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East Asian unity vital for economic recovery, growth

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THE Western journalist's notebook was open, his pen in hand, but the page was blank except at a corner where he had been doodling. Obviously, his mind was somewhere else while Prime Minister Datuk Dr Mahathir Mohamad was offering his thoughts on a new Asia at the World Economic Forum's 8th East Asia Economic Summit 1999 in Singapore on Monday.

A colleague drew his attention to paragraph 69 of Dr Mahathir's speech where the Prime Minister proposed the formation of an East-Asian Monetary Fund (EMF). "Fiction," the journalist mouthed in response. That he had already written off Dr Mahathir's idea of a small, compact wholly regional funding organisation to finance the recovery of East Asian countries even before the Prime Minister had finished his speech was indeed telling.

The display of arrogance might have been a result of having covered one such forum too many, but his attitude with regards to issues important to the "lesser economies" of the world is unfortunately not uncommon among representatives of the Western media and other parties which have the clout to dictate and shape the global scheme of things.

Never mind how badly the region needs an organisation of its own that would, in the words of Dr Mahathir, be "deeply and constantly engaged in East Asian monetary cooperation and problems on a daily basis as opposed to a once-a-decade-when-crisis-strikes basis."

In fact, the little episode serves to confirm what Malaysia has long recognised, that if the country and its neighbours, and also developing countries elsewhere, do not watch out for themselves, nobody will.

A similar fund, albeit more ambitious, was proposed at the height of the Asian financial market turbulence in 1997 but it was almost immediately scuppered by no less than the most powerful economy in the world - the US. The reason given was that the US\$100 billion (US\$1 = RM3.80) Asian Monetary Fund as proposed by Japan at the Asia-Europe Finance Ministers' Meeting in Bangkok in September 1997 would undermine the influence of the International Monetary Fund (IMF).

Three months later, at a finance and central bank deputies' meeting in Manila, the initiative was reduced to a regional "cooperative financing arrangement" that is linked to the IMF.

The fund would have seen participating countries making equitable contributions to set up a standby facility which would be mobilised in the event of unforeseen circumstances that pose systemic threats to individual countries or the region as a whole.

It was envisaged as an organisation which complements rather than compete with the IMF. Indeed, as Dr Mahathir said, had such a fund existed, "I believe that the East Asian currency crisis of 1997-98 would not have occurred, would not have endured and would not have gone to such ridiculous depths".

His speech, themed "Asia's Road to Recovery: The Challenge of Pragmatism", went down well with the 700-odd corporate and political leaders attending the first day of the three-day summit, judging by the applause.

The Prime Minister said he would not advocate any of Malaysia's measures for implementation by other East Asian countries, as "currency control is a hard act to successfully pull off".

"I do not advocate it for everyone. I do not even advocate it for

Malaysia under different circumstances."

Each East Asian country has taken its own path in achieving the so-called "Asian Miracle". There has never been a single model.

If there is any lesson to be learnt from Malaysia's experience, it is to continue to do things "your own way", he said.

"Doing what works, not what is fashionable, not what the textbooks say we must do, not sheepishly following the very clever and with-it advice of others."

Dr Mahathir is confident that the community of East Asian nations will take its proper place as a responsible region which contributes to the well-being, peace and prosperity of the world in the first decade of the 21st century.

"We should not aim to be just 'a caucus within Apec' or should we aim to be the dominant continent in the world.

"With apology to none, with goodwill to all, we in East Asia should embark on comprehensive, multi-dimensional cooperation whose objective is common peace and common prosperity, a gift to the people of East Asia and a gift to humankind as a whole," he said in his speech.

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