

05/08/2003

## Building the East Asian Community: The way forward

Datuk Seri Dr Mahathir Mohamad

ON May 13, 1993, 10 years and three months ago, in a speech to the Asia Society Conference on "Asia and the Changing World Order" held in Tokyo, I said the following: "I believe that it is now time for all of us to launch a process - on top of and over all the other important processes which are already in place - a process whose final destination is a zone of co-operative peace and prosperity stretching from Jakarta to Tokyo.

"We have a legitimate right to want our region to be a zone of sustained co-operative peace and prosperity, living in productive harmony. If this will take a hundred years, the sooner we start the better. And it is best to start in the most propitious of circumstances.

"We must begin with small, pragmatic and productive steps. And we must expect our friends in other parts of the world to understand our aspirations, even as they give us the advice that we need and the help that we require."

As it turned out, some could not or would not understand our aspirations. They did give us a great deal of self-serving advice. They helped some of us understand that we had no right to dream what was not their dream. They helped us understand that we had no right to work for an Asian community, living in friendship and co-operation.

You might remember that three years earlier, in December 1990, immediately after the breakdown of the Brussels negotiations in the Uruguay Round, during the state visit of Chinese Premier Li Peng to Kuala Lumpur, I had had the temerity to suggest an even more atrocious idea: the formation of the EAEG, the "East Asian Economic Group".

From the perspective of today, these words I have cited and the proposals I put forward a dozen years ago appear un-exceptional. Hardly reason for anyone to raise a sweat. Certainly no reason for high blood pressure or palpitations of the heart.

But 10 years ago was a different time and a different place. Those who speak of East Asians just coming together to talk among themselves were regarded as revolutionaries intent on excluding those who had to be in our meeting room, at our dining table and under our bed. Those who believed in an East Asian community were heretics fit for burning at the stake.

Today, those who speak of such an East Asian community of nations are no longer regarded as insane or foolish, or the most delirious or dangerous of men. The idea of East Asian cooperation and community building is now regarded as unextraordinary, logical, and even natural. Blatant heresy has now almost become boring conventional wisdom. The idea and the ideal have already walked a hundred li (miles).

Those who had the temerity, a decade or so ago, to suggest that the journey should begin can look back with some modest satisfaction. But I believe there is little time for the luxury of resting on laurels.

Today, at this, the First East Asia Congress, you will be discussing in detail the case for and against an Asian Monetary Fund, whatever you may wish to finally call it in order to avoid touching any raw nerves. In other parts of the world, conventional economic theory says that trade co-operation should precede monetary co-operation. But conventional economic theory has been written basically by economists from countries and regions that are capital poor or impoverished.

We in East Asia hold the world's reserves - by the trillions - which we put in the United States and Europe, thus buttressing their currencies and

economies. A small proportion makes the round-trip back to East Asia in the form of foreign direct investment, foreign equity investment and loans.

I am not suggesting that we turn economic theory on its head. But perhaps, as ever, East Asians have to think for themselves. East Asians will have to find the creativity to come up with the best, most appropriate solutions. Perhaps we can and we must advance on many fronts at the same time. Certainly we must have the courage to do what needs to be done.

You will, during this First East Asia Congress, be discussing China's critical role in the building of our East Asian community. This clearly is one of the core challenges in the decades to come, as China continues to be the powerhouse of regional and global growth.

You will be discussing in detail trading regimes and the fascinating ideas of my good friend Thaksin Shinawatra. You will be discussing health co-operation, something that was not on any significant radar screen even four months ago.

You will be discussing in detail educational collaboration, a crucial area for our development because there is nothing more important for our long-term future than the development of our most important resource, our people.

You will be discussing in detail the massive tourism flows which have already begun and which will continue apace after the Severe Acute Respiratory Syndrome roadblock. Tourism co-operation promises much not only economically but also in terms of the development of people-to-people relations and regional community building.

You will be discussing in detail labour migration, the media's contribution to community-building and specific institutions such as the Asean Plus Three. Let me try to contribute to the discussions by tackling some of the more basic questions, the fundamental "who", "why", "what", "how" and "when" questions.

First, who should build our East Asian Community of Co-operative Peace and Prosperity? Second, why should we build this East Asian Community? Third, what should be the East Asian Community that we must try to build in the years and decades ahead? Fourth, how should we undertake this enormously important but complicated task? Fifth, when should we begin in earnest?

Let me take the first question first. Who should be the entrepreneurs, architects, engineers and builders of our East Asian community? I very strongly believe it is we, the nations of East Asia, who should build our East Asian Community of Co-operative Peace and Prosperity. We are not cows to be led by the nose. We are not children to be led by the hand.

This is a journey we must make with our own two feet. We must walk together. We must act together and advance together.

All this does not mean that we should turn away from anything or anyone. We must not forget those to whom we owe our full measure of gratitude. Old friends are to be venerated. All those who are not against us are with us. They are or will be our friends. And it is now gratifying to find so many who wish us and our journey well. In our long and difficult journey, we will need to learn from the experience of others. We have many friends in Europe. The experience of Western Europe certainly provides a rich reservoir of lessons.

We should certainly not turn away from the experience of Asean, which I believe is even more directly relevant. This is so not because of the fact that Asean is East Asian. It is so because Asean's experience provides a closer fit with regard to regional community-building at a lower level of integration; at an earlier stage of development. We in East Asia will for

the foreseeable future be in this phase of lower-level integration - political and economic.

Let me repeat: We will need the advice and help of all our friends and everyone who wishes us well. Let me emphasise: Those who are not our enemies are our friends. It goes without saying that we must not turn away from the wisdom of the West, of the North and of the South. Yet we must not forget the wisdom of the East. We must not forget our special circumstances, our unique history, our particular priorities, and our distinctive needs. One shoe does not fit all. This is especially true when we literally know that our feet are definitely much smaller than those of our friends in South Asia, Europe and the Americas.

Over the last quarter century, the pioneers of East Asian community-building, the most important builders even today, have not been the governments of East Asia, the media of East Asia, or the intellectuals of East Asia - but the corporations of East Asia. In the years ahead, day and night, seven days a week, they will continue to weave the web of economic community in our region, which will remain the most important foundations for regional communitybuilding. But it is time for others to fully join the process. It certainly is time for the governments of East Asia to get in the comprehensive business of community building.

Which governments, you might ask. I am not sure if some of you will like my answer, because so many have become too steeped in the glorification of power politics, so-called realpolitik, so-called "leadership", which is not true leadership at all and so-called "realism" which is not at all realistic - or for that matter, productive. I do not believe in the wonders of imperial dominance or "benign" hegemony. In the case of East Asia today and in the future, this will be clearly catastrophic. It is fortunately impossible.

Pax Nipponica, Pax Americana, Pax Sinica all three are not desirable. Fortunately, all three are not possible. The governmental leadership that an East Asian community will need in the years ahead must come from various sources, on various issues, at various times. This is not only desirable, but fortunately, it is also inevitable.

Let me now turn to the second basic question: why should we build this East Asian Community of Co-operative Peace and Prosperity? The answer is, to me, somewhat obvious. Although the East Asia of today is completely different from the East Asia of the past, although in so many directions we have made breathtaking progress, we still have a very long way to go.

There is no doubt that we have come a long way in building peace, friendship and stability in East Asia. But we have done the easier part and we are almost half way there.

We have come a long way in building prosperity and development in East Asia. But that is the easier part - and many have only just begun. I hope I do not sound like an impatient man who is unprepared to count our blessings. I also hope I do not sound like the jaded leader who can look in the sewer and see all the dirt, who at the same time is unable to look up in the sky and see all the stars.

Over the last three decades especially, we have seen a massive outbreak of peace in our region, a massive peace transformation in East Asia. For most of the last 20 years, we have been more at peace than at any time in the last two centuries. So why bother with peace when it is already there? The answers are quite simple. Peace is best made when there is peace. It is too late to make or strengthen our peace once it has broken down.

Like the judicious farmer, we must make hay when the sun is shining, not when the storm clouds gather; certainly not when it is pouring. And let us not forget that 10 years ago, the peace momentum was faster and more assured. There were fewer and less dangerous threats. The Korean Peninsula

was more stable. We now have little time to lose in resuscitating the peace momentum, to ensure that it is speeded up and made more assured.

On the economic front, we have performed remarkably. So remarkably in fact that so many experts from other parts of the world with less humble and more colourful vocabulary have called us miracle economies, tigers and dragons. But over the last few years, we have all learnt that our feet are made of clay; we have indeed performed incredible economic deeds but we remain full of weaknesses and continue to face enormous challenges.

Some of us seem to have hit a brick wall. Some have even lost hope. I believe it is time to once again work for the return of recent history, to go back to the beginning of necessity, to reexamine critically the so-called reforms we have plunged into. We need not be ashamed of our ways, for our successes have actually been due to doing things our way.

I have concentrated on the internal agenda for East Asia. There is a third fundamental reason why we must proceed to the building of an East Asian community. We in East Asia are the most dependent region in the world on world trade and economic development. Yet we are without voice and without clout. The decisions that directly determine our present and dictate our future are made elsewhere. It is time for us to empower ourselves, for the good of our people and for the sake of our future and the future of the world.

I will shortly have a little more to say on the need for empowerment. But let me now turn to the fundamental "what" question. What is the East Asian community that we must try to build in the years ahead? I think I have already revealed my hand. In one sentence: I believe that in the years ahead we must concentrate on building an East Asian Community of Common and Co-operative Peace and Prosperity, a community that is empowered within our region and empowered in the wider world.

Why "Common and Cooperative"? "Common" because our East Asian Peace and Prosperity are now truly indivisible. We are now so interrelated, so enmeshed, so much in the same boat that a critical threat to peace anywhere in East Asia is a critical threat to peace everywhere in East Asia. A hole in the rear of the East Asian boat is as much a danger to those standing in front as it is to those sitting at the back.

A critical threat to prosperity anywhere in East Asia is also a critical threat to prosperity everywhere in East Asia. The 1998 economic crisis made this clear beyond any doubt. SARS made this clear beyond any doubt. The events of the last few years leave room for no other interpretation.

Why "co-operative", you might ask. This is so because our peace and our prosperity will be less fragile and more durable if all sides work together and are committed to our common peace and prosperity and if friends and neighbours are around and engaged in the process of making sure that everyone gets along and prospers together.

Peace and prosperity are of course critically inter-related. They are the two indispensable legs without which we cannot continue on our journey to the future that we must have. In that future must be an East Asian economic community and an East Asian political community built by East Asians according to our specifications, our circumstances, our aspirations and our needs.

Let me also stress that both the East Asian economic community and the East Asian political community that is advocated should be outward looking. There must be no retreat behind a great East Asian economic barricade. There must be no circling of the wagons. No hiding behind Great Walls. The whole world must be our marketplace. The whole world should be welcome to our East Asian market.

Let me also stress that the East Asian political community that should be advocated is not one that is inward looking, defensive, frightened. It

must open itself to the world even as we venture forth to every nook and corner of our globe. This planet belongs to all of mankind. The world is as much ours as it is anyone else's.

This East Asian Community I speak of must be empowered within our own region. Very importantly, we must also be empowered to play our rightful role in the world. Today, we are the most dependent on international trade. Our very lives, our entire future hinges on decisions made in Geneva and Washington and New York. Yet our voice is seldom heard and even more seldom heeded. We carry little weight. We have little clout. We owe it to our people to amplify our voice, to aggregate our weight, to boost our clout. Singly, we are weak. Together we will be stronger. In unity there will be strength. Let me also stress that we should aspire to be a model for true North-South co-operation, infused by caring and consideration. We must seek to contribute to a sense of security and well being on the part of all the countries of East Asia, not only the strong but also the weak, not only the wealthy but also the poor.

Whatever the schemes for co-operation we embark upon, they must be founded on the principles of mutual benefit, mutual respect, egalitarianism, consensus and democracy. Each is important in its own right. Let me repeat: Mutual benefit. Mutual respect. Egalitarianism. Consensus. Democracy. No self-centred selfishness that is interested only in squeezing our neighbours dry. Prosper-thy-neighbour, not beggar-thy-neighbour. No self-centred, self-righteous egotism that justifies sermonising, hectoring, bullying and coercion.

No hegemony. No imperialism. No commands. No decrees. No edicts. No diktats. No bulldozing. No unequal treaties. No forced agreement. No intimidation. No empty Cartesian contracts not worth the paper on which they are printed. Instead, advancement on the basis of true consensus and real agreement. Democratic decision-making. No unilateralism. The governance of East Asia, by East Asia, for East Asia.

Let me now turn to my fourth question: how should we undertake this enormously important but complicated task of building our East Asian Community? It seems clear enough that we should work on the atmospherics and the relaxation of tensions and the climate for healthy co-operation. Many will regard this as soft and woolly. They are not. They are critical to our progress as a region.

At the same time, we do need to be focused on a few of the most promising joint ventures, concentrating on the easy and the doable, the most productive and promising with the biggest spill-over or multiplier effects. What exactly these will be will come from East Asian creativity and genius, aided and abetted by our many friends in the four corners of the world.

In the process of building our East Asian Community, we should engage the widest measure of participation at all levels - governmental and non-governmental. The East Asia Economic Centre at the Institute of Strategic and International Studies (ISIS) Malaysia and this First East Asia Congress are but steps in the entire process of community building. We must encourage a hundred ideas to contend and a hundred flowers to bloom.

We should always be wary and worried about the ideal being the enemy of the good. We should always be concerned about perfectionist's paralysis. We must be prepared not only to plan. More importantly, we must be prepared to act. We must be doggedly committed to persist in the face of obstacles, natural and manmade. At the very same time, we must be practical. And we must be patient.

Whilst the future will decide so many of the questions which we wish to ponder today, it seems clear enough that if the European community process had begun with the Treaty of Rome signed by 25 or more European states,

the European Union of today and tomorrow would have been killed at birth. It would have landed in the dustbin of history 40 years ago.

I am not well known for the slow and steady approach. But it is clear enough that in building our East Asian Community in the years ahead, we will need at least four "P"s: principles, persistence, pragmatism and patience. We will need the right principles, pursued with dogged persistence, propelled by practical pragmatism, accompanied by unyielding patience.

Let me now conclude with a few words on the "when" question. When should we begin in earnest? The clear answer is: day before yesterday. We should not underrate what has already been accomplished in a relatively short time. But it would seem that in many ways we have already lost too much time.

We must make hay when the sun is shining, not when it has started to rain, certainly long before the storm has arrived. Politically, I believe that in many ways, it has already started to drizzle. Fortunately for us in East Asia, we have been blessed by the fact that we can now see some ominous gathering clouds; fortunately the storms have not yet come. If we act now, and properly they never will. Quite obviously, we must make peace long before we need to make peace. We have lost a great deal of time. We should act now with speed if not haste, with determination if not alarm.

Even clearer is the message on the economic front. Imagine how the world would have been different if East Asia had started in earnest on the East Asian communitybuilding process a dozen years ago. Let me end with one last message: There is little to be achieved by crying over spilt milk. There is much to be achieved by acting with resolve, with statesmanship, with vision, over a broad front, today and in the immediate days to come.

I do not know how long the window of strategic opportunity to our future will remain open. But I do know that we will be failing our people, we will be betraying our future, if we do not now grasp the moment.

PM: Join in community-building neers of East Asian community-building, the most important builders even today, have not been the governments of East Asia, the media of East Asia, or the intellectuals of East Asia - but the corporations of East Asia. In the years ahead, day and night, seven days a week, they will continue to weave the web of economic community in our region, which will remain the most important foundations for regional community-building. But it is time for others to fully join the process. It certainly is time for the governments of East Asia to get in the comprehensive business of community building.

Which governments, you might ask. I am not sure if some of you will like my answer, because so many have become too steeped in the glorification of power politics, so-called realpolitik, so-called "leadership", which is not true leadership at all and so-called "realism" which is not at all realistic - or for that matter, productive. I do not believe in the wonders of imperial dominance or "benign" hegemony. In the case of East Asia today and in the future, this will be clearly catastrophic. It is fortunately impossible.

Pax Nipponica, Pax Americana, Pax Sinica - all three are not desirable. Fortunately, all three are not possible. The governmental leadership that an East Asian community will need in the years ahead must come from various sources, on various issues, at various times. This is not only desirable, but fortunately, it is also inevitable.

Let me now turn to the second basic question: why should we build this East Asian Community of Co-operative Peace and Prosperity? The answer is, to me, somewhat obvious. Although the East Asia of today is completely different from the East Asia of the past, although in so many directions we have made breathtaking progress, we still have a very long way to go.

There is no doubt that we have come a long way in building peace, friendship and stability in East Asia. But we have done the easier part and we are almost half way there.

We have come a long way in building prosperity and development in East Asia. But that is the easier part - and many have only just begun. I hope I do not sound like an impatient man who is unprepared to count our blessings. I also hope I do not sound like the jaded leader who can look in the sewer and see all the dirt, who at the same time is unable to look up in the sky and see all the stars.

Over the last three decades especially, we have seen a massive outbreak of peace in our region, a massive peace transformation in East Asia. For most of the last 20 years, we have been more at peace than at any time in the last two centuries. So why bother with peace when it is already there? The answers are quite simple. Peace is best made when there is peace. It is too late to make or strengthen our peace once it has broken down.

Like the judicious farmer, we must make hay when the sun is shining, not when the storm clouds gather; certainly not when it is pouring. And let us not forget that 10 years ago, the peace momentum was faster and more assured. There were fewer and less dangerous threats. The Korean Peninsula was more stable. We now have little time to lose in resuscitating the peace momentum, to ensure that it is speeded up and made more assured.

On the economic front, we have performed remarkably. So remarkably in fact that so many experts from other parts of the world with less humble and more colourful vocabulary have called us miracle economies, tigers and dragons. But over the last few years, we have all learnt that our feet are made of clay; we have indeed performed incredible economic deeds but we remain full of weaknesses and continue to face enormous challenges.

Some of us seem to have hit a brick wall. Some have even lost hope. I believe it is time to once again work for the return of recent history, to go back to the beginning of necessity, to re-examine critically the so-called reforms we have plunged into. We need not be ashamed of our ways, for our successes have actually been due to doing things our way.

I have concentrated on the internal agenda for East Asia. There is a third fundamental reason why we must proceed to the building of an East Asian community. We in East Asia are the most dependent region in the world on world trade and economic development. Yet we are without voice and without clout. The decisions that directly determine our present and dictate our future are made elsewhere. It is time for us to empower ourselves, for the good of our people and for the sake of our future and the future of the world.

I will shortly have a little more to say on the need for empowerment. But let me now turn to the fundamental "what" question. What is the East Asian community that we must try to build in the years ahead? I think I have already revealed my hand. In one sentence: I believe that in the years ahead we must concentrate on building an East Asian Community of Common and Co-operative Peace and Prosperity, a community that is empowered within our region and empowered in the wider world.

Why "Common and Co-operative"? "Common" because our East Asian Peace and Prosperity are now truly indivisible. We are now so interrelated, so enmeshed, so much in the same boat that a critical threat to peace anywhere in East Asia is a critical threat to peace everywhere in East Asia. A hole in the rear of the East Asian boat is as much a danger to those standing in front as it is to those sitting at the back.

A critical threat to prosperity anywhere in East Asia is also a critical threat to prosperity everywhere in East Asia. The 1998 economic crisis made this clear beyond any doubt. SARS made this clear beyond any doubt. The events of the last few years leave room for no other interpretation.

Why "co-operative", you might ask. This is so because our peace and our prosperity will be less fragile and more durable if all sides work together and are committed to our common peace and prosperity and if friends and neighbours are around and engaged in the process of making sure that everyone gets along and prospers together.

Peace and prosperity are of course critically inter-related. They are the two indispensable legs without which we cannot continue on our journey to the future that we must have. In that future must be an East Asian economic community and an East Asian political community built by East Asians according to our specifications, our circumstances, our aspirations and our needs.

Let me also stress that both the East Asian economic community and the East Asian political community that is advocated should be outward looking. There must be no retreat behind a great East Asian economic barricade. There must be no circling of the wagons. No hiding behind Great Walls. The whole world must be our marketplace. The whole world should be welcome to our East Asian market.

Let me also stress that the East Asian political community that should be advocated is not one that is inward looking, defensive, frightened. It must open itself to the world even as we venture forth to every nook and corner of our globe. This planet belongs to all of mankind. The world is as much ours as it is anyone else's.

This East Asian Community I speak of must be empowered within our own region. Very importantly, we must also be empowered to play our rightful role in the world. Today, we are the most dependent on international trade. Our very lives, our entire future hinges on decisions made in Geneva and Washington and New York. Yet our voice is seldom heard and even more seldom heeded. We carry little weight. We have little clout.

We owe it to our people to amplify our voice, to aggregate our weight, to boost our clout. Singly, we are weak. Together we will be stronger. In unity there will be strength. Let me also stress that we should aspire to be a model for true North-South co-operation, infused by caring and consideration. We must seek to contribute to a sense of security and well being on the part of all the countries of East Asia, not only the strong but also the weak, not only the wealthy but also the poor.

Whatever the schemes for co-operation we embark upon, they must be founded on the principles of mutual benefit, mutual respect, egalitarianism, consensus and democracy. Each is important in its own right. Let me repeat: Mutual benefit. Mutual respect. Egalitarianism. Consensus. Democracy. No self-centred selfishness that is interested only in squeezing our neighbours dry. Prosper-thy-neighbour, not beggar-thy-neighbour. No self-centred, self-righteous egotism that justifies sermonising, hectoring, bullying and coercion.

No hegemony. No imperialism. No commands. No decrees. No edicts. No diktats. No bulldozing. No unequal treaties. No forced agreement. No intimidation. No empty Cartesian contracts not worth the paper on which they are printed. Instead, advancement on the basis of true consensus and real agreement. Democratic decisionmaking. No unilateralism. The governance of East Asia, by East Asia, for East Asia.

Let me now turn to my fourth question: how should we undertake this enormously important but complicated task of building our East Asian Community? It seems clear enough that we should work on the atmospherics and the relaxation of tensions and the climate for healthy co-operation. Many will regard this as soft and woolly. They are not. They are critical to our progress as a region.

At the same time, we do need to be focused on a few of the most promising joint ventures, concentrating on the easy and the doable, the

most productive and promising with the biggest spill-over or multiplier effects. What exactly these will be will come from East Asian creativity and genius, aided and abetted by our many friends in the four corners of the world.

In the process of building our East Asian Community, we should engage the widest measure of participation at all levels - governmental and non-governmental. The East Asia Economic Centre at the Institute of Strategic and International Studies (ISIS) Malaysia and this First East Asia Congress are but steps in the entire process of community building. We must encourage a hundred ideas to contend and a hundred flowers to bloom.

We should always be wary and worried about the ideal being the enemy of the good. We should always be concerned about perfectionist's paralysis. We must be prepared not only to plan. More importantly, we must be prepared to act. We must be doggedly committed to persist in the face of obstacles, natural and man-made. At the very same time, we must be practical. And we must be patient.

Whilst the future will decide so many of the questions which we wish to ponder today, it seems clear enough that if the European community process had begun with the Treaty of Rome signed by 25 or more European states, the European Union of today and tomorrow would have been killed at birth. It would have landed in the dustbin of history 40 years ago.

I am not well known for the slow and steady approach. But it is clear enough that in building our East Asian Community in the years ahead, we will need at least four "P"s: principles, persistence, pragmatism and patience. We will need the right principles, pursued with dogged persistence, propelled by practical pragmatism, accompanied by unyielding patience.

Let me now conclude with a few words on the "when" question. When should we begin in earnest? The clear answer is: day before yesterday. We should not underrate what has already been accomplished in a relatively short time. But it would seem that in many ways we have already lost too much time.

We must make hay when the sun is shining, not when it has started to rain, certainly long before the storm has arrived. Politically, I believe that in many ways, it has already started to drizzle. Fortunately for us in East Asia, we have been blessed by the fact that we can now see some ominous gathering clouds; fortunately the storms have not yet come. If we act now, and properly they never will. Quite obviously, we must make peace long before we need to make peace. We have lost a great deal of time. We should act now with speed if not haste, with determination if not alarm.

Even clearer is the message on the economic front. Imagine how the world would have been different if East Asia had started in earnest on the East Asian community-building process a dozen years ago. Let me end with one last message: There is little to be achieved by crying over spilt milk. There is much to be achieved by acting with resolve, with statesmanship, with vision, over a broad front, today and in the immediate days to come.

I do not know how long the window of strategic opportunity to our future will remain open. But I do know that we will be failing our people, we will be betraying our future, if we do not now grasp the moment.