

Issues Facing the Pacific Cooperation
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All of you who are present here to day need no sermon or enlightenment, on the positive aspects of Pacific cooperation. Rapid economic growth around the Pacific rim, and its increasing share of global trade, have rightly caught the attention of the world, and convinced many people that the 21st century would in fact be the “Pacific Century”. It is, therefore, not my intention to preach to the converts, but rather to remind and to raise with you, many of the issues and problems which can retard the pace of the development in the direction that we all desire.

“Pacific cooperation” is a slogan, which has been bandied about in the last two decades. Admittedly, it is a term which, like motherhood, nobody “can vote against” and is so general and innocuous that each one of us finds no difficulty in accepting the idea.

Only when we begin to examine the term do we find that discrepancies arise - resulting in differences in concept, approaches and perspectives. Yet, in spite of the painstakingly slow process of crystallization of the concept, a measure of cooperation in the Pacific area already exists. Through some existing international organizations, forums and panels, certain progress, in limited areas and scope, is being made. The question, therefore, is not whether there shall, or shall not, be Pacific cooperation, but how to find ways and means of maximizing the potential and promises of the Pacific century.

Undoubtedly, there is already increasing inter-action among the nations of the Pacific, of which some are instances of cooperation. A multilateral effort, on a scale that encompasses the length and breadth of the Pacific Ocean, is a phenomenon whose time has not yet come. So, to talk about cooperation among all States of the entire Pacific region, is not only unrealistic, but would also be a mis-direction of our approach and mis-application of our efforts.

A State only wants to “cooperate”, if its national interest is served by such cooperation. Even in the absence of clear-cut advantage to its national interest, that State may be prepared to give the idea the benefit of the doubt, if it can be convinced of the desirability of joining “the club”. That desirability may derive from its sense of belonging, not in geographical terms though, to the area in which “the

club” is formed, or the “cooperation” is to be devised.

Such desirability existed, when ASEAN (Association of Southeast Asian Nations) was formed in Bangkok in 1967. There was already an initial sense of belonging in Southeast Asia and growing consciousness of a “community of interests”. Such was also the case, when the European Economic Community was founded in 1951. The question we should ask ourselves now is whether this sense of belonging in the Pacific, is so widely prevalent, as to assure the desirable degree of cooperation. My own answer is “not yet”.

It is to be recalled that the post-war era of Pacific Asia was one of political turmoil – nation-building and its attendant problems before and after independence - and linkages between those nations were only forged one or two decades after 1945. In contrast, a greater sense of community long existed in Europe, and the War was only an interregnum. The post-War period in Europe was merely one of economic reconstruction, to restore the previous linkages temporarily broken.

The Pacific, on the other hand, denotes a much vaster geographical area, where homogeneity is an exception, rather than a rule. It consists of several regions or sub-regions in which many societies do not share a common history or common roots and traditions. Moreover, they are diverse in their views and outlooks, and have different levels of political, economic and social development.

The notion of a Pacific identity is still lacking in the area, and this may prove to be a major impediment to the fostering of the growth and enthusiastic acceptance of the concept. Government Statements, policies and actions are important educational tools to change the environment and adjust the people’s attitude. On this score, growing protectionist measures, restricted market access, and more nationalistic economic policies do not auger well for the future. Clear and positive signals from countries concerned, particularly from the industrialized States, are the prerequisite to the implementation of the Pacific cooperation concept.

In my view, our efforts should be directed primarily at the core members of the group, which inevitably should include the six ASEAN States. This approach is by no means designed to give “The Pacific club” a sense of exclusivity. The selective approach is based entirely on the practicality rationale. With such diverse interests, national priorities, regional preferences not to mention varying levels of development and trade sophistications -- it is well-nigh impossible to identify common aspirations and objectives in a full-fledged group. From the practical point of view, preliminary discussions and consensus would be more easily held and attained in a smaller group of key countries, on both sides of the development fence, leaving a way open for others to comment and suggest amendments to be taken into account in the final form.

There is one caveat here, however, just because a State is geographically located in the Pacific area, or around the Pacific rim, does not automatically mean that the

State must at all costs aspire to or be included in the framework of Pacific cooperation. Geographical identity should not precede the national interests of the State. Nor should it prevail over the over-riding interests of the Pacific-group as a whole.

I have so far dwelled on the subject of "The Pacific". The crucial problem is whether there is a meeting of minds on the term "cooperation". Are we meaning the same thing when we refer to "cooperation"? It is easy to say: "let us cooperate" but "cooperate to achieve what, and in what manner?" In short, under what terms? In any cooperative arrangement with a super-power - and in this case both Japan and the US are economic super-powers, smaller nations simply cannot have an equal role, or equal say, on the subject matter. Hence, uneasiness and reluctance on their part to embark on this venture, on a negotiating basis.

At this juncture, it may be useful to recollect the ideas and proposals that have been used in the past as "trial balloons". The concept of Asian-Pacific economic cooperation originated in the mid-1960s with the stimulus coming primarily from Japan. It owes its genesis to:

- a) the rapid economic development of countries in Northeast and Southeast Asia.
- b) the desire to create a new growth centre in the world economy.
- b) the calls being made upon Japan to undertake greater responsibilities for the security and economic development of the Asia Pacific region.

The Japanese, along with the Australians and the New Zealanders, have been deeply conscious that they alone, are neither fitted historically nor endowed financially to meet the security and economic needs of the Pacific, in general, and Southeast Asia in particular.

Businessmen in Japan have been in the fore-front in formulating ideas, in regard to Asia-Pacific sphere of cooperation. The Pacific Basin Economic Council (PBEC) was thus founded in May 1967 by business leaders from Japan, Australia, New Zealand, Canada and the United States. The organization, however, started off on the wrong foot in so far as it included only industrialized countries of "The North". This glaring lack of "cooperation" with the less developing countries in the Pacific region, tarnished the image of PBEC, and portrayed it as an example of self-centered interest on the part of the developed countries. Efforts, however, are studiously and conscientiously being made to rectify the short-coming.

Discussions at businessmen's level have also promoted parallel discussions among the academics. In 1968, the first Pacific Trade and Development

Conference was held in Tokyo and considered the ideas of Professor Kiyoshi Kojima of Hitotsubashi University, for achieving closer economic cooperation in the region. Central to Professor Kojima's ideas was his proposal for a Pacific free-trade area. Analysis of trade flows indicated, however, that Japan would benefit more than any other country from a Pacific free-trade area. The proposition, therefore, did not gain much ground and was regarded as premature.

Another proposal advanced at the first Pacific Trade and Development was for an Organization for Pacific Trade and Development (OPTAD), modelled on the OECD. The proposed OPTAD was to have provided a forum for the discussion of trade and development issues, and the promotion of economic integration in the Asia-Pacific region. Issues relating to membership, organizational structure and functions of such an inter-governmental body were left unresolved.

During the time Mr. Ohira was Prime Minister of Japan in December 1978, he together with Dr. Okita, who subsequently became his Foreign Minister, also advocated the concept of the Pacific Community. Studies, discussions, ensued, but the "community" concept was not readily acceptable. The reason was the absence of a sense of community within the area. The State of mind was not there, and the common interests were not yet perceived.

The Korean proposal for a Pacific Summit Conference, received polite, but lukewarm, interest. It was envisaged as a scheme with political over-tones and unlikely to achieve anything substantive.

What lessons do we learn from all these past endeavours? From each of the experiences I have related, I believe that we can draw the following lessons.

Lesson I: Any system, governmental or private, for Pacific cooperation, must not be seen to be exclusive or selective, only among those with "developed" status. Any attempt to forge the cooperation should as far as possible involve the potential States, both developed and less developed, from the very beginning.

Lesson II: While cooperation is a two-way street, no scheme for Pacific cooperation is viable unless and until the "South" of the Pacific is convinced that it stands to gain as much as "The North" in such a cooperative plan.

Lesson III: Any proposal, which leads to the creation of an organizational structure with wide authority, while the question of membership remain un-resolved, is too premature.

Lesson IV: A sense of community, particularly for an area as vast as the Pacific, cannot be imposed or directed from the top. Much ground-work needs to be done, and due recognition given, to the heterogeneous nature of the region.

Lesson V: Any scheme which tends to give the impression of being politically

inspired or security-oriented is least likely to be acceptable.

On the basis of these lessons, I venture to suggest the following approach:

1. Don't be too ambitious. Japanese political leaders were on the right track when they decided to shelve over-ambitious plans for Pacific cooperation. The ideas of Pacific free-trade area, OPTAD, Pacific Economic Community are simply not practical for the 1980s and 1990s. Their turn may yet come in the 21st century.
2. Be pragmatic and adopt a step-by-step and sector-by-sector approach. We should concentrate on areas, which are the least controversial and most conducive, to cooperation. Such selective approach would bring about harmony and gradually promote the spirit of cooperation among the participants. In the process, constant fear by less developed countries of being dominated or pressured, would lessen and we in "The South" would gain self-confidence in dealing with our big brothers on more difficult and complex issues.
3. The United States and Japan, and to a lesser degree Australia, New Zealand and Canada, need to pursue policies, and adopt measures, which give clear signals to ASEAN and others in the area, that their actions correspond to the words they repeatedly utter. In the present circumstances, their increasing tendency and more subtle methods, to restrict their markets and indirectly to stifle our economy, is viewed by ASEAN with grave concern and has a most serious negative impact on the evolution of the Pacific cooperation concept.
4. If ASEAN is regarded as an essential element of Pacific cooperation, as it is generally recognized, ASEAN should be given better opportunity in terms of trade and development to be able to sustain their growth and organize themselves into a more cohesive economic grouping. Strengthening of ASEAN in the economic and trade area would help to accelerate the realization of Pacific cooperation. ASEAN with its inner strength and greater confidence, would be your better and more effective partner than it can be at present.

For the advocates of The Pacific Cooperation, the future has begun! For us in Southeast Asia-ASEAN, we would like to share the blessings and the benefits of the future - provided we also have clear perceptions as to where the future is taking us!