

THE INTERNATIONAL CONFERENCE ON "THE FUTURE OF ASIA"

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THE FUTURE OF ASIA I think I am qualified to speak on the future of my country, Malaysia. I am not so sure I can foresee the future of Asia.

2. However, having been invited to do so, I will try.

3. There was a time, not so very long ago, when all that Asian countries wanted was to Westernise. By this they did not mean industrialisation or achieving high per capita income. They meant simply having a Europeanised society, coats and ties and hats for women. Self-esteem was at its lowest ebb among Asians and Asian nations then. They looked down upon themselves as unworthy of preserving.

4. There were, of course, very good reasons for this inferiority complex. Large chunks of Asia were colonised by the Europeans, a few of whom were sufficient to rule millions. The Europeans had the skills, the knowledge and the manufacturing technology. Asians only had cottage crafts. The Europeans were militarily powerful, better organised and could impose their will.

5. Asians believed completely that the Europeans were super-beings whose way of life could be copied but whose achievements could never be equalled.

6. When Japan took on the Europeans in the Pacific War, most Asians thought that Japan was being foolhardy. Japan's defeat was expected. And, of course, after that defeat Japan was not expected to recover. Asians would continue to be subservient to the Europeans.

7. And as for the Europeans, they too were of the same mind. They were superior and they would always remain superior. They were so confident that no Asian nation would be able to catch up with them that they could afford to be charitable. And so Japan was allowed access to their huge markets, unrestricted.

8. Too late they realised that their charity was misplaced. Not only did Japan recover but such backward countries as South Korea and Taiwan also seemed capable of emulating Japan's economic miracle.

9. Historically Europeans have had very unpleasant experience of Asians. The Mongols, the Ottoman Turks and the Arabs had not only conquered or raided Europe but had ravaged European lands, burning, killing and capturing their people for slaves.

For centuries they lived in fear of periodical raids by the Huns i.e. the Mongol Khans and the Turks. The Yellow Peril was very real to them. Although they may not talk about it so much now, the fear of the Yellow Peril is still very much there.

10. The recovery of Asian countries and their capacity, in many cases, to oust the Europeans from the market places of the world, cannot but awaken old fears of the Yellow Peril. Asians may not like it but European antagonism towards Asian economic expansion is going to figure a lot in the future of Asia.

11. For the moment Asia is not progressing uniformly. Much of the progress is taking place in East Asia i.e. North East Asia and South East Asia. But already it is becoming clear that Asian countries are quick to learn from the experience of other Asian countries. They may not feel up to emulating Western countries but they seem to believe that what one Asian country can do, other Asian countries can also do.

12. Beginning with South Korea and Taiwan's bid to replicate Japan, the process has spread to the countries of South East Asia. The effect of South East Asian countries succeeding in industrialising is even more profound. If largely brown South East Asians can do it, then everybody should be able to do it. Development and progress is no longer a mystery. And so China, the Indo-Chinese countries, Burma, the South Asian countries, have all begun the process of industrial development. Even the newly-independent Central Asian Republics have shown interest and are avidly following the progress of East Asia, to find out how backward countries can rehabilitate themselves and develop.

13. In the meantime the East Asians are making so much progress that trade between them now make up 40 percent of their total trade. Clearly they are still at the beginning. The potential is tremendous.

14. Presently China's GDP in Purchasing Power Parity (PPP) terms is \$2,855 billion while the per capita GNP is \$435. By comparison Malaysia's GNP per capita is \$3,500. Surely the Chinese are capable of catching up with Malaysia. When it does, China's GDP should be around \$23,000 billion. The U.S. GDP is presently \$6,387 billion. Even if the U.S. moves ahead at three percent annual growth, it will not stay ahead of China for long.

15. In fact the World Bank calculated that by the year 2020 China will be the world's largest economy, fully 40 percent bigger than the second biggest economy, the United States of America. The same analysis concluded that assuming a surprise-

free scenario, in PPP terms six of the ten biggest economies in the world by the year 2020 will be in Asia. Other than China, Japan will be number three, India number four, fifth Indonesia, seventh South Korea, Thailand will be the eighth while Taiwan will be the tenth.

16. Of course such predictions cannot be accurate. There will be so many variables which will change the picture radically. But unless there is a major war either between the Asian nations themselves or between Asia and non-Asian nations, the chances are good that these countries are going to make it big.

17. The factor that contributed most to this hyperbolic scenario is the demise of the Communist and Socialist economic theories. The assumption that equality must mean justice sounds logical and ideal. Indeed in many instances equality does result in justice, as for example equality before the law. But equality of wealth between members of society does not result in justice or even fairness. It actually results in everyone becoming poor and it impoverishes the whole nation. It took the Russians 70 years to learn this simple fact.

18. Once Communism and Socialism were rejected, private enterprise becomes possible. Admittedly many former communists still feel private profits are sinful. But they will no doubt learn and over time they will accept profit motive as not only normal but actually helps to create and spread wealth.

19. Politically the change will be more guarded. The Communist will probably take a much longer time to discard authoritarian rule in favour of democracy. This in itself is not bad. Nothing is more unsettling than people held in bondage for decades to suddenly become completely free. Freedom goes to the head easily and quickly and before anyone realises it, anarchy sets in.

20. The rapid adoption of democracy in a number of former Communist countries has only increased crimes and corruption. Governments have become weak and less durable. Unfamiliar with the rule of law, they find themselves unable to enforce it the way liberals are supposed to enforce the law.

21. They are hardly to be blamed. Even the old democracies are not quite capable of handling democracy. The rights of the citizen are so honoured that they can form armed militia with the expressed intention of over-throwing the Government by violence. Since all they have done is to wear uniforms and carry arms, including machine guns, in countries where there is no dress code and everyone has a right to carry arms, they cannot be considered as breaching the law. They have to

actually use their arms against the object of their hate before any action can be taken against them. Even then the punishment is likely to be mild. A life for a life is considered as barbaric. For killing children and other innocent people they will be given a life sentence and then pardoned for good behaviour after serving 10 years.

22. Democracies are only beginning to learn that too much freedom is dangerous. But they are not yet ready to do anything about it.

23. Life has become unsafe in many democracies. And wealth has not always brought happiness. Even the massive welfare handouts have not done much good. There are many abuses and there is corruption everywhere, in the Government and in the business sector. Morals have decayed.

24. Aware of this, is it any wonder that the former Communist countries in Asia are not convinced that democracy, at least the Western variety, is the best system? They are not yet willing to discard their authoritarian rule for democracy as much as they are ready to accept the market economy as a solution to their economic problem.

25. Still increasing wealth through the free market economic system must result in the citizens of former Communist countries demanding more freedom. But although there will be more freedom there is little likelihood that Asian countries of the future will adopt the Western style of unlimited freedom.

26. Already those Asian countries which have adopted Western ideas about democracy wholesale are finding ruling their country rather difficult. Disruptive strikes and riots undermine the economy and make life difficult for the citizens. Abolition of religious instructions in Government schools, while allowing absolute freedom of beliefs, has resulted in a loss of direction and the emergence of numerous cults, some of which are violent. Asians are now seeing Buddhist cults which can be equally violent. A democratic Government is not supposed to interfere unless and until lives and property are lost.

27. Liberal democracy may be good for the religious deviationists and cultists. The innocent victims may not think so. They have a right to their lives too.

28. The right to strike is regarded as one of the fundamental rights of the workers in democracies. But what is the basic premise of a strike? It is nothing more than a trial of strength between employers and employees, a trial to see who

can withstand the most amount of damage. It is like asking two men in a quarrel to fight each other until one gives up from the pain inflicted. Is this how a civilised world settles conflicts? If there is a dispute, then go to war.

29. One would have thought that conflicts in this modern age should be settled by negotiations, by arbitration or by courts of law. But Western democracy advocates tests of strength as a means to settle disputes. They actively urge this. They even try to subvert the workforce of newly-emerging countries in the name of workers' rights. They know full well that the liberal exercise of these rights will retard the development of these struggling countries. But that is not about to deter them from forcing these rights on the workers of these countries. Of course, they are aware that industrial unrest in these countries will only benefit the workers in the developed countries. Don't anyone dare to suggest that they may have ulterior motives! They merely want to protect workers of the world.

30. Asian countries must be forgiven if they still suspect ulterior motives. They are not convinced that the Western form of democracy is the ultimate and the best form of democracy. And so they have begun to define their own interpretation of democracy.

31. Freedom, yes, but responsibility also. If two centuries ago Americans insisted that there should be 'no taxation without representation', Asians of today believe there should be no freedom without responsibility.

32. For Asians, the community, the majority comes first. The individual and the minority must have their rights but not at the unreasonable expense of the majority. The individuals and the minority must conform to the mores of society. A little deviation may be allowed but unrestrained exhibition of personal freedom which disturbs the peace or threatens to undermine society is not what Asians expect from democracy.

33. Democracy is a method of Government. It is good only if the result is good. Here I am reminded of a television report on the Israelis killing Palestinian refugees in Lebanon almost 10 years ago. The American guest commentator expressed his horror at such killings. But he ended up by saying that the U.S. must support Israel because it was the only democratic country in the region. Apparently you can kill in the name of democracy.

34. Malaysia must admit without any apology that its democracy is not of the Western variety. When a Muslim religious group began to deviate from the true teachings of Islam the leaders

were detained. They had to defend their beliefs to people well-versed in Islam. They failed to convince the learned Muslim scholars of the basis of their teachings. Finally they were themselves convinced that they had deviated and were persuaded to return to the true faith.

35. The action to bring back these deviationists was taken fairly early. Had they been allowed to go on until they stage some form of violent attacks on the people, it would have been too late. Of course, now that they have been pacified, many felt that the action of the Government was undemocratic. But Malaysia believes it is democratic to anticipate violence and protect the people.

36. Whether the West admits it or not, David Koresh and the Jones cult were the products of the Western form of democracy. So also is the recent bombing in Oklahoma. The Michigan Militia Corp has as yet done no real harm. But you can bet that sooner or later they will be using those guns which they democratically own.

37. Oppression by democrats is no less painful than oppression by dictators. Both should be condemned. Asia cannot accept Western mores wholesale. Asia should instead pick and choose which aspects of democracy it wants. Uniformity should not be a feature of Asian democracy. Each country should be allowed to tailor its democracy to cater to the characteristics of its people and their needs. The people should decide through the basic democratic process what kind and what degree of democracy they want.

38. The same applies to human rights. Asian human rights need not be a fair copy of Western human rights. The individual and the minority must be allowed their freedom but such freedom must not deprive the majority of their rights.

39. So far some Asian countries have refused to bow to Western pressures on democracy and human rights. Some, of course, still equate modernisation with total Westernisation, total acceptance of all the norms and even the idiosyncracies of the West. But the likelihood is that Asian countries of the future will be democratic but different, not only in relation to the West but even in relation to each other. Hopefully, they will learn to tolerate the differences and not feel guilty about not being uniformly democratic.

40. Apart from being more democratic and subscribing to their own perceptions as to what constitute human rights; apart from accepting the free market economy there can be no certainty about the future of Asia. Several scenarios are possible.

Based upon Asian history and the present state of Asian countries, all these scenarios are possible.

41. First, taking the worst possible scenario, Asian countries would go to war against each other. It may start with disputes over the Spratlys. China insists that the South China Sea belongs to China along with all the islands, reefs and the minerals in the sea. To emphasise its claims, China builds a series of shelters for Chinese fishermen. They look suspiciously like military installations.

42. The ASEAN countries which by then include the Indo-Chinese state become agitated. Unable to take on a China that has become the most powerful economy in the world, ASEAN looked to Japan. Japan maintains a strictly neutral stand. The Chinese market is too valuable.

43. The United States offers to help and is welcomed by the ASEAN states. The Pacific Fleet began to patrol the South China Sea. Clashes occur between the Chinese Navy and the United States Navy. The United Nations says it is in no position to intervene but appeals for the countries to settle their dispute through negotiation. All ignored the United Nations.

44. China declares war on the United States and a full scale war breaks out. A nuclear bomb is dropped on Beijing, a clean bomb which killed only about 10 million people. China retaliated by firing nuclear missiles at the west coast of America. By an accident one warhead fell near Tokyo.

45. I will leave the rest to your imagination. This is one scenario of the future of Asia.

46. Another scenario is where all the Asian countries accept the status quo. They may grow but must never overtake the West. Asian countries may not talk to each other on any issue or act in concert on anything. They are all members of the United States-led APEC.

47. World trade will be managed by the European Union (EU) and NAFTA, which by then would have come together to form the world's biggest trading bloc. This is presently being urged by a senior member of the EU and it is not unthinkable that this would happen. With their trading clout, the EU-NAFTA confederation could dictate terms to the rest of the world.

48. The World Trade Organisation (WTO) would be placed under the EU-NAFTA and through the WTO, world trade will be managed so that all the countries of the world would get what is determined as their fair share of the trade. China would still

be big but not as big as the United States. China's trade with the EU-NAFTA will be fully regulated.

49. All markets will be opened to everybody. The small banks in developing economies like Malaysia for example will have the right to set up branches in the villages of Euromerica. Reciprocally, American banks can set up branches in Malaysian villages. Mergers take place daily and eventually there will be only a few mega banks controlled by the developed economies.

50. Some Asian countries revert to producing commodities while others prosper on the tourist trade, catering for travellers from rich countries. Manufacturing is best done by those countries with the technology, the capital, the marketing network and the know-how.

51. There will be no risk of war as countries will not be allowed to arm beyond what is required to keep the arms trade profitable. There will be occasional massacres as in Rwanda. A few hundred thousand people will be killed. As this is not war, the United Nations will not do anything beyond regretting. So much for the second scenario.

52. Can there be a third scenario in the future of Asia? Yes there can be and, indeed, the third scenario is the most likely scenario.

53. In this scenario the countries of Asia all adopt the free market system while developing their own versions of democracy. There will be no hurry about political reforms. They see the chaos and the violence in the Western democracies and they attribute this to democratic extremism. Too much of a good thing is bad, even if the thing is called democracy. They therefore prefer to be cautious, democratising only slowly and rejecting certain disruptive practices of Western democracy. As a result the Asian countries remain largely stable and are able to develop at a fast pace.

54. With the universal adoption of the free market system, there will be a huge crossflow of capital and know-how. The economies expand at high rates, far higher than those of Western countries.

55. The less developed Asian countries will be helped out through investments and know-how by other developed Asian countries. As other Asian countries prosper they invest in each other's country, and indeed in Africa, Europe and the Americas, generally boosting the world's economy.

56. The Asian countries become so rich that the rest of the world depend on the Asian market. Asia becomes the locomotive of growth for the rest of the world.

57. The initial attempt to obstruct the economic growth of Asian states was overcome through the Asian countries consenting to talk to each other and to act against managed trade as proposed by some non-Asian countries. Seeing the possibility of losing the rich Asian market if they persist, the non-Asian countries stopped obstructing. Agreement was reached through the WTO that world trade should be free and there should be no social clauses attached to it. In any case it was becoming clear that prosperity had led to better pay and working conditions for Asian workers, more democracy and greater respect for human rights.

58. Under these conditions, the Asian countries grew even faster. But the rest of the world benefited too as Asians began to buy more from them, invest in these countries, introduce better work ethics and, of course, boost the tourist industry through their high spending travels.

59. All trade blocs were dissolved. The only trade bloc is the WTO. Of course, conditions were not always ideal. But differences were settled through the WTO, through third parties or through negotiations. This is the third scenario.

60. What our future will be can be largely determined by us. I am no more able to predict it than the next man. Even renowned futurist have been found to be well off the mark. 1984 has come and gone and we have not seen state control and Big Brother as described by George Orwell. But instead we see a lot of miracles which have not been predicted at all.

61. But if we want something we should work at it. The third scenario is idealistic but as I said it is achievable. It will be a much more equitable world. Asians should not try to get rich at the expense of the rest of the world. Asians should be ready to share their wealth. In sharing they will not lose. Indeed, they will enrich themselves.

62. In the late 1960's Japan began to invest in Malaysia despite conditions for investment not being favourable.

63. Today Malaysia is one of the more prosperous developing countries. It is the 17th biggest importer in the world. And a lot of what it imports comes from Japan. The wealth that the Japanese created in Malaysia through their investments now returns to Japan. In addition Malaysia is a good debtor, paying back cheap Yen loans with costly Yens.

64. Clearly enriching your trading partners enriches you. Asians should always remember this. It does not hurt to buy even the things you do not want from your trading partners in order to reduce the trade imbalance, to enrich them. It costs much more to defend yourself in subtle trade wars such as effective and continuous revaluation of your currency.

65. Asian countries, as they become rich, should not be greedy. They should not form trade blocs. They should not keep their wealth within their countries only. They should invest abroad and open their markets to fair competition.

66. If they do all these then the future for Asia will be very bright indeed. And the future of the world will be bright too.

67. We can have any scenario we want. The future can be determined by us, if we want to. If we don't, then someone will determine it for us. We can't blame them if that future favours them. It is all up to us.