

DOCUMENTATION

ASEAN and the Andean Community: Cooperating in the New Millennium

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The Association of Southeast Asian Nations and the Andean Community are, geographically, as far apart as any two regions can be. Yet, as I read a short history of the Andean Community and the Act of Cartagena, I was struck by the similarities in the basic responses of the two regional organizations to the challenges of our times. In a sense, this shows how small the world, particularly the developing world, has become.

It has now become trite to say that the challenges of our times are essentially those of globalization, but it is true. A combination of policy and technology, interacting with each other, makes it so.

The globalization of the market is the first phenomenon. Goods and, increasingly, services flow much more freely around the world, although problems of market access, particularly the accessibility of developed-country markets to the products of developing countries, remain formidable. This raises a direct challenge to the competitiveness of economies such as those of Southeast Asia and the Andean region. The surge of information and communications technology has substantially reinforced the trend of globalization and challenged developing countries to either develop and use that technology or lag farther behind. The globalization of capital markets has not only exaggerated the volatility of capital movements but has also exacerbated the potential for the rapid spread of its impact across regions and around the world.

At the same time, the speedy rise of information, communications and transportation technology has made possible the growth of transnational crime and the quick transmission of disease. The threat to the

global and regional environment continues to grow. The danger of nuclear armaments remains. All of us need to nurture regional security and regional stability.

To all these challenges, the response of Southeast Asia and the Andean region has been the same. It has been to strengthen regional solidarity and regional action, even as we cooperate in global programs to address the same challenges.

Competitiveness Through Integration

Like the Andean Community, we in Southeast Asia are fortifying our competitiveness through deeper economic integration, which would ease the flow of trade, lower the cost of production and of doing business, enlarge the “domestic” market, and thus attract investments. We are well on the way to completing the ASEAN Free Trade Area. Tariffs on practically all products traded within ASEAN are now down to five percent or less or none at all. More will be reduced to those levels in less than two years. Tariffs will be abolished on almost all products shortly after that. We are dismantling non-tariff barriers. We are harmonizing customs procedures and product standards. We jointly promote tourism.

Investments should now move freely within ASEAN, with each ASEAN country opening most sectors to other ASEAN investors — and their foreign partners — and extending national treatment to them. Any exceptions will be phased out within ten years. Southeast Asia is being bound closer together by infrastructure linkages — road and rail networks, regional power grids, gas pipeline networks, and telecommunications connections.

ASEAN recognizes the vital importance of information and communications technology to today’s economy and society. We are, therefore, developing what is called e-ASEAN, an integrated program for the development and use of information and communications technology. The program encompasses policy harmonization, the legal environment, product standardization, liberalization of trade in ICT goods and, possibly, services, training, and the use of ICT for social purposes like education, medicine and rural development.

Open to the World

Like the Andean Community, ASEAN remains open to the rest of the world and is strengthening its ties with other countries and regions. ASEAN is now embarked with Australia and New Zealand in an effort to expand its long-established bonds with these southern neighbors. We maintain extensive relations with the European Union at various levels, in numerous sectors and in many forms. The United States remains a top trading and investment partner of Southeast Asia.

Not least are our rapidly expanding and deepening ties to our great neighbors to the North — China, Japan and the Republic of Korea. Last November, in Manila, the ASEAN leaders and those of the three Northeast Asian countries issued a statement declaring their resolve to strengthen cooperation in East Asia. The annual meetings of our foreign ministers are now to be institutionalized. Only last week the trade and industry ministers of East Asia met for the first time, in Yangon, and charted nine areas for devising concrete measures to solidify our economic relations. Two days ago, the finance ministers of Southeast and Northeast Asia gathered in Chiangmai, in this country, and agreed to establish a mechanism to support one another in times of emergency and otherwise work together in the pursuit of financial stability and strength, including the closer monitoring of short-term capital flows. In this regard, it is interesting to note that a Latin American Reserve Fund, an instrumentality of the Andean Community despite its name, has been in operation for around twenty years now.

Deeper financial cooperation is one step that ASEAN has taken in direct response to the financial crisis from which our economies are now recovering. Part of this is an economic surveillance process in which

the ASEAN governments review the region's economic progress and the development of their economic policies, and encourage one another in the reforms that each is undertaking. We are working together to develop regional bond markets, strengthen our financial institutions, and improve governance in our public and corporate sectors.

As economic globalization has both improved the prospects for development and raised challenges for international action, the communications and transportation revolution that has brought the world closer together has given a regional dimension to many human problems. Among instances of this are transnational crime and communicable diseases. ASEAN has stepped up its cooperation in combating transnational crime, like trafficking in illicit drugs and in human beings, through closer networking and the strengthening of regional mechanisms. ASEAN is intensifying its cooperative surveillance of communicable diseases like HIV/AIDS and tuberculosis.

Natural phenomena, rapid economic growth and human greed have conspired to threaten and, in too many cases, damage the fragile environment of many regions. The regional environment is, therefore, a central focus of ASEAN cooperation, primarily the seas and the air that we share. Southeast Asia and the Andean region have both been victims of the El Nino climatic phenomenon. In the case of Southeast Asia, El Nino, together with deliberate human action, has raised the propensity for forest and land fires to be ignited in parts of our region, gravely affecting the lives of people in neighboring countries. ASEAN is cooperating, together with other countries and international institutions, in monitoring the threat, preventing fires and fighting them when they do occur.

Through all these programs for economic and social cooperation runs our recognition of the need to undertake common efforts to develop the skills and the capacity of our people, our human resources. We do so not only to enrich the lives of our people, raise their incomes and fulfil their human potential. We do so also because we know that, in a globalized economy, our competitiveness lies largely in the capacity and skills of our people and the effectiveness of our institutions. Human resource development lies at the heart of ASEAN's participation in efforts to develop the Mekong Basin, which we consider as an instrument for integrating our newer members more fully into ASEAN.

Nurturing Regional Security

Like the Andean countries and their neighbors in the Americas, ASEAN has concluded a treaty to make the region a nuclear weapons-free zone as its contribution to the safety of its people and to a nuclear weapons-free world. Just as the signatories to the Treaty of Tlatelolco of 1967 engaged, long ago, the commitment of the nuclear powers to the treaty, ASEAN is now in consultation with the nuclear-weapon states on a protocol through which those powers can associate themselves with the Southeast Asia Nuclear Weapons-Free Zone.

ASEAN has the Treaty of Amity and Cooperation in Southeast Asia, which serves as a code of conduct for the region and provides a mechanism for the peaceful settlement of disputes. ASEAN has established the ASEAN Regional Forum and continues to take the lead in its endeavors. The forum serves as a venue for ASEAN, its neighbors, the major powers and others with interests in the region to consult on issues of regional security and, eventually, to prevent conflicts, if not to settle them.

ASEAN is undertaking all this in pursuance of ASEAN Vision 2020, a statement of our leaders' goals for ASEAN that they issued in 1997. The specific measures for attaining the vision in the first six years are set forth in the Ha Noi Plan of Action, which the ASEAN leaders adopted in 1998. I have read the Act of Cartagena, which the Eleventh Andean Presidential Council issued in May last year. I am gratified to note how closely its purposes and elements run in parallel with those of ASEAN Vision 2020 and the Ha Noi Plan of Action. This should not be surprising, for both regions are faced with similar challenges

and both have taken the route of deeper regional integration and closer regional cooperation in dealing with those challenges.

Indeed, in many ways, the Andean Community is ahead of ASEAN in this respect. The Andean Community has its Court of Justice, which celebrated its twentieth anniversary last year. It had removed all tariffs, without exception, by February 1993, the year when the ASEAN Free Trade Area was just beginning its tariff-reduction exercise. A “perfect” Free Trade Zone has thus been put in place. The Andean Community has adopted a common external tariff, the process starting in 1995. Last February, the Andean Community decided to form, by 2005, an Andean Common Market, where goods, services, capital and persons freely circulate. It has agreed on a common investment regime. In 1996, the legal framework for an Andean satellite system was adopted. The Andean Community already has an open-skies policy for air transport within the region.

The Andean Development Corporation, which started operating in 1970 and now has assets worth more than four billion U. S. dollars, is a corporate entity that finances development projects in both the public and the private sectors. It has far outstripped in its lending much larger financial institutions like the Inter-American Development Bank, the World Bank and the International Financial Corporation.

The Andean Community also aims to define a common foreign policy and has worked out a plan of action for this purpose. The Secretary-General of the Community can take legal action against member states that are deemed to have violated their commitments in the Community.

Regional Differences

ASEAN has none of these. The reason lies in the divergences in the histories, the political relationships, the degrees of cultural commonality and the economic situations of the two regions. Nevertheless, ASEAN can learn much from the Andean Community, particularly in the light of our common interests.

Learning from each other ways to deepen regional integration and cooperation could be one pillar of the interaction between ASEAN and the Andean Community that we begin today. Another is identifying a few areas in which the two associations can usefully cooperate.

In doing this, we must guard against excessive ambition. Not least, we must refrain from envisioning numerous additional meetings, of which ministers and officials on both sides already have a surfeit. In other words, we have to be practical.

To begin with, let each of us who are involved here encourage other officials, businessmen and academics in each of our regions to make a conscious effort to learn more about developments in the other. Technology has made available to us convenient ways for doing this. The Andean Community has, in www.comunidadandina.org, an excellent web site. It has thoughtfully placed an English version at the disposal of those who do not read Spanish. ASEAN, in www.aseansec.org, has a web site, also in English, that we are constantly trying to improve.

Secondly, we could identify focal points on each side for information exchange on matters of common concern and similar experience. These could include, for example, the handling of the El Nino phenomenon, the preservation of biodiversity, the fight against the trafficking in drugs, arms and human beings, dealing with money-laundering, the possibilities for further economic integration, the pursuit of financial cooperation, the potential for regional institutions, and modes of interaction with outside powers.

Thirdly, in the light of our many common interests, we could take advantage of the many international forums in which Southeast Asian and Andean countries participate together in order to consult on and, if necessary, coordinate policy positions. The foreign ministers of both regions are normally in New York for the General Assembly every year. They could meet by themselves when there are issues of interest to both or in the larger context of the ASEAN-Rio Group meetings. Other UN forums provide other

opportunities, like UNCTAD, which Bangkok hosted last February. The Group of 77 is another convenient venue. The World Trade Organization and other Geneva-based organizations and processes could be the focus of consultations should they be necessary. All ASEAN members and all Andean countries take part in the East Asia-Latin America Forum.

Channels of Communication

The two Secretariats could open channels of communication between them for the management of this process. Again, technology makes this easy, convenient and fast. The two Secretaries-General could discuss this further today. We could pursue it again at the meeting of regional organizations being convened by the UN Secretary-General next month. We could have at least yearly face-to-face contact in New York at the time of the regular session of the General Assembly.

With these modest initial steps, we could seek ways of cooperating to advance the interests that we share and, in the process, the welfare of our peoples. At the same time, we might discover potentials for trade and investment that our private sectors could exploit to the profit of all.

SOURCE: ASEAN Secretariat <<http://www.aseansec.org>>