

Asean nations doing well: PM

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DESPITE the existing weaknesses, Asean countries have become more efficient and outward looking. With the great strides made by the grouping, it has become the second most effective regional grouping in the world, next to the European Economic Community (EEC).

Speaking at the opening of the two-day Global Community Forum 1984 in Kuala Lumpur yesterday, Prime Minister Datuk Seri Dr Mahathir Mohamad pointed out that Asean countries seemed to have done well since the formation of the association.

In the last decade domestic investment grew by 1.9 per cent a year in the US and 3.1 per cent in Japan. In the Asean countries growth in domestic investment ranged from seven to 14 per cent.

While member countries have done well since the formation of the association, Asean is yet far from being an economic community. "It should really be an economic animal but, try as the members might, they

have not really succeeded in the field of economic cooperation."

Instead they have been politically more cohesive, consulting and working with each other not only on regional matters but also in global affairs. Indeed, their political cohesiveness is one of the most important aspects of Asean, Dr Mahathir said.

He added that even though economic cooperation has not been remarkable the fact remains that members of Asean have each been economically dynamic. With Brunei's admission the group's combined economic performance must be among the most remarkable in the world today.

Even the world economic recession has failed to bring the kind of disasters experienced by other developing countries. While economic cooperation may be minimal, there is ample evidence that Asean countries learn from each other.

When economic strategies of some members prove beneficial, narrow nationalist socialism

with attendant nationalisations were abandoned. Foreign investment was encouraged, with each country devising a set of incentives in order to attract the most foreign capital.

Domestically, private enterprise began to replace government enterprises particularly where losses became unbearable. Today, the process of denationalisation has progressed to a point where privatization has not only become respectable but has also become a by-word in the association, the Prime Minister told his audience.

"In Malaysia privatisation has been made possible by the emergence of a group of indigenous entrepreneurs who have benefited from the New Economic Policy," Dr Mahathir added.

Perhaps the Asean experience could provide a guide for greater pan-Pacific cooperation. Asean is not premised on any grand design. There are no great economic or political blueprints. Grand economic designs were disregarded; a t

ded. "To expect too much would have resulted in achieving nothing. If Asean had started out to become another EEC, it would never have got off the ground." Dr Mahathir said.

But the spirit of partnership continues to be nurtured even as the grouping continues to give priority to each of its national interests. Over time, due to the shared discussions, shared activities and shared decision making there arose cooperation and partnership for progress, interdependence and a mutuality of interests.

The Prime Minister said for the Pacific Rim countries interested in some form of association the last thing that they should think of would be a grand economic design. They should instead try to get to know each other better.

For a start, discussions on non-controversial issues of interest to everyone, such as meteorology, rescue operations, and charting of seas and

oceans, could be held. Over time more subjects could be added and new areas of cooperation embarked upon.

The numerous contacts, formal and informal, multilateral or bilateral, will stimulate a greater knowledge and appreciation of each other and in time can give rise to a sense of community that will make mutual help and cooperation almost second nature.

Dr Mahathir took to task the developed coun-

tries for forming their own exclusive clubs to keep others out of their combined markets and ignoring world bodies and organisations. In short, the developed world was developing

protectionist measures to prevent the entry of products from developing countries.

While admitting that the developed countries, by virtue of their economic strength and control of the world's economic system could influence world markets to their advantage and continue to carve out their spheres of economic influence, he warned that in the end there would be a price to pay.

"We are really interdependent and even the developed must one day bow to the developing. We saw the results of the prolonged exploitation of the oil producing countries. Surely we do not want to see that repeated in other areas, even if on a lower

scale," Dr Mahathir said.

He added that inequities in the shrinking world must be reduced and the developed countries cannot dismiss these inequities as irrelevant. Dr Mahathir said the collapse of the financial systems in some developing countries carried a lesson for all and the developed world must stop shirking its responsibilities.

Referring to the build-up of defence power, Dr Mahathir said Malaysia believed the first line of defence of any country was not its military capabilities. The first line of defence lay in its national resilience and in sharing a strategic environment where threats were minimised.