

Asean and the global power shift
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COMMENT As the heads of government from South-East Asia and beyond gather in Bali for the 19th Asean Summit, the economic struggles of the eurozone are never far from view.

With each day heralding a new piece of bad news - another bailout, another administration going into freefall - leaders and economists across Europe and around the world watch nervously and hope to avoid similar fates.

It would be easy to look at Europe's woes and react by drawing in on ourselves, battening down the hatches and waiting for the storm to pass. But isolationism is never the way forward.

The global economy is just that: global. It belongs to the whole world. Trade and industry is more intertwined and interdependent than at any other point in history, and pretending otherwise is simply not an option.

So, we must engage with this reality — and the best way for Asean's members to tackle the current crisis and put ourselves in the strongest possible position for the years ahead is not to pull apart but to come closer together.

For nearly half a century, the Cold War locked the world into a stagnant bipolarity: you were either with the USA or with the Soviets.

Now, in the 21st century, our economies are so interdependent and production processes are so dispersed across borders and oceans that national economic interest is becoming more and more about collective interest.

That is why, in Malaysia, we have rejected the outdated notion of "taking sides", opting instead for a new multilateralism that works both for Malaysia and for our partners overseas.

Fifty years ago Malaysia was just a spoke in the international wheel but today we are at its hub — we are connected to the US, but we are also connected to China, to Europe, to the Middle East and to Africa.

It is what foreign relations analyst Parag Khanna calls "multi-alignment" - forging a criss-crossed network of alliances right across the board that reflects the geopolitical realities we face today.

At the heart of that network lies Asean. Malaysia, like Indonesia, has been a member of the Association since it came into being nearly half a century ago, and down the years I have watched with great satisfaction as we have grown from a loose coalition of five countries into a strong union of 10 proud and independent nations.

Now, in late 2011, we are close to securing the most crucial stage yet of our regional relationship - the Asean community.

It's not about trying to create some tropical facsimile of the European Union. We're not thinking about a single currency or open borders or a central bank.

A more consolidated Asean

Instead, we are forming a more consolidated Asean, a stronger union based on three pillars - mutual security, an integrated economy and sociocultural ties.

Why is this so important? Last week Hillary Clinton said that the years to come would be America's

“Pacific century”, with the United States looking toward Asia rather than to the Atlantic alliances of old.

I would go further. If the 19th century belonged to the British Empire and the 20th century to the United States, the 21st century is going to belong to Asia.

If current trends continue, China will soon become the world’s largest economy.

Coupled with the continued strength of Japan and the rapid rise of India, these nations (not only) make Asia a force to be reckoned with, but also draw the balance of power toward the north and west of the continent.

As individual countries it is all too easy for the world to dismiss Southeast Asia as a disparate collection of islands and peninsulas neatly tucked between China and Australia: A pleasant enough place for a holiday, but not a serious player on the global stage.

When we come together they can make no such mistake. Asean is home to more than 600 million people - twice as many as the USA and 100 million more than the EU.

We inhabit a geographical position of enormous strategic, political and military importance. Our total GDP is almost US\$2 trillion and our economies are consistently growing even as Europe ponders whether it can afford another bailout and US politicians debate their rising debt ceiling.

As a 10-nation bloc, we bring more to the international negotiating table, allowing us to secure the best possible terms for treaties and trade agreements.

But don’t be misled into thinking that the Asean community will simply make things easier for governments and for big business.

Building a tight-knit community of nations also has a direct impact on the lives of ordinary people right across the region. Closer relations lead to more trade, and more trade means more jobs and lower prices, and more jobs coupled with lower prices means an improvement in standards of living.

Over the next few days I look forward to working with our chairman and host, President Susilo Bambang Yudhoyono, whose insight and knowledge will help ensure that the Asean Summit is an effective forum at which leaders can forge a stronger future not just for Malaysia and Indonesia, but for all our nations.

The benefits of closer integration and the dangers of increased isolation are both too great to let minor local differences create tensions and divisions between us. We need to be a community if we are to thrive not just survive - and now is the time to work together to make that community a reality.

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