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A rose by any other name smells just as sweet

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IT may have taken almost 10 years for the idea of the East Asia Economic Cooperation to be accepted. But it was. It has now become a reality under the Asean Plus Three umbrella.

Foreign Ministers of the 10 Asean countries together with China, Japan and South Korea formalised the grouping in Bangkok, and it is now being touted as "the most interesting exercise in regional community building to emerge in recent years".

It was a different story when Prime Minister Datuk Seri Dr Mahathir Mohamad first proposed the idea of an East Asian Economic Grouping in December 1990, as a loose consultative forum to identify common problems and promote regional economic interests.

It was also to be a platform for countries in East Asia to coordinate their positions and speak with a single voice in international forums.

The proposal then was for countries in the region to work together in the face of difficulties in negotiations during the Uruguay Round of World Trade under the auspices of the General Agreement on Tariffs and Trade, the predecessor of the World Trade Organisation.

Asean ministers changed the EAEG to the East Asian Economic Caucus in October 1991.

But the US continued to view it as a "threat" to its "economic interests" in East Asia, and made every effort to ensure that the idea did not get off the ground.

Dan Quayle, the then Vice President, said the EAEC was "counter productive" as the US was not included. No effort was spared to "kill it".

President George Bush's Secretary of State James Baker III wrote: "... I took a moderate line ... in public. "In private, I did my best to kill it (the EAEC)."

He says he "suggested" to the South Koreans that "It was the Americans, not Malaysians, who had shed their blood for Korea forty years before.

"My message was simple: All countries are not equal."

He had also written a letter to the Japanese Foreign Ministry and issued a "directive" for Japan not to join the EAEC.

Baker points out that "... without strong Japanese backing, the EAEG represented less of a threat to our economic interests in East Asia".

The Japanese continued to look over their shoulder to the US and were not prepared to stand up for the region.

Trade and the economic potential of the East Asian region is important to the US.

In the early 1990s, economies in the East Asian region, unlike developed countries in the West, were the most vibrant in the world and were seen as holding the key to the future prosperity of many developed countries including the US.

The World Bank had dubbed East Asia as the "Asian Miracle" economies.

But despite their potential and the "miracles" the countries were "weak" and did not have a voice in international forums.

Collectively, however, they are a force to be reckoned with.

Why is there a change in attitude towards the East Asian regional grouping now?

Many reasons have been cited, among them the importance of East Asia's economic well being to the world economy and for the US - a fact hammered home following the regional financial crisis.

To be sure there is also a positive change towards the regional grouping from within the region itself.

Realism and pragmatism is beginning to emerge in the aftermath of crisis.

The recent financial crisis proved that countries are highly interdependent and that they have to fend for themselves, as no one will come to their aid in time.

The reluctance and delayed actions to help crisis-hit countries coupled with the "deliberate and calculated destruction" of economies in the region, forced them to wake up to the fact that they cannot depend on the developed world. They must embrace self help.

The Japanese too realised this and proposed the Asian Monetary Fund at the height of the crisis.

It has been argued that if the EAEC or the AMF had been in existence the region could have been spared the agony and much of the destruction and hardship it suffered.

In fact, "much could have been done to protect the East Asian countries from the assault by currency traders on their economies and their people.

"Certainly they could have been able to exchange information and to devise strategies to save their economies."

The disastrous handling of the crisis by multilateral institutions also drove home the point that in addition to self-help, countries in the region need a greater say in the decision making process of the institutions and in the world economy.

There is also a realisation that they will only be heard if they speak with one voice.

The region has the ability, capability and capacity for self-help if only it is allowed to.

The currency swap arrangements agreed to in Chiangmai, Thailand, and the various growth triangles will act as building blocks for a more united, cohesive, vibrant and economically enriched region.

In many parts of the world, regional economic groupings have been acknowledged as legitimate means for neighbours to improve their economic well-being. Why should it be any different in East Asia?

Even former US President George Bush had spoken of the Enterprises of the Americas' initiative in 1991, which envisaged the extension of the US-Canadian pact from the Yukon to the Yucatan with its US\$6 trillion (RM22.8 trillion) annual output and 360 million consumers.

The Asean Plus Three have among the highest foreign reserves totalling some US\$668 billion in 1997.

Their savings rates are also among the highest in the world and collectively the 13 had a higher purchasing power parity of US\$9,431 against US\$7,665 for the US in 1997.

In the end, the Asean Plus Three are the very same countries that were originally envisaged as potential members of the EAEC.

Its aims and functions are also the same as those that had been envisaged for the EAEC almost a decade ago.

What is important is what it does and not what it is called. As Shakespeare said: "What's in a name? That which we call a rose by any other name would smell as sweet."

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