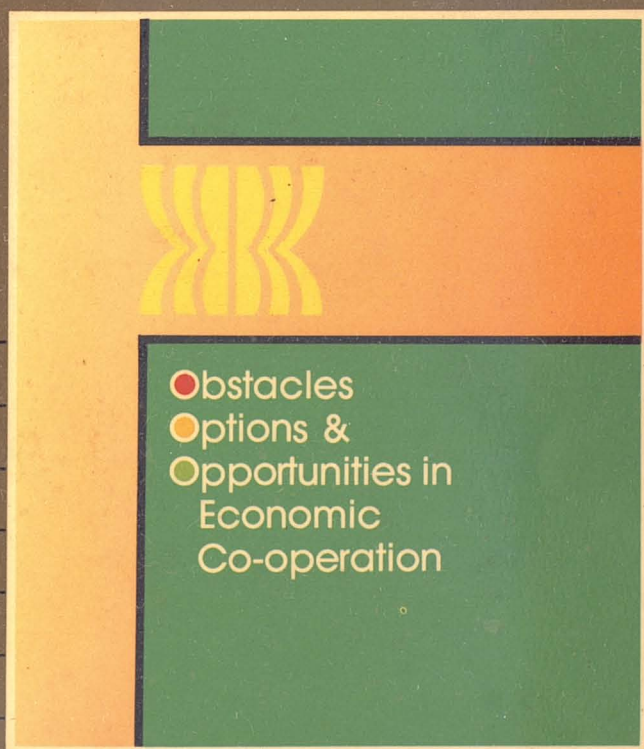


ASEAN AT THE CROSSROADS



● Obstacles
● Options &
● Opportunities in
Economic
Co-operation

Edited by
Noordin Sopiee
Chew Lay See
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Introduction

ASEAN, the Association of Southeast Asian Nations, boasts among its many laurels the restoration and consolidation of regional peace and friendship — a process which began in the late 1960s. More recently, in the 1970s, its successful Kampuchea campaign has been a rallying point for no small portion of the international community. On a lower profile, although of no less import to the region, is the progress Asean has made in economic co-operation.

Substantive steps in Asean economic co-operation are of recent origin, beginning with the signing of the Declaration of the Asean Concord in 1976 — at the First Asean Summit in Bali. It was at this meeting of the Heads of Government that the ground rules for Asean co-operation in trade and industry were set.

Today, just over a decade after the historic event, the progress of Asean economic co-operation is still viewed in many quarters as unsatisfactorily slow. On the brighter side, however, there is a renewed interest in fostering economic ties, one that has been rekindled, in part, by the protracted global economic slowdown, the increasingly hostile international economic environment and the realisation that some of the answers can be found within the region. More important perhaps is the fact that the Third Asean Summit, scheduled for December 1987, opens up an important strategic opportunity for Asean to embark upon another phase of economic construction.

There is indeed a powerful and growing movement within the region to bring to fruition the idea that the political achievements of Asean have now to be complemented by and enriched with substantive economic co-operation. One component of the movement has been the Asean Chambers of Commerce and Industry (Asean-

CCI). In 1986, it established the 'Group of Fourteen on Asean Economic Co-operation and Integration' comprising a chairman, a vice-chairman and two members from each Asean country.

The G-14, which met for the first time in Kuala Lumpur, appointed the Institute of Strategic and International Studies (ISIS) Malaysia as its Secretariat and adopted for itself the following terms of reference:

The Group of Fourteen will explore, study and recommend all possible measures and concrete steps with regard to trade and other areas that can be taken to foster economic co-operation and integration in the Asean Community of Nations. Its Report will be submitted to the Asean-CCI for final approval* before submission to Asean Governments.

The Group of Fourteen will also help to mobilise public awareness in the member countries on the challenges that lie ahead, the need to move Asean forward, and the various means of achieving this objective.

The Group, as part of its efforts to 'mobilise public awareness', to consult experts on economic co-operation and to engender debate, requested ISIS Malaysia to organise the First Asean Economic Congress. Held in Kuala Lumpur from March 13-22, 1987, the meeting was attended by some 400 politicians, civil servants, businessmen and academics from the Asean states, the European Community, the European Free Trade Association countries, Japan, Australia, New Zealand, the United States and other countries.

The 10-day congress had five components, viz :

- Asean Economic Co-operation: The Way Ahead
- European Economic Integration: Possible Lessons for Asean?
- EFTA Experience in Economic Co-operation: Lessons for Asean
- Australian-New Zealand Experience in Economic Co-operation: Lessons for Asean
- Asean-Dialogue Partners Roundtable: Suggestions for New Directions in Economic Co-operation between Asean and its Dialogue Partners (informal discussions).

The keynote speeches and papers that were presented at the meeting make up the contents of this publication.

* The Asean-CCI decided subsequently that it would only receive the Report for onward transmission to the Asean Governments.