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An opportunity for Asean to show its resilience

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MALAYSIA plays host to yet another international gathering of heads of governments next week.

This time it is the Asean Summit, albeit an enlarged one with the inclusion a few months ago of Myanmar and Laos. It would have been bigger had Cambodia been admitted but its internal political struggle caused its membership into the regional association to be put off.

The summit has been dubbed as the Asean Commemorative Summit to mark the 30th anniversary of the regional grouping. Coming at this present challenging times, the summit holds extra significance. Much is hoped for at this summit, perhaps more so than at any other time of its existence.

Hit by depreciation of many of its members' currencies and plunging stock prices, the heads of governments of Myanmar, Laos, Malaysia, the Philippines, Singapore, Thailand, Brunei and Vietnam will sit down to review their progress in the last 30 years and chart the course into the next millennium.

Indonesia, however, will not be represented by its President Suharto, who has been told to take a rest following a strenuous overseas trip a couple of weeks ago. He is expected to be represented by Foreign Minister Ali Alatas.

The summit begins on Monday, preceded by a preparatory meeting of senior officials. There is no fixed agenda for the summit, which explains why the summit is referred to as informal summit.

With the absence of a formal agenda and foreign officers whispering advice into their ears, the leaders can be expected to discuss the prevailing economic problems affecting most countries in the region and a host of other issues.

They are also expected to discuss measures which can be taken collectively as they grapple with the current economic problems. Each must have a lot to say, especially when their economy is so interlinked and interdependent.

The leaders will also meet with leaders of Japan, China and South Korea - major trading partners that are also the three largest economies in Asia.

China, Japan and South Korea will be represented by President Jiang Zemin, Prime Minister Ryutaro Hashimoto and Prime Minister Koh Kun respectively. The encounter is referred to as the Asean+3 meeting.

Asean leaders will meet the leaders of the three economic giants together after the meeting of the regional grouping on Monday morning.

On Tuesday, there will be three back-to-back Asean+1 meetings between Asean and China, then with Japan and followed by one with South Korea.

The meetings will discuss the current economic problems plaguing the region and how they can be overcome collectively.

A slowdown in the economies of the Southeast Asian region is no good news to the northeast Asian countries because Asean is one of their biggest markets.

Already countries like Malaysia has embarked on a nationwide campaign to reduce the purchase of imported items. In order to ensure that their products continue to do well in the Asean markets, the northeast Asian countries must assist their neighbours of the Southeast to achieve speedy economic recovery.

Touted for so many years as the world's brightest prospects for growth,

Asean must now demonstrate its resilience in the face of today's economic adversity. Asean solidarity - where its members speak and address issues with one voice - is now being put to a test.

The summit allows leaders to speak freely as they review the region's progress. As in the past, the political will demonstrated at such meetings often leads to substantial headways in many endeavours on the political, social and economic fronts.

It is this same political will that is expected to help pull the association members out of the current economic problems.

As for the Asean+3 meeting, the leaders could very well discuss the Asia-Europe Meeting in London in April next year which they will attend as a singular force. The meeting - labelled Asem - is seen as a meeting between East Asian economies and that of Europe.

In fact, to all intents and purposes, this is a meeting much like the Asean proposed East Asian Economic Caucus which started as a Malaysian proposal.

As it is, there are differences of opinion between some Asean countries and their European counterparts on the admission of Myanmar into Asem.

While the European Union argues that admission of new members in the regional grouping does not mean they are automatically part of Asem, some Asean countries, especially Malaysia, feel that Myanmar should be allowed participation as it is now a full member of the grouping.

It appears that Asean and the EU are heading towards a political tug-of-war because Asem has adopted the system of consensus for decision-making, which effectively means that the admission of new countries must be agreed to by all 27 members.

The EU is adamant that Myanmar should not be allowed to take part in the London Asem because of its so-called violation of human rights.

As the differences of opinion has sprung a poser on whether the London meeting will actually take place, the leaders of Asean+3 will have to decide on how to approach the issue.

After the Asean meeting on Monday, Prime Minister Datuk Seri Dr Mahathir Mohamad will launch the commemorative book entitled One Region, One Vision, to mark its 30th anniversary,

The celebration was planned in high spirits earlier in the year, but manipulative attacks of the regional currencies towards the third trimester, had to a certain degree, dampened the cheer.

But contrary to what the foreign media and prophets of doom have suggested, Asean has every reason to celebrate.

The anniversary is not about what Asean has lost in the last four months, but what it has achieved in the last 30 years.

When Asean was founded in 1967, few could have predicted that the peoples of Southeast Asia, then profoundly divided by different economic, social and political systems, heterogeneous ideologies, disputes and mistrust, could work together to achieve a zone of peace, freedom and neutrality as well as a tremendous economic growth.

It is stronger than ever and continues to grow as a political and economic force.

For most of the 30 years, Asean member States had stayed clear from inter-state conflicts and maintained peace and security in the region.

Although occasionally there were bilateral hiccups, due to territorial claims, they were solved the "Asean Way" - through tact and diplomacy.

Many analysts believe that Asean's economic rise over the last year, although affected by the present economic problems, looks set to continue.

Asean's capacity for the creation of wealth, both past and potential, is impressive. Between 1989 and 1994, average growth was seven per cent a year, with some countries like Malaysia, Thailand and Singapore achieving

growth rates of about nine per cent.

This growth has generally gone hand in hand with a high rate of savings and relatively low inflation.

The overall volume of Asean's trade with the outside world more than tripled in the space of 10 years. After relative stagnation due to economic recession, intra-Asean trade took off with an increase of 40 per cent in 1994, reaching US\$111 billion or 20 per cent of Asean's external trade.

In 1995, there was a further 16 per cent increase, making intra-Asean trade worth US\$130 billion.

Last year, Asean's stock of foreign investments amounted to US\$200 billion, three times bigger than that of China's.

With such a track record, critics who say that Asean does not deserve to celebrate its three decades of existence, should think again.

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