

28/11/2000

God save us from our friends

THE problem with most great ideas is that they are ahead of their time. The East Asian Economic Grouping had that problem, which explains why many were dead set against it, even after the Association of South-East Asian Nations (Asean) had adopted it and given it a new name, the East Asian Economic Caucus (EAEC) in 1992. But now, eight years later, most of those who opposed it seem to agree that it would be a good idea to implement what Prime Minister Datuk Seri Dr Mahathir Mohamad wanted to do through the EAEC. There might be another name change to say, East Asian Summit, but the basic principle of what the Asean leaders agreed to do last week will remain exactly the same as the EAEC.

The proposed formalisation of the Asean+3 forum, which currently groups Asean and Japan, China and South Korea, was in effect first mooted by Dr Mahathir when he proposed the setting up of the grouping in the 1980s. The EAEC that was adopted by Asean eight years ago made no significant changes to the original proposals: it will be a loose, consultative forum to allow East Asian countries to discuss issues of common interest and it will be consistent with the principles of Gatt (the predecessor of the World Trade Organisation). In short, Asean has finally warmed up to the idea that it needs to have a formalised and structured pact with its neighbours.

Several factors may have brought them around to realise the merits of the EAEC. The Asian financial crisis is a major factor, slowing down economic progress in Asean as well as the Plus Three countries in the absence of a mechanism for these countries to work together and protect themselves. Trade alone amounts to over US\$122 billion (US\$1 = RM3.80) among these countries. Many believe, given the benefit of hindsight, that the impact of the crisis would have been greatly reduced if the economies in the region had been more united against the attacks on their currencies and stock markets. As it was, each country was left to its own devices to the point that countries in the region were accusing their neighbours of stepping on their heads to save themselves. When all domestic attempts failed to quell the effects of the turbulence, governments had no one to turn to for help but the International Monetary Fund. And beg, some did. Even this did not always bear positive result.

Japan, in particular, must be quite disappointed that it was not able to do more for these crisis-hit countries, which have provided it with consumer markets for its electrical items and motor vehicles. The US not only opposed the EAEC but also Tokyo's idea of an Asian Monetary Fund to help out countries most affected by the crisis. As a result, its own economic problems were exacerbated. Politically, Asean has very limited influence. It has not been able to make any progress with the European Union (EU) in the Asia-Europe Meetings because it has always been on the receiving end of the EU's political agenda to get Myanmar isolated. An EAEC or East Asian Summit would put Asean in a better position and at the same time ensure that its constructive engagement approach with regards to Myanmar bear more desirable results.

The only problem with Asean's readiness to establish an East Asian grouping is that some countries still seem half-hearted. Singapore, which has only now openly admitted its opposition to the EAEC many years ago, still talk of not offending the US. Japanese loyalty to Asean or Asean+3 might also be in question if Washington decides to take a hard stand on the formalisation effort. These two will have to find the moral courage

and fortitude to decide how they want to play it with regards to East Asian solidarity and development. If Asean and its partners in Asean+3 as well as Taiwan or Hong Kong, were to make the bid for an East Asian grouping, they will need everyone's undivided commitment and ensure that no one is tempted again to sleep with the enemy.

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