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Making Asean work today

THE Association of South-East Asian Nations (Asean) was born out of a common wish among governments in this region to resist a serious Communist threat, which had swept across Indochina and was sending shivers down the spine of South-East Asia while scaring the wits out of democracy proponents in Thailand, Malaysia and other peace-loving countries in the region. It started out as a statement of unity and togetherness as well as peace, freedom and neutrality. The grouping's subsequent meteoric growth to become one of the most dynamic and enduring regional groupings in the world, however, was by design rather than chance. Democracy was saved and the Communists were shut out. Asean's founding fathers then decided that the grouping could still be relevant in dealing with future threats. Therefore, after a brief period of inactivity, Asean began to embark on an unprecedented growth path which required it to tightly embrace the principles and ideologies of both capitalism and the free market.

Nobody - certainly not Asean's founding fathers nor the later crop of leaders - could have expected that the next threat to countries in this region would come from capitalism and the market economy. The huge currency devaluations and market capitalisation losses in the last 17 months have caused bloody riots in some member countries and are threatening to destabilise others. Governments had to throw in the towel and hand over the running of their economies to outsiders, who are even now distributing these countries' wealth to selected investors from the West. In Indonesia, for example, foreigners can now own 100 per cent equity in banks and in South Korea foreign carmakers had to be granted greater access to the local market. All this was given grudgingly or reluctantly by the governments and was accepted as if what is Asean's was rightfully the birth right of the outsiders in the first place. While Asean companies are being bought cheaply, stripped off their assets and left to die, their peoples are losing jobs as well as becoming poorer and unhappier.

Clearly, the Asean of today is facing the most severe threat to its survival. Many of the economic achievements of Malaysia, Indonesia, Thailand, the Philippines and even Singapore have gone down the drain. In just over a year, Asean economies have lost 20 or 30 years worth of growth built from blood, sweat and tears. The Asian financial crises have cost about 20 million people their jobs and wiped out whatever success national governments had achieved in poverty eradication. Malaysia, which had one of the best track records in reducing poverty through programmes under its New Economic Policy, now expects its poverty level to go up to 8 per cent this year from 6.7 per cent. The major economies of Asean are projected to suffer contractions in their gross domestic product growth this year, with those who have gone to the International Monetary Fund for help doing as badly if not worse. In Indonesia, the crisis paved the way for a new President after more than 30 years. In the Philippines, a new President was elected into an era of turmoil. In Thailand, changes in portfolios have happened more than once since the baht's devaluation in July last year started the contagion.

That Asean has remained intact shows the resilience built on the spirit of cooperation in the last 30 years. Prime Minister Datuk Seri Dr Mahathir Mohamad's optimism that Asean governments would overcome the problems in the Asean spirit is based on the confidence that Asean had overcome many

obstacles before. It is also heartening to note Singapore Foreign Minister S. Jayakumar's quick agreement with such optimism, dismissing fears that Asean will be diminished by bilateral disputes among member countries. In these trying times, however, it would speak well of Asean leaders to join hands and face their common foe instead of turning against each other over anything and everything. Asean's spirit of solidarity and cooperation did not come about because the countries shared the same geography or cultural and historical backgrounds. It was developed through years of diplomacy and mutual respect. For the sake of Asean's survival, it would be sensible to go back to the proven Asean way of doing things and solving problems.

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