crisis reshaped the domestic politics of Southeast Asian countries.

Southeast Asian countries, into consideration. That is, the effectiveness of ASEAN security management should be conditioned by Southeast Asian countries' balance between these two factors. When leaders are able to maintain growth, they are willing to act through ASEAN to work out a consensus on various issues; however, if they are not able to maintain economic performance, domestic pressure from their ruling coalitions and their political competitors will give them a strong incentive to resort to nation building issues for maintaining ruling legitimacy, which compromise the ASEAN way of consensus building. As Kivimäki (2011) has demonstrated, 'the ASEAN diplomatic style avoids situations where one of the conflicting parties would lose face, and thus it is reflected in a conflict termination record with a low frequency of defeat of one of the parties' (Kivimäki, 2011, p. 68). The fact that both conflicting parties are willing to accept a conflict termination without a substantive solution further reveals that getting what they are fighting for *per se* is not the main reason for both leaders to engage in a dispute. If so, we would expect that economic performance does not have a significant effect on ASEAN's security management and that the leaders do not tend to accept a resolution without substantive benefit given the cost of military actions.

Based on the reasons mentioned above, the hypothesis derived from my argument to be tested is as follows:

Hypothesis: The effectiveness of ASEAN's security management in Southeast Asia is conditioned on Southeast Asian countries' economic performance.

3 Research design

3.1 *Dependent variable*

Following most of the literature on Southeast Asian peace and international conflict, I use the onset of a new MID between two Southeast Asian states each year as the dependent variable. This is because the dyadic design can better take the different degrees of security threats that different countries confront into concern. Thus, the unit of analysis is dyad-year. I use the MID 3.1 data (Ghosn *et al.*, 2004) from the Correlates of War database. An MID is defined as 'a set of interactions between or among states involving threats to use military force, displays of military force, or actual uses of military force' (Gochman and Maoz, 1984). The new MID

onset is a dichotomous variable which is coded 1 for the first year of a new MID in a dyad and 0 otherwise. The subsequent years of the same MID in the starting year are dropped from the data to reduce the problem of temporal dependence, because the statistical model I employ in this study, logit regression, assumes that the conflict events being analyzed are independent of each other. Given MID onset is a time-series cross-sectional binary variable across time (years) and space (dyads), to produce accurate standard errors and consistent coefficients, I estimate the logit regression model with the Huber/White robust standard error which assumes that observations within the same dyad across years are correlated but those between different dyads are uncorrelated, adjusting for clustering in dyads. I also adopt [Carter and Signorino's \(2010\)](#) method to include peace years, peace years' square, and peace years' cube into the model to control for temporal dependence.⁸ As with most of the literature, I estimate all the models with the dependent variable at time t and independent variables at time $t-1$ to mitigate problems of reverse causality.

3.2 Independent variables

My theory argues that the effectiveness of ASEAN's security management is conditioned on Southeast Asian states' economic performance. Therefore, the set of my independent variables should be composed of three different variables: one denotes whether the pair of countries are joint ASEAN members, another denotes its economic performance, and the other the interaction term of the first two to measure the conditional effect of economic performance on ASEAN's security management. Given the dyad-year design, I create a dummy variable, **Joint ASEAN**, to present whether both countries in each dyad-year are members of ASEAN, coded as 1 if yes and 0 otherwise. The sample space includes all the Southeast Asian countries before and after they became ASEAN members from 1950 to 2001, because the GDP data are available since 1950 and the conflict data are updated through 2001. According to my theory, **Joint ASEAN** alone is expected not to have stable statistically significant influence on MID onset in models except for when it is in the interaction term, which means that ASEAN's effectiveness in constraining its member states' conflict behavior is mediated by the states' economic performance.

8 I also estimate all the models using [Beck, Katz, and Tucker's \(1998\)](#) peace years and cubic splines to control for temporal dependence. The outcomes are almost identical.

Because my theory expects that conflict is more likely to be initiated by countries with worse economic performance, I construct the variable **Low growth rate**, which is the lower value of economic growth rate of the two states in each dyad-year, to measure Southeast Asian countries' economic performance. This conceptualization is called the 'weak link' logic (Dixon, 1994; Oneal and Russett, 1997), which assumes that 'the likelihood of dyadic conflict is primarily determined by the less constrained of the two states in a dyad' (Oneal and Russett, 1997, p. 273). Data of economic growth rate are calculated from Gleditsch's (2002) expanded trade and GDP data by the following equation:

$$\text{Growth rate} = \frac{\text{GDP}_t - \text{GDP}_{t-1}}{\text{GDP}_{t-1}}.$$

Now that the two independent variables are ready, their interaction term **Joint ASEAN × Low growth rate** conceptualizes this conditional effect. My theory predicts that this interaction variable should be statistically significant with a negative sign on MID onset,⁹ which means that only in joint ASEAN dyads the higher the state's economic growth rate, the lower the probability that they engage in militarized conflict. Thus, the hypothesis derived from my argument is verified if the interaction term appears to be statistically significant with a negative sign.

3.3 Competing and control variables

I control for the variables that have demonstrated to be influential on conflict onset in previous research to show that my independent variables are still valid after taking various factors into consideration. Some of them are even variables of competing explanations against my argument on the maintenance of Southeast Asian peace. The first set of competing variables is the democratic peace and the Kantian peace components (Oneal and Russett, 2001) because much research has found that democracy, interdependence, and international organizations have strong pacifying effects. **Low democracy** is the lower democracy score of the two states in each

9 I also create an ordered independent variable **ASEAN** ranging from 0 to 2, denoting whether none, one, or two of the countries in each dyad are members of ASEAN, as well as its conditional effect variable **ASEAN × Low growth rate**. This conditional variable is significant and negative with the probability of MID onset after 1979, which also matches my argument. However, I do not further investigate this phenomenon since my theoretical argument is mainly about joint ASEAN dyads.

dyad-year, data from the Polity IV dataset (Marshall *et al.*, 2013). This democracy score ranges from -10 (the most autocratic) to 10 (the most democratic). Because democratic peace is better understood as a strictly dyadic phenomenon (Bueno de Mesquita *et al.*, 2003; Quackenbush and Rudy, 2009) – that is, the democratic peace effect only works when both countries are democracies and does not work in a mixed dyad which is composed of a democracy and an autocracy¹⁰ – I control for **Joint democracy**, the interaction term of both countries' democracy score, to capture this effect.¹¹ **Low dependence** is the lower ratio of the sum of State A's imports from and exports to State B over State A's GDP in each dyad-year, data from Gleditsch's (2002) expanded trade and GDP data. **IGOs** is the number of total shared memberships in intergovernmental organizations of the two states in each dyad-year, data from Pevehouse *et al.* (2004).¹²

I then control for contiguity, distance, alliance similarity, and power parity of each dyad, for the reason that these factors are also found to be influential on international disputes (Bremer, 1992). **Contiguity** is a dummy variable which denotes whether the two countries of the dyad are contiguous by land, predicted to be positively correlated with conflict onset. **Distance** is the logged distance (in miles) between capitals of the two states in each dyad, predicted to be negatively related with conflict onset. I adopt Signorino and Ritter's (1999) weighted S-score to construct the variable **Alliance similarity**, which denotes the level of similarity of each dyad's alliance portfolio.¹³ **Power parity** is the weaker state's score of

10 Goldsmith (2014) also finds this similar strategic effect in East Asia.

11 Following Barbieri's (2002) measurement of the interactive effect of both states' democratic scores, the **Joint democracy** variable is constructed as:

$$\text{Joint democracy} = \left(\frac{\text{Polity score}_A + 10}{2} \right) \left(\frac{\text{Polity score}_B + 10}{2} \right),$$

which ranges from 0 to 100. The reason that she adds 10 to each state's polity score (ranging from -10 to 10) is to avoid a negative value.

12 Although I have noticed that previous research about IGOs' pacifying effect is mixed as Dorussen and Ward's (2008) review had demonstrated and that the aggregated count variable of shared IGO membership may mislead our understanding of IGOs' role in promoting peace (Boehmer *et al.*, 2004), I still include this aggregated count variable in my models in order to further confirm my argument by considering all the Kantian peace variables at the same time. The statistical results are almost identical with or without this variable.

13 I do not control for strategic alliance (whether the dyad has a defense pact, neutrality, or entente), which is typically put into control when studying conflict because among Southeast Asian countries, only Thailand and the Philippines are formal allies due to their military

composite index of national capability (Singer, 1988) divided by that of the stronger state to generate a power ratio which ranges from 0 (total preponderance) to 1 (exact parity between the two states). Data of **Contiguity**, **Distance**, **Alliance similarity**, and **Power parity** are from the COW database generated by the Eugene software (Bennett and Stam, 2000a). Development is also found to have a pacifying effect (Rosecrance, 1986, 2010; Hegre, 2000; Mousseau *et al.*, 2003), so I include **Low GDP/pc** which is logged GDP *per capita* of the lower GDP *per capita* in each dyad-year to control for development. I also include the interaction between contiguity and development, **Contiguity × Low GDP/pc**, because economic development decreases states' incentive for territorial expansion (Gartzke, 2007). Lastly, I create a **Cold war** dummy variable, taking a value of 1 between 1950 and 1989 to control for the change of international structure which may have a systemic effect on conflict onset in the region.¹⁴

In sum, the statistical model I am going to estimate is specified as follows:

$$\text{MID Onset} = \alpha + \beta_{(\text{Joint ASEAN, Low growth rate, Joint ASEAN} \times \text{Low growth rate, Low democracy, Joint democracy, IGOs, Low GDP/pc, Contiguity, Contiguity} \times \text{Low GDP/pc, Distance, Alliance similarity, Power parity, Cold war, Peace years})} + e.$$

4 Empirical results

4.1 Basic analysis

Table 4 shows how the pacifying effect of ASEAN is conditioned on the economic performance of Southeast Asian countries. I list the results of three different time periods (Model 1, Model 2, and Model 3) to demonstrate that this conditional effect holds well under different temporal or systemic conditions. The whole sample space ranges from 1950 to 2001 due to data availability which is shown as Model 1. Model 2 shows the result from 1967 because ASEAN is formally established by the founding five states

cooperation with the United States, and Thailand and the Philippines never had any instances of MID during my sample period.

14 Although I include many control variables in my model, this conditional effect of **Joint ASEAN × Low growth rate** holds robustly no matter with or without any of or all of the control variables in all the three different levels of MIDs. These results are not shown here for brevity. Please refer to the replication archive.

Table 4 ASEAN and dyadic MID onset in Southeast Asia

	Dependent variable: MID onset _t		
	Model 1 1950–2001	Model 2 1967–2001	Model 3 1980–2001
[Independent variables _{t-1}]			
Low growth rate	-3.183 (3.462)	-0.217 (3.597)	9.801 (7.848)
Joint ASEAN	-0.968 (0.656)	-1.261* (0.740)	-0.507 (0.975)
Joint ASEAN × Low growth rate	-7.917* (4.514)	-13.204** (6.198)	-23.496* (12.013)
[Control variables _{t-1}]			
Low democracy	-0.599*** (0.169)	-0.543*** (0.194)	-1.338** (0.587)
Joint democracy	0.112*** (0.034)	0.123*** (0.041)	0.303** (0.120)
Low dependence	-8.043 (10.480)	0.307 (15.625)	35.401* (19.244)
IGOs	0.055*** (0.020)	0.021 (0.028)	-0.104 (0.068)
Low GDP/pc	1.139*** (0.430)	0.757 (0.540)	1.128 (0.984)
Contiguity	9.876*** (3.492)	8.751* (4.778)	21.222*** (5.185)
Contiguity × Low GDP/pc	-1.295** (0.505)	-1.064 (0.654)	-2.608*** (0.705)
Alliance similarity	-1.385 (1.744)	-3.098** (1.359)	-3.710** (1.877)
Distance	-1.385*** (0.350)	-0.731 (0.595)	-0.395 (0.844)
Power parity	0.057 (0.583)	0.939 (0.744)	2.041* (1.110)
Cold war	0.914* (0.535)	0.787 (0.571)	1.098** (0.500)
Peace years ¹	-0.229*** (0.078)	-0.193* (0.112)	-0.080 (0.143)
Peace years ²	0.009* (0.005)	0.006 (0.006)	-0.002 (0.007)
Peace years ³	-0.000 (0.000)	-0.000 (0.000)	0.000 (0.000)
Constant	-7.125 (5.432)	-6.325 (6.840)	-16.633 (12.227)
Pseudo R ²	0.341	0.300	0.426
Log likelihood	-218.860	-154.815	-65.408
Chi-squared	358.976	367.817	26,320.352
Clusters (Dyads)	45	45	36
N	1,649	1,224	692

Bold values denote the main independent variable.

Note: Standard errors in parentheses. * $P < 0.10$, ** $P < 0.05$, *** $P < 0.01$. The total dyad-year observations of Southeast Asian countries from 1950 to 2001 without missing values should be 1,998; from 1967 to 2001 should be 1,503; and from 1980 to 2001 should be 954. About 246 observations are always missing (not included in the regression models) from all three different time periods, which is mostly due to the missing polity scores of Brunei from 1984 to 2001 and Cambodia from 1979 to 1987.

(Indonesia, Malaysia, the Philippines, Singapore, and Thailand) in 1967. Model 3 shows the result after 1979, the beginning of the prominent Southeast Asian peace. The results of the three different time periods all support my hypothesis, especially during the prominent post-1979 peace.

Let us start by interpreting the statistical results based on models without the interaction term between **Low growth rate** and **Joint ASEAN** (not shown for brevity). In models without the interaction term, neither **Low growth rate** nor **Joint ASEAN** has significant influence on reducing the probability of MID onset in all three different time periods. The only one variable that has a consistent and significant pacifying effect across the three different time periods is **Contiguity × Low GDP/pc**, which means that economic development does reduce the probability of conflict due to territorial expansion in the region. This result, while not in the prediction of my theory, also confirms my argument that economic factors play an important role in the regional peace.

When the interaction term is added into model specification, it is significant in all three different time periods as Table 4 presents. Its influence remains significant and becomes stronger even after 1979 when the region has achieved a prominent peaceful status and when the conflict-resolution function of ASEAN is put into doubt after 1994 (Kivimäki, 2001). The **Low growth rate** variable is not significant across all time periods, suggesting that when the coefficient of **Joint ASEAN × Low growth rate** is zero – that is, when states are not joint ASEAN members – economic growth rate does not influence the onset of MID. This also confirms the fact that ASEAN was built by Southeast Asian countries that are sensitive to their economic performance and therefore want to pursue economic growth through regional cooperation by putting aside their differences.

To further make sure the statistical significance of this conditional effect does not result from some ‘cheap MIDs’ which involved only low levels of MID such as ‘threat to use force’ or ‘display of force,’ I also estimate the same models on force MID (those that actually use force against one another) and fatal MID (those that result in at least one fatality) onset, and the results are presented in Table 5.¹⁵ Again, in all the basic models

15 Besides, Tose, Gleditsch, and Hegre (2000) insist that the use of casualty MIDs helps avoid both coding irregularities and ‘attention bias’ on low-level disputes. Souva and Prins (2006) also echo Tose et al. (2000) that ‘fatal MIDs offer greater temporal and spatial consistency in the historical recording of these events. Plus, they avoid very low-hostility disputes that

Table 5 ASEAN and dyadic force and fatal MID onset in Southeast Asia

Dependent variable _t	Force MID onset _t			Fatal MID onset _t		
	Model 4 1950–2001	Model 5 1967–2001	Model 6 1980–2001	Model 7 1950–2001	Model 8 1967–2001	Model 9 1980–2001
[Independent variables _{t-1}]						
Low growth rate	-4.964 (3.764)	-2.504 (4.120)	9.358 (8.619)	3.311 (5.497)	5.088 (5.308)	26.764** (11.399)
Joint ASEAN	-1.568*** (0.585)	-2.079** (0.816)	-0.860 (1.088)	-0.467 (1.045)	-0.428 (1.096)	-1.050 (1.410)
Joint ASEAN × Low growth rate	-17.360*** (3.898)	-24.840*** (5.629)	-35.760*** (10.570)	-23.204*** (7.575)	-29.680*** (5.273)	-61.906*** (18.794)
[Control variables _{t-1}]						
Low democracy	-0.735*** (0.135)	-0.679*** (0.094)	-0.991* (0.590)	-0.763*** (0.237)	-0.829*** (0.222)	-0.574 (0.744)
Joint democracy	0.139*** (0.031)	0.150*** (0.029)	0.239** (0.121)	0.176*** (0.052)	0.215*** (0.055)	0.176 (0.189)
Low dependence	-1.034 (10.913)	12.669 (14.992)	36.170* (18.808)	-371.975* (195.121)	-603.185*** (140.434)	-438.464*** (168.415)
IGOs	0.070*** (0.019)	0.054* (0.031)	-0.080* (0.042)	0.015 (0.022)	-0.002 (0.042)	-0.049 (0.124)
Low GDP/pc	1.106** (0.451)	0.663 (0.505)	1.114 (0.911)	0.907* (0.536)	0.142 (0.721)	2.781 (4.442)
Contiguity	9.626** (3.884)	7.925* (4.570)	20.161*** (5.099)	-3.601 (4.522)	-9.868 (6.486)	-15.754 (35.954)
Contiguity × Low GDP/pc	-1.243** (0.561)	-0.989 (0.618)	-2.439*** (0.673)	0.621 (0.671)	1.546* (0.914)	1.186 (6.331)
Alliance similarity	-0.134 (1.966)	-1.757 (1.751)	-3.399 (2.134)	-0.639 (2.053)	-2.142 (2.168)	119.791** (59.718)
Distance	-1.379*** (0.431)	-1.027 (0.689)	0.019 (0.914)	-2.548*** (0.450)	-2.371*** (0.717)	-25.193 (22.216)
Power parity	0.053 (0.617)	0.687 (0.763)	1.949* (1.094)	0.870 (0.946)	2.096* (1.211)	12.700*** (3.827)
Cold war	1.203 (0.732)	1.222 (0.798)	1.338** (0.595)	1.020 (0.651)	1.434* (0.776)	0.781 (1.358)
Peace years ¹	-0.195** (0.081)	-0.184* (0.110)	-0.136 (0.201)	-0.139 (0.107)	-0.130 (0.122)	0.085 (0.352)

Continued

Table 5 Continued

Dependent variable _t	Force MID onset _t			Fatal MID onset _t		
	Model 4 1950–2001	Model 5 1967–2001	Model 6 1980–2001	Model 7 1950–2001	Model 8 1967–2001	Model 9 1980–2001
Peace years ²	0.007 (0.005)	0.006 (0.006)	0.001 (0.010)	0.006 (0.005)	0.005 (0.005)	–0.008 (0.019)
Peace years ³	–0.000 (0.000)	–0.000 (0.000)	0.000 (0.000)	–0.000 (0.000)	–0.000 (0.000)	0.000 (0.000)
Constant	–10.122 (6.403)	–7.233 (6.989)	–17.027 (14.072)	–1.801 (6.198)	2.728 (6.968)	5.171 (140.907)
Pseudo R ²	0.375	0.359	0.465	0.360	0.376	0.599
Log likelihood	–178.939	–119.318	–55.791	–113.402	–73.683	–24.256
Chi-squared	1020.720	1501.045	21,201.238	889.253	1046.502	
Clusters (dyads)	45	45	36	45	45	36
N	1,649	1,224	692	1,649	1,224	692

Bold values denote the main independent variable.

Note: Standard errors in parentheses. * $P < 0.10$, ** $P < 0.05$, *** $P < 0.01$. The Peace years variables are adjusted according to force MID onset and fatal MID onset, respectively. The total dyad-year observations of Southeast Asian countries from 1950 to 2001 without missing values should be 1,998; from 1967 to 2001 should be 1,503; and from 1980 to 2001 should be 954. About 246 observations are always missing (not included in the regression models) from all three different time periods, which is mostly due to the missing polity scores of Brunei from 1984 to 2001 and Cambodia from 1979 to 1987.

without the interaction term **Joint ASEAN × Low growth rate**, neither **Joint ASEAN** nor **Low growth rate** has significant influence on conflict-constraining (not shown for brevity). As for models with this interaction term, as Table 5 shows, actually this conditional effect is getting larger with the increase of the level of conflict. Put differently, this conditional pacifying effect of ASEAN works the best in constraining high hostility levels of MID.¹⁶

There is some other information in Table 4 and 5 worthy of note. The development variable **Low GDP/pc** is never significant after the foundation of ASEAN in 1967 when looking at only the high hostility levels of MID. This reinforces my argument that Southeast Asian peace does not belong to the capitalist trajectory since the capitalist peace theory predicts development to have a strong pacifying effect (Mousseau, 2000; Mousseau *et al.*, 2003; Gartzke, 2007). In addition, the interdependence variable, **Low dependence**, is significant in all the models after 1979, but not before, which suggests that although interdependence in Southeast Asia is in a low degree in general, a liberal commercial peace effect is gradually growing in the region after 1979 when the region achieved stability. Thus, although Southeast Asian peace so far is certainly not maintained by the Kantian peace components given that they are all at a low degree in the region, it is not the same to say that the increase of these components does not promote peace in the region. As long as Southeast Asian states' economic performance keeps growing stably, chances are that the regional peace could benefit from the liberal peace factors in the future.

To further demonstrate the substantive effects of **Low growth rate** on the pacifying effect of **Joint ASEAN** during different time periods, I plot the predicted probability of MID onset in Fig. 1 for joint ASEAN dyads based on the results of Model 1, Model 2, and Model 3, holding all continuous variables at their mean and dichotomous variables at their median. Figure 1 shows that the pacifying effect of ASEAN is conditioned on Southeast Asian states' economic performance: the probability of

may not reach the attention of policymakers'. Therefore, there are good reasons to check whether my independent variable can still work on casualty MIDs.

16 In Table 5 where the dependent variables are 'force MID onset' and 'fatal MID onset', I adjust the **Peace years** variables according to 'force MID onset' and 'fatal MID onset', respectively.

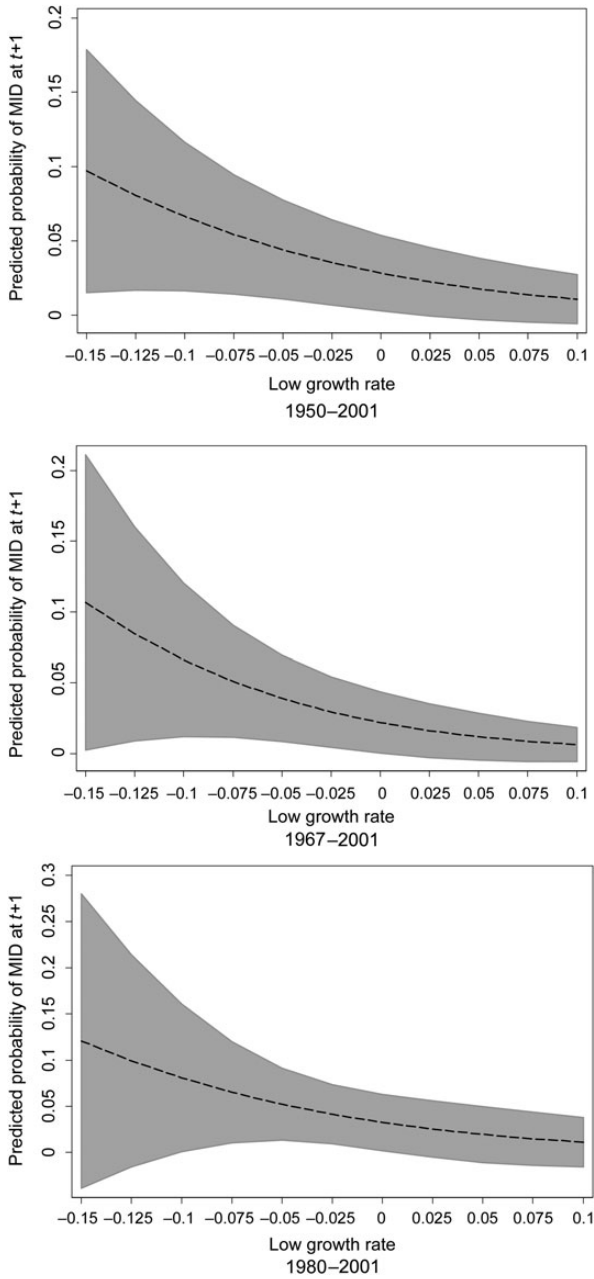


Figure 1 Low growth rate and predicted probability of MID onset at $t + 1$ with 95% confidence interval in different time periods.

conflict between two ASEAN-member states decreases with the increase of economic growth rate. The magnitude of this conditional effect holds stably across all three different time periods. When one of the countries in the dyad has a minus 0.15 economic growth rate in a certain year, the probability of conflict onset between them in the next year is $\sim 10\%$. This probability of conflict onset decreases with the increase of **Low growth rate**, and the probability of conflict onset is getting closer to zero when **Low growth rate** approaches 0.10.

4.2 Robustness tests

I also exert several robustness tests to demonstrate that my argument still holds stably after taking various rival explanations into concern. All the models below span from 1980 to 2001 to show that the pacifying effect of ASEAN is conditioned on Southeast Asian countries' economic performance even when the region has achieved a stable peace after 1979.¹⁷ The outcomes of various sensitivity checks are presented in Table 6.¹⁸

Since I have put in doubt Tang's (2012) argument that Southeast Asian peace is achieved by a capitalist trajectory, I include his independent variable **JntELP**, a dummy variable denoting whether both countries in the dyad adopt economic liberalization policies, in my model. Model 10 shows that the conditional effect becomes even stronger and more significant with **JntELP** in the model. Although **JntELP** is highly significant, as I have shown in this article, it should not be the main factor that maintains Southeast Asian peace.

According to the MID data, there is a total of 85 MIDs that happened between Southeast Asian dyads from 1950 to 2001. Among them, Cambodia was involved in 31 MIDs and Thailand was involved in 51. Only 18 of the total 85 MIDs in the region have nothing to do with these two extremely belligerent countries. Thus, my statistical results may be driven by Cambodia and Thailand as the outliers.¹⁹ In Model 11, I include two dummy variables, **Cambodia** and **Thailand**, in the model to

17 I also estimate all the sensitivity check models during the time period from 1950 to 2001 and this conditional effect holds stably as well.

18 As for the check of multicollinearity, refer to the Appendix to see the bivariate correlation of all the variables used.

19 Although there is a good reason to expect that these two outliers will not compromise my argument because most of the conflicts that involved Cambodia and Thailand are not between joint ASEAN members, I still include this sensitivity check to further confirm this conjecture.

Table 6 Robustness checks of dyadic MID onset in Southeast Asia, 1980–2001

Dependent variable: MID onset _t						
	Model 10	Model 11	Model 12	Model 13	Model 14	Model 15
[Independent variables _{t-1}]						
Low growth rate	12.175 (8.466)	10.325 (7.697)	11.418 (7.520)	9.910 (7.862)	26.912*** (9.844)	19.956* (11.896)
Joint ASEAN	-0.979 (0.701)	-0.435 (0.878)	-0.494 (0.954)	-0.501 (1.033)	0.573 (1.519)	-4.576 (3.712)
Joint ASEAN × Low growth rate	-30.020*** (11.403)	-23.768** (11.415)	-25.179** (11.550)	-25.009** (12.392)	-39.730** (16.070)	-89.384** (38.238)
[Sensitivity check variables _{t-1}]						
JntELP	-9.996*** (2.676)					
Thailand		0.506 (1.248)				
Cambodia		0.500 (0.619)				
Polity difference			0.239** (0.117)			
Politically active dyad				2.847** (1.185)		
Low openness					-6.677* (3.411)	
High trade barrier						73.556 (248.671)
Constant	-28.452 (19.702)	-15.493 (12.690)	-11.075 (9.297)	-13.265 (12.647)	-33.877*** (7.033)	-138.566*** (29.133)
Pseudo R ²	0.470	0.428	0.434	0.438	0.280	0.533
Log likelihood	-60.405	-65.271	-64.498	-64.052	-46.613	-18.073
Chi-squared	41,236.316	23,390.671	16,279.450	25,433.616	3,220.865	
Clusters (dyads)	36	36	36	36	28	21
N	692	692	692	692	532	375

Bold values denote the main independent variable.

Note: Standard errors in parentheses. * $P < 0.1$, ** $P < 0.05$, *** $P < 0.01$. Other control variables are not shown for brevity. The total dyad-year observations of Southeast Asian countries from 1980 to 2001 without missing values should be 954. About 246 observations are always missing (not included in the regression models) from all three different time periods, which is mostly due to the missing polity scores of Brunei from 1984 to 2001 and Cambodia from 1979 to 1987.

denote if the dyad is composed of Cambodia or Thailand to see whether the effects of my independent variables still hold. Model 11 shows that this does not change the outcome of my model.²⁰

Considering that interest (dis)similarity resulting from different political regimes may influence the relationship between the two countries in each dyad (Gartzke, 1998; Bennett and Stam, 2000b; Peceny *et al.*, 2002), I take their **Polity difference** – State A’s polity score minus State B’s polity score in absolute value – into consideration in Model 12. Model 12 shows that, although the probability of conflict in the region does increase with the increase of polity difference of the two countries in the dyad, it does not change the influence of my independent variables.

There is a possibility that looking at conflict between all of the countries in Southeast Asia is misleading. According to the logic of ‘opportunity and willingness’ (Most and Starr, 1982, 1989), although Southeast Asian countries are located in the same region, it does not mean that each of them has the opportunity to have a dispute with all of the others. For example, Laos, an inland nation, would never have a dispute with the far away island countries of Indonesia or Brunei. Therefore, controlling for this ‘opportunity’ or ‘necessary condition’ is crucial to grasping Southeast Asian peace. I adopt Quackenbush’s (2006) definition of ‘politically active dyads’ and include a dummy variable, **Politically active dyad**, into the model to denote whether the dyad is capable of having a dispute.²¹ Among the total 55 dyad combinations in Southeast Asia, only about half (26) of them are defined as politically active. Model 13 presents that politically active dyads do have a higher probability of conflict. However, this also does not change the significance and substantive effect of my independent variables.

Besides, although interdependence (**Low dependence**) does not have a significant pacifying effect on the region, it is possible that the pacifying

20 I also run the sensitivity check excluding Singapore because it is an outlier which was involved in only 1 MID from 1950 to 2001. The outcomes are almost identical.

21 According to Quackenbush (2006), a dyad is defined as politically active if at least one of the following six characteristics applies: (1) the members of the dyad are contiguous, either directly or through a colony; (2) one of the dyad members is a global power; (3) one of the dyad members is a regional power in the region of the other; (4) one of the dyad members is allied to a state that is contiguous to the other; (5) one of the dyad members is allied to a global power that is in a dispute with the other; or (6) one of the dyad members is allied to a regional power (in the region of the other) that is in a dispute with the other (Quackenbush, 2006, p. 43).

effect of trade does not do so through interdependence, but through the general openness of each state, through the influence of an internationalizing coalition in domestic politics (Solingen, 2001, 2003), or through how free the bilateral trade is (McDonald, 2004). In order to exclude all these possibilities, I check whether openness or free trade affects my argument about the regional peace in Model 14 and Model 15. I conceptualize the general openness of trade by calculating the trade share of total GDP of each state (**Low Openness**), adopting the lower value of openness in the dyad following the weak link logic. The openness data are from Penn World Table 8.0 (Feenstra *et al.*, 2013). As for the power of an internationalizing coalition or free trade, I conceptualize it using gravity model residuals (**High trade barrier**), adopting the lower value of the two countries in each dyad because that country has higher trade barriers than the other. The gravity model residuals data are from Peterson and Lassi's (forthcoming) expanding of Hiscox and Kastner's (2008) trade barriers data. Theoretically, the stronger the power of an internationalizing coalition in the state, the more free trade and the lower trade barrier it has. Therefore, the dyad will have more trade flows than predicted by the gravity model of trade. As a consequence, there will be more gravity model residuals (McDonald, 2004; Kastner, 2007).²² Model 14 shows that while openness has a significant pacifying effect, what is interesting is that when including **Low openness** into the model, the increase of **Low growth rate** actually increases the probability of MID, but this conflictual effect is eliminated by the dominantly conditional pacifying effect of **Joint ASEAN × Low growth rate**. Simply judging by the coefficient, the inclusion of **Low openness** actually strengthens the influence of this conditional effect, which may suggest that leaders in Southeast Asian countries that have more open markets are more sensitive to their economic performance. Model 15 shows that when taking **High trade barrier** into account, although it fails to achieve statistical significance, the conditional pacifying effect of **Joint ASEAN × Low growth rate** gets much stronger than without it.²³

22 I do not exclude the rival explanations of the PTA peace arguments (peace through preferential trade agreements) (Mansfield *et al.*, 1999; Mansfield and Pevehouse, 2000, 2003; Bearce, 2003; Mansfield, 2003) in these sensitivity checks because PTAs between Southeast Asian countries also belong to the ASEAN framework.

23 Due to lots of missing data in **Low openness** and **High trade barrier**, Model 14 has only 532 and Model 15 has only 375 of the total 954 dyad-year observations, so we should interpret these results with caution.

In sum, all the sensitivity checks demonstrate the robustness of this conditional effect that ASEAN's security management in the region is mediated by Southeast Asian states' economic performance.

5 Conclusion

This research aims at solving the debate about the formation of Southeast Asian peace. According to literature, there are three main competing explanations. It is not surprising that the liberal commercial peace is not the main cause in the region given the low degree of interdependence and few democratic dyads. Most scholars refer to the success of ASEAN's security management and common identity building as the key to the region's stability; however, empirical evidence shows that joint ASEAN members are not significantly more peaceful than others. Lastly, Tang's capitalist trajectory argument may not give us much leverage to understand the regional peace, either, since countries that adopted economic liberalization policies are not those that were prone to conflict. Based on the literature, I revisit the characteristics of Southeast Asian countries and the spirit of ASEAN, arguing that to correctly understand ASEAN we should consider the characteristics of Southeast Asian countries. Due to their special historical and socioeconomic backgrounds, which impel the leaders to push for nation building and economic development, ASEAN's security management capability is conditioned on Southeast Asian countries' economic performance.

My argument also explains and unifies the controversy in the literature about ASEAN's capability of security management. While some scholars applaud 'the ASEAN way' that successfully stabilizes the region, others criticize it for its inability to make the ASEAN states resolve disputes without using force (Leifer, 1989; Acharya, 1999), especially after 1996 (Kivimäki, 2001). In this study, I investigate what causes this variation of ASEAN's security management capabilities and develop a consistent theory that can account for this variation; that is, whether ASEAN is no more than a 'talking shop' depends on Southeast Asian states' economic performance. As many scholars have demonstrated (Narine, 2004, 2008; Haftel, 2010), 'ASEAN is principally expected to be a platform for managing regional security for economic development' (Tang, 2012, p. 396). When Southeast Asian leaders are able to maintain economic development, they would be willing to put aside their differences or

accept ASEAN's mediation. Otherwise, economic downturn compromises leaders' faith in 'the ASEAN way'. Thus, my theory bridges the two contradictory perspectives about ASEAN's capability in security management in the region.

My findings also, to some degree, put in doubt the constructivists' perspective about ASEAN and East Asian international relations. For a long time, debate about whether we need new international relations theories to understand East and Southeast Asia focuses on the difference between the 'material' Western and the 'ideational' Asia (Kang, 2007; Acharya and Buzan, 2010; Wang, 2010; Johnston, 2012; Kohno, 2014). Many argue that one of the important reasons for the European Union (EU) to evolve is due to the fact that most of the EU countries are democracies (Ikenberry, 2000), which is not the case in Southeast Asia. Besides, the ideological difference between 'the European liberal rationalism based on democracy' and 'the ASEAN communalism and solidarism based on autocratic legacies' may well differentiate ASEAN from the EU (Beeson and Jayasuriya, 1998; Pettman, 2010). Therefore, many Southeast Asian scholars may agree with Rüländ and Jetschke's (2008) conclusion that ASEAN 'will neither become an Asian EU, nor fall into oblivion. It will remain ASEAN' (Rüländ and Jetschke, 2008, p. 407). However, if the effectiveness of ASEAN's security management in the region is conditioned on Southeast Asian states' economic performance, this East-West theoretical distinction may not be so salient. Looking back on the history of the EU, sustained economic development plays an important role in reinforcing European countries' faith in democracy, cooperation, and trust building (Miller, 2005; Ripsman, 2005) and thus further facilitates the evolving of EU's 'thick' institution.²⁴ As such, the conditional effect I demonstrated may suggest that ASEAN may be likely to move on toward the EU pattern as long as Southeast Asian countries are able to maintain stable economic growth, and *vice versa*.

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24 For a more detailed discussion about the comparison of the institution and institutionalization between EU and ASEAN, see Johnston (2012).

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Appendix

Table A1 Southeast Asian countries and their ASEAN membership

Country	Year of entry into ASEAN
Indonesia	1967
Malaysia	1967
The Philippines	1967
Singapore	1967
Thailand	1967
Brunei	1984
Vietnam	1995
Laos	1997
Myanmar	1997
Cambodia	1999
North Vietnam	Never
South Vietnam	Never

Table A2 Bivariate correlation of variables used

	Low growth rate	Joint ASEAN	Low democracy	Joint democracy	Low dependence	IGOs	Low GDP/pc	Contiguity	Alliance similarity	Distance	Power parity	Cold War
Low growth rate	1.0000											
Joint ASEAN	0.2890	1.0000										
Low democracy	0.0565	0.2348	1.0000									
Joint democracy	0.0639	0.2515	0.9539	1.0000								
Low dependence	0.1888	0.3173	0.1992	0.1664	1.0000							
IGOs	0.1842	0.7188	0.3054	0.3322	0.2079	1.0000						
Low GDP/pc	0.1868	0.6013	0.2863	0.2845	0.4247	0.5700	1.0000					
Contiguity	-0.0072	0.0117	0.0137	0.0046	0.1948	0.0104	0.0581	1.0000				
Alliance similarity	0.0034	0.0040	-0.1370	-0.2124	0.1427	0.0281	0.0077	0.2633	1.0000			
Distance	0.0137	0.0843	0.0461	0.0707	-0.3176	0.1719	-0.0187	-0.7507	-0.3236	1.0000		
Power parity	0.0957	0.1033	0.0720	0.1172	0.2405	0.0956	0.0030	-0.1193	-0.2407	0.0268	1.0000	
Cold War	0.0773	-0.3317	-0.1593	-0.1898	-0.1162	-0.4913	-0.3261	-0.0042	-0.1790	-0.0201	0.0010	1.0000

Table A3 All the 85 Southeast Asian MIDs from 1950 to 2001

Dyad	Year of MID occurring (bold means that the MID was occurred after both joining ASEAN)	Total number of MID	Number of MID before both joining ASEAN	Number of MID after both joining ASEAN
Cambodia–Laos	1977	1	1	0
Cambodia–Philippines	1968	1	1	0
North Vietnam–South Vietnam	1960	1	1	0
Vietnam–Malaysia	1983	1	1	0
Vietnam–Indonesia	1980	1	1	0
Vietnam–Philippines	1974	1	1	0
Malaysia–Singapore	1992	1	0	1
Vietnam–Philippines	1998, 1999	2	0	2
Thailand–Vietnam	1977, 1989, 1995	3	2	1
Laos–Vietnam	1958, 1960, 1962	3	0	0
Malaysia–Indonesia	1963, 1964, 1965	3	3	0
Cambodia–Vietnam	1969, 1970, 1975, 1996	4	4	0
Malaysia–Philippines	1968, 1979, 1980, 1985, 1988	5	0	5
Cambodia–South Vietnam	1956, 1958, 1959, 1960, 1962, 1963, 1964, 1965, 1967, 1968	10	10	0
Thailand–Laos	1960, 1964, 1966, 1969, 1970, 1975, 1976, 1978, 1980, 1982, 1983, 1987	12	12	0
Thailand–Cambodia	1953, 1958, 1961, 1962, 1963, 1964, 1965, 1967, 1968, 1969, 1970, 1975, 1976, 1994, 1997	15	15	0
Myanmar–Thailand	1953, 1954, 1955, 1959, 1975, 1977, 1979, 1980, 1982, 1983, 1984, 1985, 1987, 1988, 1989, 1990, 1992, 1995, 1996, 1999, 2001	21	19	2

Bold values mean that the MID in that year was occurred after both joining ASEAN.