

THE ASIA SOCIETY, AND THE COUNCIL OF FOREIGN RELATIONS
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Mr. Chairman,
Honoured guests,

Ladies and Gentlemen,

I would like to thank the Council of Foreign Relations and the Asia Society for co-sponsoring this gathering. This is indeed a great honour for me and I take this opportunity to share with you some of my thoughts on the subject of "Regional approach Towards Stability".

2. When the United Nations was formed in 1945, the world felt that an agency had been found for the resolution of conflicts between nations. The failure of the League of Nations was forgotten in the euphoria that greeted the emergence of the United Nations Organisation. In the colonised territories like the States of the Malay Paninsular, hope was kindled that freedom and dignity were once again attainable. Such were the expectations in Malaysia that the most popular political party among the Malays, which today governs Malaysia as part of a coalition, was named after the United Nations Organisation. The United Malays National Organisation, of which I am the current President, drew a lot of inspiration and saw a lot of similarities between the Malays States and the United Nations as a concept.

3. In a sense those expectations were justified. We believe that the Empires of the first half of the 20th Century would not have been broken up nor new countries created but for the United Nations. Unfortunately the break-up of the Empires was not to result in real freedom for the emergent nations. The metropolitan powers were too powerful and too far advanced for the new nations to establish relations on equal footing. Indirectly they continue to dominate their former colonies. As if this is not enough the old countries of Europe formed an alliance which uses economic power to continue political domination. The United States too was drawn into this grouping, thus adding strength to the domination of European countries over their former colonies.

4. The European Economic Community (EEC) is, of course, not a new idea. Alliances between neighbours have been known throughout the history of mankind. But the EEC is perhaps the first alliance to focus on economic cooperation. This is perhaps because the North Atlantic Treaty Organisation already provides for military cooperation.

5. We see many weaknesses in the EEC. Indeed some say it is a failure. But a Europe competing with itself would probably be worse off than the EEC. The EEC as a Regional Grouping can therefore be said to be successful. In any case Regional Groupings of countries caught on. Thus a spate of regional groupings was formed in the Caribbean, in Africa, the Arab countries, Eastern Europe and in Southeast Asia. Now, of course, South Asia is interested. as a case study and discuss it in the context of stability through regional grouping. I do not think I will be able to say much that is not already known, but I cannot possibly know how much you already know. So if what I say is old hat to you, I must crave your indulgence.

7. We like to think that when we do something, we know all the objectives and the consequences. But this is far from the truth. Usually, our foresight is quite limited and within a short while after we are off on a supposedly planned course, we will find so many difficulties and so many unforeseen things that we wonder why we never foresaw these contingencies. Indeed, sometimes we are reduced to cursing our own stupidity in embarking on a plan or a course of action. objectives, others infer all kinds of Machiavellian strategies in the concept of ASEAN that they tended to believe that the regional grouping has fallen far short of its target. Thus we find outsiders cynically commenting on the failure of ASEAN as an economic community, when in fact, economic cooperation was not a prime objective of the early ASEAN leaders.

9. I would like to say this. ASEAN is not a Machiavellian concept. ASEAN was conceived as a simple forum to overcome the communications problem between neighbours who then knew little about each other. The five countries of ASEAN are ethnically similar, but historically and politically diverse. Malaysia and Singapore were once ruled by the British, and that association affected the values, the system of government and the general outlook. Indonesia was ruled by the Dutch and again the Dutch mould affected the Indonesians and physically separated them from their cousins across the Straits of Malacca. The Philippines was both Spanish and American, and they felt so divorced from the other countries of Southeast Asia that in the

eyes of some people, they could hardly be considered Southeast Asian. It is the only Christian (Catholic) country in a region peopled by Muslims and Buddhists. Then, of course, there is Thailand, the only Southeast Asian country which was not neighbours was minimal.

10. It can thus be seen that suddenly five historically separated countries found themselves having to conduct relations not as familiar neighbours but as suspicious strangers. It would be a miracle if they do not mess up their relations. And indeed this was what happened initially. Within a very short space of time, they were in confrontation. Territorial claims were made and threats uttered. At one stage, the Sukarno regime actually dropped paratroopers on Malaysian territory.

11. To cut a long story short, the leaders of these countries decided to meet each other to thrash out their neighbourhood problems. Despite the differences, it did not take long for the idea of a neighbourhood association to be proposed as a forum for solving the usual problems between neighbours. Thus, we first had ASA or the Association of Southeast Asia. The proponents involved then were only Malaysia, Thailand and the Philippines. Singapore was then a part of Malaysia while Thailand was not a party to the confrontation by President Sukarno. Despite some agreement on the need for this grouping, ASA never really took off. But nevertheless, the get-together was found to be useful as a forum for amicable settlement of the differences between neighbours. Though ASA failed to achieve the settlement, the concept remained in the minds of Southeast Asian leaders. And, finally when the Indonesian confrontation ended, the idea of a regional grouping came to the forefront again.

12. It can be seen that it was not economic cooperation that was the motive behind the formation of ASEAN. Certainly, it was not a strategic concept designed to make the five ASEAN nations an economic and political entity which will overawe its neighbours and present a mutual front in the international fora. ASEAN is simply a fairly adhoc solution to a communications problem between neighbours who were strangers to each other. But once it was formed, much more was expected of it than was ever in the minds of the founders. It is this expectation that makes ASEAN seem to fall short of its objective. On the other hand, looked at from the limited aims of the founders, it is a success.

13. Now let us examine the achievements of ASEAN. When I was asked to deliver the key-note speech at a forum on the Pacific Basin in Bali, I emphasised the need to know each other better before real cooperation can take place. With the formation of ASEAN, the strangers who peopled the neighbouring countries of Southeast Asia began to know each other well. Certainly the leaders became very friendly with one another. In fact one of the characteristics of ASEAN meetings is that most of the work and the process of reaching consensus are achieved during informal get-togethers of ministers in the absence of their official advisers.

14. When people are that close to each other, they cannot but learn from each other. It is an acknowledged fact that the ASEAN five have achieved remarkable progress in a world where economic growth has become very limited. This achievement in terms of economic growth is not an accident. It is made possible by the the policies followed by the ASEAN nations, policies which were devised through learning from each other the formula for success. At one time prior to ASEAN, there were countries of Southeast Asia which were tempted to be ultra-nationalistic economically. Foreign holdings were forcibly nationalised. But learning from the other ASEAN countries that such was not the route to prosperity, nationalisation was dropped. All the ASEAN countries are now believers in free trade and free enterprise. Foreign capital is welcome by all. Incentives for investments are common. Joint-ventures are popular. On the other hand, Indonesia taught the new Southeast Asian oil-producing countries how to bargain with foreign oil companies.

15. Clearly the first and greatest achievement of ASEAN is the exchange of mutual experience and administrative know-how which have led to economic growth and stability. To-day the ASEAN five are prosperous and stable - relative to the rest of the world and certainly relative to the newly independent countries elsewhere.

16. But all these are not noticed or at least are not regarded as ASEAN achievements. In the eyes of foreigners in particular, ASEAN has failed because it has not been able to set up a common market. But as I have explained earlier, a common market was not what ASEAN leaders had in mind when they decided to form the grouping. It was only after the group was formed that people began to talk of on ASEAN common market. The reason is that people immediately think of the EEC when they see such a grouping. For a lot of people, next to security, economic power is the only reason for a grouping of neighbours. Foreign

businessmen see in a grouping of countries a solution to the problem of dealing with many countries, each with its own laws and peculiarities. How much more simple it will be for them if they can gain entry into a five-nation market through one country that they are familiar with. And so they watch hopefully for evidence that the customs barriers between the ASEAN countries would be brought down. But although thousands of items have now been accorded preferential tariffs, a real breakdown of customs barriers has not taken place. ASEAN is therefore a failure in the eyes of these people.

17. But local business people entertain different ideas. The ASEAN member with a small domestic market like Singapore would like to remove tariff barriers. But the Indonesian businessmen and the government would like to retain the potential of a 150 million population for themselves. So would Thailand and the Philippines, each with a population of about 45 million. Malaysia is neither here nor there. With a population of only 14+ million, it still manages to have the biggest passenger car market among the ASEAN five. It is comparatively a more affluent market.

18. For the local business people and the governments of ASEAN countries, there is no great hurry to lift tariff barriers. The economic strength of each country must be built up first before they open the flood-gates. It is hoped that at such a time, the flow will not be in one direction only. The benefits must be mutual.

19. In many ways, therefore, it can be said that ASEAN as a regional grouping is a success. Certainly it has brought prosperity and stability. There remains the threat to stability from non-member neighbours. But ASEAN has shown that although it is not a military grouping, it can coordinate its policies so as to deter the kind of adventures that countries standing alone and economically troubled attract.

20. Among the kind of cooperation that is designed by ASEAN to ward off threats is the concept of a Zone of Peace, Freedom and Neutrality or ZOPFAN. This concept requires the cooperation of the big powers. That cooperation is not really forthcoming, but each of the big powers is not willing to say that they disapprove of peace or of freedom or of neutrality in Southeast Asia. In a sort of negative way, ZOPFAN is working.

21. For the purpose of security, the ASEAN countries depend The capacity of ASEAN countries to do this no doubt contributes to the dampening of external pressures and threats.

22. In the case of ASEAN, it can be said that regional grouping has had positive results in terms of economic cooperation itself. It depends more upon the willingness to know and understand each other and, accepting the shortcomings, to work within the constraints. No grand design should be tried purely because it sounds good or it had worked elsewhere.

Thank you