

# Time we concentrate

# on economics

As we meet here today to celebrate the 25th anniversary of Asean, we are reminded of the momentous event of Aug 8, 1967, in Bangkok when the Foreign Ministers of five Southeast Asian countries — Tun Abdul Razak Hussein of Malaysia, Tun Adam Malik of Indonesia, Narciso Ramos of the Philippines, S. Rajaratnam of Singapore and Tun Thanat Khoman of Thailand — signed the historic declaration to establish the Association of Southeast Asian Nations.

It was an act of conviction, reconciliation and ambition. I am glad to see among us today two of those distinguished leaders, Tun Thanat and Mr Rajaratnam, who launched the new enterprise called Asean, and the scions of three others who similarly performed the historic task in 1967.

Southeast Asia had been a region in turmoil. We had had separate paths of historical development and we were at different stages of economic development. Only one of us had escaped the tyranny of imperialism. The other four had three different colonial masters. We had achieved our independence at different times and in different circumstances. But because of our different colonial backgrounds, even as free nations, we each went our separate ways.

We did not have the slightest shred of neighbourliness as Southeast Asian nations then. Our eyes were focused elsewhere. We had little desire to even know each other better. Worse still, many of us had exchanged not only harsh words but also hard bullets. Among us there had not only been cold war and cold peace, but also a hot confrontation.

"ASA" — an Association of Southeast Asia — involving three of us, had been tried. It had failed, wrecked on the rocks of mutual suspicion, enmity and indifference. "Maphilindo" had been tried. It was stillborn, suffocated by the same mutual suspicion, enmity and indifference.

It was out of this crucible of conflict, indifference, even contempt, that there arose the conviction that it

was time to get to know each other better. It was out of this realisation that the leaders of Indonesia, Malaysia, the Philippines, Singapore and Thailand made the crucial decision to undertake a historical act of regional reconciliation.

A decision was made to turn a region in turmoil into an oasis of tranquility, peace and security; to transform a region of strangers into a society of friends; to turn a region of poverty and under-development into a dynamic zone of prosperity

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**WE have succeeded in being the key actors in the making of our collective and individual futures and in the shaping of our region. We have been spared the psychological sense of isolation.**

and co-operation; and to take a region of cold peace and cold war and transform it into a community of warm, comprehensive and co-operative engagement.

The leaders of Asean realised the enormity and the difficulties of the task. Our ambition was tempered by the knowledge that the journey would be long with many obstacles along the way. There was much diffidence, scepticism and concern regarding the prospects for success. Indeed, for a time in the early days after the initial euphoria was

over, Asean was in limbo, neither quite dead nor quite alive. The enterprise appeared doomed. Many believed that Asean, too, would go the way of ASA and of Maphilindo.

Yet, despite the sarcasm of the detractors, the scepticism of the "realists" and the concerns of the founding fathers, not only are we here to celebrate the 25th anniversary of Asean, but the conviction of '67 and the ambition of a quarter century ago have proven justified. The regional act of reconciliation has borne a harvest of bounty. Without fear of contradiction, it can be said that Asean has been one of the most successful regional endeavours in the post-war period, perhaps second only to the European Community.

The Asean community of today is a community of peace and security, a zone of prosperity and co-operation, a grouping of independent states with a justifiable reason to be proud of its stability and economic prosperity. It is a concerted voice that is heard and often heeded by the international community.

In unity we have found strength. We have avoided the corruption of powerlessness, the corrupting belief

to the point where even the Northeast Asian dragons and the rest of the world have to acknowledge the competitiveness of the Asean members. We have succeeded in creating an "Asean Spirit" and a sense of Asean community among our peoples. This, I believe, is the secret to the success of Asean.

Reflection on the record of Asean and its role in the past gives ample reason for celebration, and for honouring the founding fathers and the many statesmen who nurtured and developed Asean. But it is also a time for a new commitment to the old wisdoms and a new commitment to new purposes and directions.

Let me briefly mention the old wisdom by first referring to the five "Cs": Consultation, Consensus, Caring, Cornerstone, Consolidation. The importance of consultation remains undiminished. Asean's world of the 1990s is vastly different from our much simpler world of the 1960s. The range of issues which we each have to address nationally and internationally bears no comparison with our limited governmental agendas of 25 years ago.

Despite all the other callings in a world of increasing complexity and the pressures on our time and resources, the closest consultation between us on all the key issues cannot be neglected.

The criticality of consensus remains central. However much we are driven by our various national missions, the principle of decision-making by consensus and the effort to generate as much consensus between us as possible should not be forgotten.

The need for caring for the Asean interest, in addition to our various national interests, remains essential. In the final analysis, caring for Asean interest will benefit the national interest of each and everyone of us. Therefore, mutual accommodation, a spirit of give-and-take and compromise, remain as vital as ever.

The need to ensure that Asean remains the cornerstone of all our foreign policies is paramount. We should guard against complacency and against taking Asean and our bilateral relations for granted.

On this and all the other "Cs", the work of the Asean partners is far from finished. Much has to be done. Thus the importance of consolidation. There should be renewed commitment to consultation and to strengthening the present Asean consensus. There should be renewed commitment to caring for each other's interests and feelings.

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There should be renewed commitment to ensuring that Asean remains the cornerstone of the foreign policies of all Asean states. These should remain at the heart of the agenda for Asean all the way to 2017.

We should strive to strengthen the Asean Zone of Peace, Freedom and Neutrality (Zopfan) which is so close to realisation today. Zopfan should be broadened to encompass all of Southeast Asia. This was a core element of the vision of our founding fathers. It should remain a core element of Asean's agenda up to the year 2017 and beyond.

We should also endeavour to turn Southeast Asia into a prosperous region. We must be prepared to comprehensively engage all the countries of the region and eventually admit them into Asean. We must act with the conviction and the ambition our founding fathers summoned when they acted a quarter century ago. The circumstances that confronted the attempt to create Asean then were in many ways more difficult and problematic than the circumstances that prevail today. The ideological and economic circumstances of today are more conducive to

the creation of a wider Southeast Asian community.

Peace and harmonious relations between us have been the fundamental bedrock of Asean. The time has come for us to bring economics to the core of the Asean enterprise. In a world where international relations is overwhelmingly being dictated by economic considerations, failure to have an effective, meaningful and workable programme of economic co-operation that ensures a stake for all will only make Asean a toothless tiger rather than an economic tiger that we all aspire to be.

In this regard, it is a matter of great pride to Asean that following modest achievements in economic co-operation over the past decade, Asean had recently made that giant leap forward towards far-reaching economic co-operation by agreeing to the Common Effective Preferential Tariff (CEPT) arrangement that would lead to the Asean Free Trade Area (AFTA) within

15 years. A bold decision requires a firm commitment. Asean must ensure that the CEPT works so that the process of trade liberalisation will be completed within 15 years, though it is Malaysia's hope that AFTA would be firmly in place sooner.

As we seek to intensify our co-operation, we must at the same time develop closer relations in all fields with other Southeast Asian nations that are currently outside of Asean. Such co-operation will not only assist them in their development efforts, but will also pave the way for their eventual membership of Asean. Malaysia hopes that the Asean six will transform into an Asean 10 that will include Vietnam, Laos, Cambodia and Myanmar in not too distant a future.

Our hope rests on the belief that only when all the countries of Southeast Asia are joined together by a common sense of vision and purpose that Asean come to symbolise, can there be mutual trust, peace and stability in the entire Southeast Asian region.

Economically, it would be fair to envisage that by 2017, at the end of Asean second generation, and on the basis of our track record, there could be more than one developed industrial country within Asean. And there will be several NIEs well set on the way there. Should Vietnam, Laos, Cambodia and Myanmar all join Asean by then, there is likely to be in place within the grouping, developed industrial countries — NIEs and near-NIEs — enjoying a common prosperity, with reduced economic gaps. This is a dream we must have and a dream towards which we should work.

Clearly, we cannot achieve many of the political and economic elements of Asean's Agenda 2017 unless we also make remarkable progress in fostering a greater Asean consciousness at all levels, and in strengthening the cultural and informational buttresses of the entire Asean enterprise. Higher levels of co-operation require new levels of psychological integration and regional consciousness. If we cannot achieve this, the entire process will be stalled.

Over the entire course of the next quarter century, we will of course need to continuously strengthen the Asean Concert of Nations. Evidently, over the next 25 years, even as we must expect increasing globalisation, we must expect the consolidation of regional integration in three crucial regional economies

● the regional economy of Western Europe, centring

15 years. A bold decision requires a firm commitment. Asean must ensure that the CEPT works so that the process of trade liberalisation will be completed within 15 years, though it is Malaysia's hope that AFTA would be firmly in place sooner.

If we appear to be in a hurry, it is only because Asean has little lead time to prepare itself against the growing challenges coming its way — challenges which, if not successfully met, would threaten our economic well-being.

We already have a productive "post-Ministerial Conference" system at the end of the annual Asean Ministerial Meeting. We should develop the Asean Economic Ministers' Meeting in a similar direction, enriching the process and making it even more productive for our national and regional interests.

The other institutional and supportive mechanisms which relate to Asean economic co-operation could be further strengthened. A start has been made with the strengthening of the Asean Secretariat. We should do more in areas such as industrial joint ven-

upon the European Community, which has already drawn in the EFTA countries and which will draw in the emergent economies of eastern Europe;

- the regional economy of the North American Free Trade Agreement, which will draw in the economies of central and southern America;

- the already highly inte-

without us. Asean must clearly and deliberately decide that this will not come to pass. The Asean Concert must resolve to act to make sure that the new world order that will emerge is not only new but also better.

We must resolve to play a role in the making of the new world order that is a comprehensive improvement, characterised by

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grated regional economy of East Asia. At the rates of growth achieved in the last decade, by 2017, East Asia will have a GNP substantially bigger than that of Western Europe.

For all our sakes, it is crucial that the present global trading system opens up, widens and deepens. It is crucial to ensure that all the integrating regional economies become processes for increasing open regionalism. It is important to the entire world to ensure that the economic intercourse and linkages between these three regional economies also widen and deepen. A Fortress Europe, a Fortress America and a Fortress East Asia will be calamitous to us all.

In this context, it is imperative that Asean plays a role in ensuring an open global trading system, to ensure that all the three regional economies will be the epitome of open regionalism and to enrich the linkages and the processes of interdependence between us all.

greater justice and anchored to the principle of equality and mutual respect. It must be a more caring world order, wedded to the principle of global fraternity, and the democratic participation of all States, small and big.

I was recently asked whether Asean is today superfluous, whether it is any longer necessary. Such is the extent to which some have taken Asean for granted.

In Malaysia, we have a saying: "Do not throw away the stick once you have crossed the river." Asean has clearly been an invaluable instrument to help us meet the challenges that have confronted us over the last quarter century.

We should be grateful to the stick that has helped us to cross the many rivers, to get to where we are today. But Asean is more than an institution to which we must bow in gratitude.

As I have suggested, we have so many more rivers to cross in the days ahead, so

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Asean will have to act with force and statesmanship to strengthen our position within the East Asian regional economy while maintaining and even enhancing our linkages with the Western European bloc and the Nafta bloc. If we are successful, we will be making an important contribution to an open global economy, to an open Western Europe and an open Nafta.

The old world order that emerged after the Second World War is dead. A new world order is in the making. If we sit still and do nothing, it will be made

many challenges to meet, so many threats to confront, so many opportunities to reap. Asean's agenda for its second generation is long and demanding. It is the height of folly to take Asean for granted. Instead, now is the time to take Asean to a new plane, to take it to new horizons in the Asean community, in Southeast Asia, in East Asia, in the Pacific and in the world. It is indeed time to recommit ourselves to old wisdoms and to new directions.

□ Jonathan Power's column is held over.