

Introduction: The Formation of a New International Order in Asia in the 1950s and 1960s: Decolonization, the Cold War, and Asian Initiatives

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This small workshop will reconsider the transformation of the Asian international order in the 1950s and the 1960s by integrating new Asian perspectives on global economic history and international relations. After the collapse of the “Cold War regime” in 1991, economic historians began to pay new attention to the complex relationship between geopolitics and economic development in order to explore the historical origins of the “East Asian miracle,” the resurgence of the East Asian economies.¹ We would like to combine works of international economic history with those of the history of international relations, as a study of political-economy. Nowadays, the newly developing research subject of “global history” is attracting keen attention from economic historians as well as from general historians and social scientists. Our subject of “the international order” is a prominent research subject in “global history” studies.

The formation, development and collapse of the Cold War regime can be mentioned as a prominent feature of the 20th century, and previous research on that regime seems to have mainly addressed the reorganization of the European international order, such as the formation of NATO and the European Union (EU), or the progress of regional integration. However, our joint research focuses on the reorganization of the Asian international order in the 1950s and 1960s, and we try to reveal how the international political-economic order was formed in Asia and how new Asian states were integrated into that order by clarifying the special features of the 1950s and 1960s in Asia, that is, the end of empires (decolonization), the transfer of hegemony to the United States, and the emergence of regional cooperation in Asia, such as the Bandung Conference of 1955.

In the Asian context, the 1950s were dominated by political decolonization and the emergence of the Cold War regime. At the same time, however, the shift of hegemony from the United Kingdom to the United States was closely connected with these two phenomena. The hegemonic states usually had played the roles of offering “international public goods”

¹ Giovanni Arrighi, *Adam Smith in Beijing: Lineages of the Twenty-First Century* (Verso, 2007); Kaoru Sugihara, *Ajia-Taiheiyō Keizaiken no Kōryū* [*The Rise of Asia-Pacific Economy*] (Osaka University Press, 2003).

to the world in order to maintain the stability of the world-system.² The newly independent countries in Asia were able to utilize the new balance of power to their advantage for economic development through economic and strategic aid programs, such as the Commonwealth's Colombo Plan, the US's Point Four scheme, Japanese war reparations aid to Southeast Asian countries, and financial aid from the World Bank (The International Bank for Reconstruction and Development: IBRD). In this international environment, pre-war indigenous forces in Asia, such as merchant networks and intra-Asian trade and investment links, survived and revitalized.³

The reasons for addressing the 1950s and 1960s in Asia are three. The first concerns the reconsideration of the British presence in postwar Asia and the position of the pound sterling in the world economy. The British presence in Asia was represented in sterling area and the Commonwealth. After the Second World War, not only the UK but also other European countries suffered from shortages of US dollars and the deficit of balances of payments in their process of economic recovery. The UK had also owed huge sterling balances to the Commonwealth countries and colonies, by taking advantage of the colonial or historical relationships with those countries.⁴ The origin of the Colombo Plan was closely connected with the gradual reduction of sterling balances of Asian countries⁵ and the recovery of the status of the pound sterling as a world currency.

The second reason relates to the autonomous responses to the transformation of the international order by newly independent nation states in Asia, especially to the

² Patrick K. O'Brien and A. Clesse, eds., *Two Hegemonies: Britain 1846–1914 and the United States 1941–2001* (Ashgate, 2002); Shigeru Akita, *Igirisu-Teikoku to Ajia Kokusai Chitsujo: Hegemony-Kokka kara Teikoku-tekina Kōzōteki-Kenryoku he* [*The British Empire and International Order of Asia: From Hegemonic State to Imperial Structural Power*] (Nagoya University Press, 2003); Takeshi Matsuda and Shigeru Akita, eds., *Hegemoni-Kokka to Sekai-shisutemu* [*Hegemonic States and World-System*] (Tokyo: Yamakawa-shuppan, 2002).

³ Kaoru Sugihara, *Ajiakan Bōeki no Keisei to Kōzō* [*The Formation and Structure of Intra-Asian Trade*] (Kyoto, 1996); Naoto Kagotani, *Ajia Kokusai-Tsūshō Chitsujo to Kindai Nihon* [*The Asian International Trading Order and Modern Japan*] (Nagoya, 2000); Shigeru Akita and Naoto Kagotani, eds., *1930-nendai Ajia Kokusai Chitsujo* [*International Order of Asia in the 1930s*] (Hiroshima: Keisuishisha, 2001); Shigeru Akita and Nick White, eds., *International Order of Asia in the 1930s and 1950s* (Ashgate, 2009).

⁴ Catherine Shenk, *Britain and the Sterling Area: From Devaluation to Convertibility in the 1950s* (Routledge, 1994); Gerold Krozewski, *Money and the End of Empire: British International Economic Policy and the Colonies, 1947–58* (Palgrave, 2001); P. J. Cain and A. G. Hopkins, *British Imperialism, 1688–2000* (Harlow: Longman, 2001), 2nd edition, chap. 26.

⁵ For India, B. R. Tomlinson, "Indo-British Relations in the Post-Colonial Era: The Sterling Balances Negotiations, 1947–49," *Journal of Imperial and Commonwealth History* 13, no. 3 (1985), pp. 142–162; Aditya Mukherjee, "Indo-British Finance: The Controversy over India's Sterling Balances, 1939–1947," *Studies in History* 6, no. 2 (1990), pp. 229–251.

responses of India. Indian Prime Minister Jawaharlal Nehru played an important role in the political decolonization of Asia in the 1950s. The emergence of newly independent Asian countries and their affiliation with the Commonwealth led to the formation of a new framework of international order.⁶ However, scholars of international relations have not explored the economic characteristics and international conditions for this order, especially the Asian initiatives in industrialization and economic development.

The third reason is connected with the formation of the Cold War regime in Asia and the role of postwar Japan as an economic power. The initial stage of the Colombo Plan closely reflected the progress of the Cold War in East and Southeast Asia in the early 1950s,⁷ especially the emergence of Communist China (the PRC). The US attitude toward Asian economic development plans was influenced by its Cold War world strategy. On the other hand, for postwar Japan, the Colombo Plan offered the first opportunity to re-enter the international arena as a liberal economic power.⁸ The transformation of the Colombo Plan also closely mirrored the position of Japan in the Asia-Pacific region in the 1960s. And by increasing the affiliations among non-Commonwealth countries, such as South Korea and Afghanistan, the loosely organized Colombo Plan functioned as a regional organization or a forum for Asian countries, which finally led to the formation of ASEAN (1967) and APEC (1989).

By focusing on economic aid programs, we may identify the late 1950s, more specifically around 1958, as a turning point or a period of transition for the international order in Asia. In the context of contemporary British history, the events in 1967, that is, the devaluation of the pound sterling and the official decision to retreat from regions “East of Suez”, used to be interpreted as a symbolic watershed of the British financial and diplomatic presence in Asia. However, by addressing the above three subjects, we can recognize 1958 as a transitional year for the international order, due to the expiration of

⁶ R. J. Moore, *Making the New Commonwealth* (Oxford University Press, 1987); Nicholas Mansergh, *The Commonwealth Experience* (London, 1982), 2nd edition.

⁷ Bruce Cumings, *The Origins of the Korean War* (Princeton University Press, 1981 and 1990), 2 vols; A. Rotter, *The Path to Vietnam: Origins of the American Commitment to Southeast Asia* (Cornell University Press, 1987); Robert McMahon, *The Cold War on the Periphery: The United States, India and Pakistan* (Columbia University Press, 1994); idem, *The Limits of Empire: The United States and Southeast Asia since World War II* (New York, 1999).

⁸ Sumio Hatano, “‘Tōnan-Ajia Kaihatsu’ wo meguru Nichi-Bei-Ei Kankei: Nihon no Colombo Plan Kanyū wo chūshinni” [Japan-US-UK Relations concerning “the Development of Southeast Asia”: Japan’s affiliation with the Colombo Plan (1954)], *Nenpō Kindai Nihon Kenkyū* 16 (1994), pp. 215–242; idem, “Sengo Ajia Gaikō no Rinen-keisei: ‘Chiikishugi’ to ‘Tōzai no Kakehashi’” [Formation of the Ideas of Post-war Asian Diplomacy: ‘Regionalism’ and ‘the East-West bridge’], *Kokusai Mondai* 546 (2005), pp. 54–70.

agreements on the release of Indian (Pakistan) sterling balances and the exhaustion of their balances, the start of the IBRD-led Aid-India Consortium, and several new schemes of economic development aid. These coincided with the restoration of the convertibility of sterling to US dollars. In this sense, from the late 1950s, a new framework of “multilateralism” for economic development as well as international relations emerged in Asia or the Asian-Pacific region. In the aftermath of 1958, one can also discern a number of changes in how external aid relations operated in the region.