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## **THE PACIFIC BASIN : A COMMUNITY IN EMERGENCE**

### **Introduction**

The idea of Pacific Basin Community has been receiving increasing attention in research and deliberations in contemporary international relations. The emergence of the Pacific as the epicentre of world economics, trade, technology, geopolitics and geo-strategy in the recent years accounts largely for this shift of focus and enhanced interest in the concept. Divergent views and interpretations of the idea are made and a host of names are also being labelled to denote it. The Pacific Forum, the Pacific Rim, the Pacific Rim Community, the Pan-Pacific Association, the Pacific Basin Cooperation Group, the Asia Pacific Association and the Pacific Basin Economic Council are but a few of those to be mentioned. While the idea which is yet to crystalise into a specific functional and organizational shape, there seems to be a wide range of opinion as to the nature of the emerging community, its future shape and scope of operation. Perspectives differ not only in terms of agenda of the forthcoming arrangement but also in terms of mutual competitiveness and re-inforcibility of its such dimensions as social, economic, political and security.

In this backdrop a close scrutiny of the concept and its different operational aspects in order to be able to assess the possible shape of the emerging community seems worthwhile. The present paper is an attempt in that direction. The paper first attempts at constructing

an economic, political and geostrategic profile of the region, then goes on to enquire into the nature of the emerging Pacific Basin Community with emphasis on the multidimensional approaches to cooperation. Finally the impediments in the way of Pacific Basin cooperation are also identified.

### **The Pacific Region : A Profile**

There is no universally accepted definition of the Pacific region. The terms 'Pacific Region', 'Pacific Basin' and 'Pacific Rim' are used interchangeably to denote East and South East Asia, Oceania and North America that have Pacific Ocean as the boundary.

In the words of Arnold Toynbee, "the region is half the world and includes the following geographical area : (a) The Asian part of the Soviet Union, including Siberia; (b) The Eastern part of China excluding Tibet, (c) Japan; (d) Taiwan; (e) Hong Kong and Macau; (f) The Pacific part of South East Asia, namely the Philippines, Vietnam, Kampuchea, Thailand, Malaysia, Brunei, Singapore and Indonesia, (g) Oceania i. e., Australia, New Zealand Micronesia, Melanesia, and Polynesia ; (h) The Western part of the United States and Canada including areas such as California, Alaska, Colorado and Ecotopia (The Pacific North-West) and (i) the Pacific part of South America namely Colombia, Ecuador, Peru and Chile."<sup>1</sup>

The Pacific Basin possesses vast and varied natural resources on-land, in and under the sea. It has abundant human resources as well. Countries of the region possess large mineral deposits and energy, agriculture, forestry and fishing resources. "The region boasts of nearly half of the known deposits of coal in the capitalist world, upto one-third of oil and natural gas, over 50 percent of uranium, and almost 90 percent of tin. The region produces 85

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1. Quoted in Gerald W. Fry "The Pacific Challenge: A Transitional Future", *Asia Pacific Community*. (Summer) 1983. No. 21, p. 37.

percent of the world output of natural rubber, a substantial share of copper, nickel and other non-ferrous metals."<sup>2</sup> These resource potentials add to the geopolitical importance to the region.

The nations located in the area differ widely in their ethnic, linguistic, cultural, historical, political and economic backgrounds. "Nation-states range in size from the People's Republic of China (PRC) to the tiny island Kingdom of Tonga. Their ranks include highly modern systems like Japan, Singapore and South Korea, as well as very tiny developed economies like Papua New Guinea : per capita Gross National Product ( GNP ) ranges from more than \$ 10,000 for Japan to less than \$ 200 for Burma."<sup>3</sup>

Politically, it embraces states of different systems and ideological moorings viz US allies such as Japan, Philippines, South Korea, Thailand, New Zealand and Australia, Soviet-bloc states such as Kampuchea, Laos and Vietnam, China with her own ideological postures and a number of non-aligned countries.

However, on the economic and political front on a regional basis the picture is somewhat less divergent than at the intra-regional basis. One of the important aspects of the regional economy is the rapid growth rates and greater expansion of intra and inter-regional trade. Foreign trade between the countries of the region has been stepped up greatly. "In 1981, their share in Japan's exports to and imports from the Pacific countries accounted for more than 55 percent, and around 50 percent respectively. The figures of the United States are about 40 and 33 percent respectively. The share of interregional trade in overall trade of the Pacific countries is 35 to 40 percent. Industrial primary goods (coal, iron, ore, bauxite, oil, polymetallic ores) and agricultural produce, as well as manufactured goods make up a large

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2. Y. Stolyarov Ashmyrov, "The Pacific Community: Economic Integration or a Military Political Bloc ?" *Far Eastern Affairs*. 1983, No, 3, pp. 65-66.

3. R. Sean Randolph, "Pacific Overtures" *Foreign Policy*, Number 57, Winter 1984-85, p. 131.

share of the trade between the Pacific countries."<sup>4</sup> The growth rates in the Pacific region and particularly within its Asian part have consistently exceeded those of other developed and developing regions.

The economic cooperation had political inputs as well. In response to the Nixon Doctrine and the culmination of American withdrawal from Vietnam in 1975, Vietnamese occupation of Kampuchea and China's invasion of Vietnam in 1979, groups of countries in the Pacific Basin have begun to take cooperative efforts for avoiding great power entanglements and determining their own political and economic destinies. The growth of ASEAN evidently manifest the viability

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of these efforts. Besides, since 1970s American dominance of the Pacific basin capital investment has been increasingly challenged by a surge of capital export from Japan. "The Japanese have invested over US \$ 6 billion on an annual basis between 1951 and 1977 in Asia which accounted for nearly 30 percent of their total direct investments abroad".<sup>5</sup> As a percentage of total exports and imports, Australia's trade within the region also substantially increased during the past few years. Canada's trade with the Pacific remained more or less constant. New Zealand's shares of regional trade have increased marginally. Hong Kong registered relative increase in its interregional trade. Malaysia's share of trade with the Pacific basin remained fairly stable. Indonesia is substantially dependent on the Pacific basin, its 80 percent of total export goes to the basin; 70 percent of total import come from the region. While China increased both its exports to and imports from the region, the Soviet Union does most of its trading in the Pacific Basin mainly with Japan. Japan is the largest trading partner of the USSR in the Asian Pacific region

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4. *ibid*

5. *Far Eastern Economic Review*, June, 22, 1979, p. 74.

and monopolizes almost 50 percent of the total Soviet trade in the region. It is worthwhile to mention in this context that the region accounts for only approximately 4 percent and 8 percent of total Soviet exports and imports respectively. It is now clear that there is an absolute quantitative increase in trade and investment flows between the countries of the region which suggest the high level of interdependence among them. Much of the region's optimism is founded on the increasing importance of the Pacific as an economic unit.

### Search for a Pacific Basin Community

What is the Pacific Community concept? What is the motive force for search for a Basin Community? What tangible outcomes are visible to date? This section deals in these with question.

It is difficult to trace the specific reason behind evolution of the concept. But the subject has been considered for more than two decades in a number of conferences and papers. "In its broadest dimensions the concept of a Pacific Community is the institutionalization of consultation and cooperation, especially in the economic realm among the countries within the Pacific Ocean or contiguous to it."<sup>6</sup> The striking growth of the region's market economy, a perception of independence and a shared vision of the Pacific regionalism of independence and a shared vision of the Pacific regionalism gave historical inputs to the concept of Pacific Basin Cooperation.

In the process of its evolution at various stages the idea of Pacific cooperation had different proponents, most notably Japan, joined by Australia, during late 1970s and more recently South Korea. The idea of establishing a Pacific Basin Organisation has been studied in the US State Department, in two sub-committees of the US Congress, in the Foreign Ministries of Japan, ASEAN countries, on various campuses

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6. Prof. Russel H. Fifield. "ASEAN and the Pacific Community". *Asia Pacific Community*. Winter 1981. No. 11, p. 14

and "think tanks" from New Haven to Sydney. The present movement of Pacific Community began in 1965 in Japan when the idea was floated by its business, political and intellectual leadership. Professor Kiyoshi Kojima of the Hitotsubashi University, Tokyo, and Hiroshi Kusimoto of the UN Economic Commission for Asia and Far East took the lead in 1966 in proposing the idea of an organization for a Pacific Free Trade Association (PAFTA), patterned after the European Economic Community (EEC). The proposed organization was to consist of the five developed countries of the region, namely, the United States, Canada, Australia, New Zealand and Japan from which other Pacific countries will eventually derive the 'spin-off' benefits. The proposal for a PAFTA as a brainchild of Kojima was primarily an inducement from the success of EEC. The completion of EEC's internal tariff culmination in 1968 provided an added stimulus. This idea was taken up by the Japanese government and inspired a series of regionally based Pacific Trade and Development conferences. Kojima revised his scheme in 1968 with a new and better approach emphasising the need of an Organization for Pacific Trade and Development (OPTAD) in which he urged upon the concerned governments to set up three separate committees on trade, aid and development for evolving better cooperative relationship among them. He laid emphasis on functional rather than institutional integration as implied in his initial proposal.

In 1968, Takee Miki, the then Foreign Minister of Japan, advanced a plan for setting up an "Asian-Pacific Community" consisting of the countries of East and South East Asia, and also of Australia, New Zealand, the USA and Canada. The aim was to establish close ties with Pacific states primarily in the economic sphere with the hope of bolstering its position in the region. In this context the initiative of S. Nagand, an influential leader of the Japanese business community, in establishing the private committee of economic cooperation in 1968 with the representatives of Japan, USA, Canada, Australia and New Zealand for preparing and exchanging information and giving practi-

cal recommendations for closer cooperation between the Pacific countries deserve mention. Japan has always been in the forefront to propagate the concept. The Pacific Trade and Development Conference (PTDC) was held with the support of Japanese Foreign Minister to consider Kojima's proposal which involved wide ranging policy issues over the ensuing decade and a half. A series of Pacific Trade and Development Conferences have been held since. The First Conference was held in January 1968 in Tokyo organized by Japan Economic Research Centre. Alongside the research community, the business community promoted the idea of Pacific economic cooperation. In 1968, industrialists, bankers and businessmen from the five advanced countries formed the Pacific Basin Economic Council (PBEC) for study and discussion of issues of regional trade and investment for closer collaboration between private and public sectors. It held its first meeting in Sydney in 1968.

On the Pacific Community concept the United States initiative is worth mentioning from the historical context of its development and importance. After meeting Ohira in Japan in early 1979, the US Senator John Glenn, became particularly interested in a Pacific Community scheme. The US Government also voiced a positive response to the Japanese proposal. The US Senate Committee on Foreign Relations published a detailed report which recommended the creation of an Organization for Pacific Trade and Development (OPTAD) made by Professor Hugh Patrick of Yale University and Dr. Peter Drysdale of the Australian National University. The congressional report argued that initially to start with the target of members of OPTAD should be the five advanced countries, the five ASEAN, the North-East Asian developing economies (South Korea, Taiwan and Hong Kong) plus the group including Papua New Guinea and the small Southwest Pacific states. The report urged that membership should not be exclusive and South Asia and Latin America might join if these appeared to be mutually advantageous. Considerably more modest, the earlier idea of the Pacific Free Trade Area,

OPTAD was still considered by many to be premature, particularly in its institutional aspects. It is pertinent to mention here that the Pacific cooperation movement which originated in Japan in the 1960s kept the communist countries aside from this arrangement. Mr. Saburo Okita said, "Needless to say, we in promoting the Pacific Cooperation do not have any intention whatever to build a 'military bloc' as propagated by some countries. Certainly we are not indifferent to the problem of the region's security ... Be that as it may, politico-military issues are not the subject of the concept".<sup>7</sup> Besides the security issues of the region were not considered to avoid politico-military bias.

At the end of the 1970s, initiative began to be taken at Japanese governmental level. Addressing the Japanese Diet on November 28, 1978. Prime Minister M. Ohira declared that he would work to 'create a Community in the Pacific Ocean'. To this end he promised to consolidate relations with the United States, Canada, Australia, New Zealand and ASEAN. Ohira saw the aim of the future community in providing stable markets for agricultural produce and industrial primary goods from the Pacific countries, and giving aid to Polynesia, Micronesia and Melanesia. Ohira stated that "regional cooperation of the Pacific countries, along the model of the West European Common Market, would be unsuitable because the Pacific countries were at different levels of development."<sup>8</sup>

The Pacific Basin Concept in 1979-80 of the Japanese Prime Minister M. Ohira came as a great shock to Moscow as she was counting on Japan to be a crucial member of the Breznev Plan of the 'Asian collective security scheme' embracing all of the states of the Asian continent.

7. Saburo Okita, Chairman, Special Committee on Pacific Cooperation. "A View on the Pacific Basin Cooperation Concept". The Japan Institute of International Affairs. Tokyo. May 1981.

8. See, *Asahi Evening News*, November 29, 1978.



In 1979 Mr. Ohira formed a private consultative council attached to the Prime Minister to "study how to enhance regional cooperation and harmonious relations within the Pacific Group". The working body the Pacific Basin Cooperation Study Group was headed by Dr. Saburo Okita, a distinguished economist of international repute, who was later on appointed as Foreign Minister in November 1979. The study group took 14 months to prepare the report titled "The Pacific Basin Cooperation Concept" (PBCC) which was submitted to the Prime Minister Ohira on 11 May 1980.

The report found the prerequisites ripe for the creation of a true regional community in the Pacific region. In order to promote the Pacific Basin Community concept it advocated the promotion of free trade and capital transfers in free and open interdependent relations calling the concerned countries to pursue basically open politics for strengthening international economic systems. However, the report reflected Japan's traditional reluctance to take initiatives in this instance for fear that if Tokyo pushes the concept ahead other nations particularly the South East Asian countries will have the apprehension that it was a mere camouflage for creation of new 'Greater East Asia Co-prosperity sphere' by Japan.

Simultaneously with a detailed elaboration of the 'Pacific Community' concept, the Japanese government sought for wider acceptance of its idea by other countries. Prime Minister Ohira made several trips to the states concerned and succeeded in getting different degrees of consent from the USA, Australia, Canada, New Zealand and PRC. As for the ASEAN countries, since they were then busy in consolidating their inter-state relations their response to the idea was lukewarm. But gradually ASEAN's confidence in the concept has grown.

Interest in the Pacific idea nevertheless persisted. The first official joint statement addressed to the question of Pacific Basin cooperation was made in January 1980, when Prime Minister Ohira made official visits to Australia, New Zealand and Papua New Guinea accompanied by Dr. Okhita, his Foreign Minister. In all the three countries during

official talks and public appearances the Prime Minister explained the idea of Pacific Cooperation. To quote relevant portion of joint statement issued by Prime Minister Malcom Fraser of Australia and Prime Minister Ohira of Japan : "The Prime Ministers discussed possibilities for closer cooperation among countries in the Pacific region. They noted the remarkable development of economies in the past decade and observed that this had already resulted in a substantial expansion of economic and other links. In this connection, they agreed that the Pacific Basin cooperation concept represented a significant longer term object and expressed their intention to explore it further on the basis of a broad regional consensus. They observed that a series of non-governmental seminars arranged by academic or professional institutions within the region would be an important means of developing the concept."<sup>9</sup>

The fact that the Australian Prime Minister took the idea seriously and enthusiastically was evident from the fact that during his visit to the United States, he raised the matter with the US leaders. Although Fraser lost the election in 1983, his successor continued to show the interest for the development of the Pacific Community. The Australians have recently given considerable attention to the Pacific Basin concept. This attitude was especially demonstrated at the Sydney meeting in May 1980 of Pacific Basin Economic Council, the Australian National University Pacific Basin Seminar of government officials and private citizens and the September 1980 Canberra seminar on Pacific Community with the strong backing of Ohira of Japan and Malcom Fraser of Australia. The seminar widely attended by delegations from 13 countries, was important for its "shift that it represented away from institutional concerns and toward a more process oriented approach".<sup>10</sup> The Canberra recommendations also urged each member

9. Quoted in Mitsuro Danowaki, "The Pacific Basin Community-A Japanese Overview", in *Asia Pacific Community*, No. 15, Winter 1982, p. 17.

10. R. Sean Randolph, "Pacific Overtures" *Foreign Policy*, Number 57, Winter 1984-85 p. 129

state to be involved at governmental level in carrying forward its activity.

However, the proposal was not received with equanimity by all. Being apprehensive of the prospect of a supra-national Pacific organization, the members of ASEAN served notice at Canberra that until major questions about the scope and objectives of the community concept were settled, they would not be interested. Sir John Crawford, the President of Australian National University clarified these issues with the ASEAN governments. Subsequently the Centre for Strategic and International Studies (CSIS) Jakarta, embarked on studying these issues from an ASEAN perspective. The CSIS-sponsored study approved the thrust of the Canberra suggestions. A follow-up study under the patronage of ESCAP provided the background for a second Pacific Economic Cooperation Conference in Bangkok in June, 1982. From the Bangkok conference emerged an international standing committee to guide the work of four task forces located in the institutions in Australia, Korea, Japan and Thailand which focused on trade in manufactures, investment and technology transfer, agriculture and renewable resources, minerals and energy. The subsequent conference held in Bali, Indonesia in November 1983 and the Seoul conference are the results of the Bangkok conference mentioned earlier. At Bali conference a fifth task force on capital flows and finance was added.

Though the idea for a Pacific Community has been mooted well across the bordering countries of the Pacific Ocean, yet there has been no concrete plan well accepted by the concerned countries. Many countries agree with the principle and the spirit, they equally differ in the organizational structure, forms and contents to be dealt with in the new arrangement. This partly explains why the Chun Doo Hwan initiative of calling a summit of Pacific leaders did not succeed in 1982. The idea of Pacific Community being somewhat vague at the beginning suffered initial setbacks because of the reluctance of United States to be involved in Pacific cooperation after its

unhappy experience in the Vietnam theatre. Besides, the ASEAN countries which are integral part of the proposal were preoccupied with their internal problems and their interest did not equate with the concept.

However many leading thinkers from the Pacific region are searching for the forms of Pacific solidarity in the long term perspective. In 1982 while addressing the East-West Centre, Hawaii, Mr. Zenko Suzuki said, "We are today standing at historic crossroads, a moment in history when the many civilizations encounter each other and come together in this Pacific region. We are witnessing the birth of a civilization fertile with the virility that nurtures ideas and creativity, precisely because it is so rich in diversity. This is the beginning of the Pacific Age, an age that will open the door of the 21st Century."<sup>11</sup>

With President Reagan's new shift of policy emphasis the Pacific Cooperation Concept has achieved new momentum. President Reagan on several occasions have underscored the importance of the Pacific region and travelled within 18 months twice to Asia, visiting Japan and South Korea in November 1983 and China in April 1984 respectively. International conferences related to the Pacific Basin concept have been convened. A symposium on "security in the Pacific" was held in Honolulu in February 1984. Besides the creation of a post of 'Ambassador at large for the Pacific Basin' with Ambassador Fairhanks in March 1984 and the sponsoring of a seminar in Japan at the same time by the US National Committee for Pacific Economic Cooperation is indicative of the favourite stance of the United States. In early 1985 the US National Committee for Pacific Economic Cooperation was created. Although it is basically a private advisory organ, it was organized by the State Department officials. The inaugural ceremony was held at White House and attended by the President and entire members of his Cabinet. A number of think-tanks and

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11. Zenko Suzuki: "The Coming of the Pacific Age," speech delivered at East-West Centre, Hawaii, June 16, 1982.

foundations for Pacific area cooperation like the Pacific Basin Institute; the Association of Asian Studies; the Asia Foundation; the Pacific Forum and the Asia Society were participating in the newly created committee. At the new year's Summit in San Francisco in 1985, the US President Reagan and Prime Minister Nakasone of Japan discussed the topic of Pacific Cooperation and about its future prospect.

The year 1985 witnessed a new development in Japan. major Japanese Newspaper, carried special features on 1 January 1985 on "Pacific era" emphasizing the idea that the world centre of gravity has shifted from the Atlantic to the Pacific. Besides the establishment of a study committee for Prime Minister Nakasone's concept of "Pacific Cooperation" by the Japanese Ministry of Foreign Affairs manifest that Japan attaches increased importance for the concept of Pacific cooperation. The "Asian caravans" is also engaged at deepening mutual understanding and maintaining dialogue between the United States and Asian nations particularly among the economically dynamic Pacific Basin countries. Besides a process is on in Japan to consolidate non-governmental institutions to study Pacific cooperation. The Pacific Basin Economic Committee (PBEC) and Pacific Economic Cooperation Conference (PECC) were studying their own programmes for Pacific Cooperation independently. Efforts are being made anew to unify this work to eliminate unnecessary duplication of activities. Furthermore it is noteworthy that Japan's policy of human resources development as announced by former Premier Mr. Suzuki while he visited the ASEAN nations in 1981 was formally approved at the ASEAN Post Ministerial Conference in July 1985. Japan has thus began serious discussion of the topic on the Pacific Community".<sup>12</sup>

### **Multi-dimensional Approach of Cooperation**

The main goals of the future community can be summed up as follows : greater mutual understanding, cooperation in exploring the

12. Kolchi Kondo, "The Pacific Era". *Bangladesh Observer*, Tuesday, Dhaka, 11 July 1985.

Ocean and in supply of raw materials ; development of industry ; improvement of economic cooperation; accelerated mutual investments; examination of monetary problems and improvement of monetary markets. Furthermore, the organization besides being a forum for information, would provide scope for consultation and discussion of economic matters, which would be a stimulus to investment and aid flows and trade relations.

The Pacific Basin Community concept underwent changes over time as cooperation amongst the member states was viewed from various angles of interest because of changes in economic, political and security perception, within and outside the Pacific expanse. The idea of a Pacific Basin Community originally envisaged cooperation in economic, educational, cultural and scientific fields to which military and political elements began to be added resulting in the multidimensional approaches of the emerging concept.

### *Economic Approach*

To begin with, the OPTAD envisaged purely economic cooperation amongst the countries of the Pacific region or rather the trade and development approach to the problem of the Pacific cooperation. It is stressed in this approach that cooperation should be promoted in such a way that would further strengthen the existing biateral and multilateral relations rather than the weakening the ties. "Intensive economic cooperation might lead eventually to closer political ties among the nations of the Pacific. The remarkable development of economies in the region already resulted in substantial expansion of economic and other links and the Pacific Basin Cooperation concept represented a longer term objective."<sup>13</sup>

Improved means of communications is effectively striking the Pacific which has resulted in growing trade and investment. All market economies of the Pacific are doing half of their trade within the region.

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13. *The Economist*, 4 January 1975. p. 15.

Decisions made at Tokyo now have its important impact in Bonn, London and Washington. With recorded impressive economic growth the newly industrialized countries (NICs) like Singapore, South Korea, Taiwan, Thailand, Malaysia and Indonesia along with Japan pose formidable economic challenge to the United States and Western Europe. The increased Pacific Cooperation is attributed to the sustained economic growth as the basic impetus for the current movement. It may be mentioned in this context that "during the past two decades

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*Cooperation in the Pacific represents a complicated process of the internationalization of economic life with centrifugal and centripetal forces.*

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Asia has led the rest of the world in economic growth—except for the high income oil exporters between 1973 and 1980—with an average rate of 7.5 percent per year; during the past decade growth rates in Hongkong, Japan, Singapore, South Korea and Taiwan has averaged 8.2 percent annually. During that same period South Korea increased its manufactured exports faster than any other country of the world. ASEAN's international trade grew by 551 percent compared to 225 percent for the world as a whole".<sup>14</sup>

Despite the increasing trend of economic activities, the Pacific countries being spread over an immense territory having no compact group of states bordering one another capable of forming the territorial nucleus of the integrating group, it is rather the case of several subgroups, for example, the USA with Canada and Mexico, Japan with ASEAN countries and Australia with New Zealand. This represents a complicated process of the internationalization of economic life in the region with 'centrifugal' and 'centripetal' forces. The economically advanced countries of the Pacific—the USA, Japan, Canada and Australia may determine the direction of the movement

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14. R. Sean Randolph, "Pacific Overtures" *Foreign Policy*, Winter 1984-85, Number 57, p. 133.

and on the character of their interrelation will depend its future prospect.

### *Educational Scientific and Cultural Approach*

The advocates of this approach consider a community approach of the Pacific region regardless of the pace of progress on the effort to establish an economic cooperation and discussion on socio-economic, educational, scientific and cultural matters. According to their view as personal contacts will multiply through these exchanges among the member states of the Pacific Community, mutual respect, confidence and consensus will grow. Besides as body of regional activities and interests emerge this will lead to the growth of regional consultations and cohesion to give the Pacific Community a stature and weight all over the globe. Because of the historical development and progress in the field of transport and communication the vast expanse of the Pacific is no longer a barrier. Information, goods and people can speedily and massively move at low costs among the Pacific nations. While the ASEAN has dismissed the illusions of only the European model for regional cooperation and if cooperation in various fields of activities as mentioned in this context succeeds among the Pacific regional countries then it can serve as a model for closer cooperation, whereas diversity is precisely what makes the Pacific Basin cooperation concept attractive, challenging and worthwhile.

### *Political and Security Approach*

Another school of thought advocates for addition of the political and security dimensions to Pacific Cooperation proposal. The members of this school think that it might be easier to work for regional community only among nations which share common political and security interests. Despite the White House's renewed commitments to the Pacific defence, there exist a widespread perception that in time of a crisis in the Middle East or Europe, her Pacific forces will adopt "swing strategy" leaving the area to its own



strength. Over the last few years the regional countries have significantly increased their defence allocation in qualitative and quantitative terms. With growing economic development and interdependence, the countries of the area will prefer defence cooperation on bilateral and multilateral basis among themselves without formal security arrangement. The United States and allies of the Pacific do share common interest, values and commitments to an understanding of the need for regional security cooperation. With the given situation the organization for Pacific Community would assume more or less an anti-communist character in which case the ASEAN member countries for their adherence to non-alignment may back away from such attempt. Furthermore, there will be

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*The security consideration might be present in the background of each country's attitude toward the Pacific Community proposal.*

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greater possibilities of the Pacific region becoming the theatre of U.S.-Soviet and Sino-Soviet rivalries. But such an argument will meet even stronger counter-argument that "a Pacific Basin Community should be realized not through intensification of, but through lessening of rivalries".<sup>15</sup> The security consideration might be present in the background of each country's attitude toward the Pacific Community proposal, but there is much resistance in going beyond economic and cultural cooperation and making it a multi-purpose organization. It may be mentioned here that "as a result of the continuous build up of Soviet naval and ground forces in the Asian Pacific region, they now constitute more than one quarter of total Soviet forces. Due to the remarkable recent growth of the Soviet Pacific Fleet, it has now become the largest of four Soviet fleets. This massive build up of Soviet forces in

15. Mitsuro Donowaki. "The Pacific Basin Community-A Japanese Overview", *Asia Pacific Community*, Winter 1982, No. 15, p. 15.

the Asiatic theatre has influenced some Western observers to conclude that the Soviet Union is now capable of conducting a "two-front war" simultaneously in the European theatre and in the Middle East or in the Pacific theatre".<sup>16</sup> J. Soedjati Djiwadono of the Centre for Strategic and International Studies, Indonesia, writes, "In fact a greater political, as well as economic role is likely to be among the objectives to be attained by means of the Soviet military build-up ..... perception of the threat of Soviet aggression and expansionism in the Asia-Pacific region has grown, and hence one hears the call for coordinated defence arrangements between the United States and its friends and allies".<sup>17</sup> But as for the cry of the international management of the security threat of the countries of Asian-Pacific is concerned it ought not be understood in the sense that every nation in the region needs the US military power to defend them against the Soviet threat. Attempt to mix security needs with socio-economic interests is considered to be self-defeating by many member countries. One school of thought suggests to set aside political and security matters and advocates cooperation in the economic, educational, scientific and cultural fields. If it succeeds, the socialist countries of the region if they find it advantageous for their economic interest, may join such efforts which in turn will lead these countries to self-restraint and seek workable relationship in political and security matters. In doing so, it might be possible to bring nations with disparate political and security interests into network of cooperative relationship. However, the current economic trends in the Pacific have been reinforced by new efforts to expand political linkages within the region which is evident from the establishment of ASEAN among the South East Asian countries and the creation of South

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16. See Hiroshi Kimurh, Pacific Soviet "Policies in the Asian Pacific Region: A Japanese Assessment", *Asian Affairs*, Vol. II Number 4, Winter 1985 p. 42

17. J. Soedjati Djiwandono, "The Soviet Presence in the Asian Pacific Region: An Indonesian Perspective", *Asian Affairs*, Vol. II, No. 4, Winter: 1985, p. 21.

Pacific Forum among the island states of the concerned region of south Pacific.

### **Impediments in the Way of Pacific Basin Cooperation**

That the idea of a Pacific Community to promote cooperation among the countries of the region is an attractive one needs no emphasis. Though a level of homeogeneity, as in the case of European Community may hardly be attainable, it still can play a significant role in the socio-economic and political development of the region. However, it will not be easy to materialise the idea, for the road appears to be an arduous and a long one. Notable among the impediments and problems are being discussed here.

First, countries of the region being too diverse in culture, resources, levels of economic development, their security interests and forms of government, have few commonalities and vary in their ties of community building. As such the membership issue is a very difficult one. There are two schools of thought in this respect. The first school, advocated by the Japanese Pacific Community Study Group suggests open membership which means that any country interested in the movement should be included in it; further, if the communist countries of the region such as Laos, Kampuchea, Vietnam, North Korea, China and Soviet Union want to join the regional institutions they should be welcome. But there are doubts that if these countries are allowed, it may retard the growth of a meaningful cooperation and because of the fundamental differences between market-oriented and centrally controlled economies, it may turn out to be a forum for political theories than any substantive cooperation.

The other school led by Drysdale and Patrick advocates that the 15 market-oriented economies should initially participate in a new regional arrangement which are as follows :

- a. The five advanced countries in the Pacific—The United States, Canada, Australia, New Zealand and Japan.

- b. 'The ASEAN countries—Indonesia, Malaysia, Philippines, Thailand and Singapore (with Brunei presently being a member it may also be included now).
- c. Hong Kong, Taiwan, South Korea and Papua New Guinea.

The second school does not propose to include at the beginning the Latin American countries and China in the community's initial membership.

This is one of the most important sources of controversy around the issue. Some believe that the exclusion of China is parallel to the omission of U.K. from the EEC, since it is a significant part of the Pacific economy. In this context the opinion of Mr. Saburo

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Okita is worth mentioning. He said, "The process should involve a step by step approach. Anyway, at the beginning there have to be a nucleus of 'Core' members. There are ideas which would involve the membership of different countries on bodies dealing with different issues, for energy, for example, China has to be included."<sup>18</sup>

The second problem relates to the nature of the regional organization whether it should be a forum for pure exchange of information and consultation or an active institution for implementation of its decision. While the advanced countries think of it to be a consultation forum like the OECD (Organization for Economic Cooperation and Development), the ASEAN countries are critical of the notion of interdependence based on trade data among the Pacific countries. They have an uneasy feeling about the statistical aspect of interdepen-

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18. Interview with Mr. Saburo. See the *Far Eastern Economic Review*, 21 December, 1949, p. 49.

dence. Mahathir Mohammad, Prime Minister of Malaysia has written, "Interdependence is still very much on economic concept that has no reality for a lot of poor nations. True interdependence means not just being mutually dependent on each other but having some degree of equality of strength to support each other."<sup>19</sup>

Thirdly, the problem is one of harmonizing the policies of the economic Superpowers of the region and the policies and aspirations of the newly industrialized or less developed countries. Japan is an economic Superpower but is not rich in resources. The ASEAN countries tend to think that the proposed Pacific Community may turn to be a new means for securing resources. The past experience from the scheme of the 'Greater East Asia Co-prosperity Sphere' of Japan between the two world wars still haunts many countries of South East Asia. Some critics are even suspicious of the motive for creation of a Pacific Community. Besides, some economists and scholars opposing OPTAD do not rule out the possibility that close policy co-ordination in the economic field will ultimately lead to coordinated action in political and security matters. "The US has concern and interest in the Pacific community concept partly because of such possibility. One of the important reasons for the exclusion of the communist countries from OPTAD lies in what Drysdale and Patrick call the entire realm of the strategic concerns of the United States."<sup>20</sup>

Fourthly, it is the prevailing view that without the participation of the ASEAN countries, the Pacific Community idea can hardly become a reality. Though the sources of their reluctance are manifold which limits building a Pacific community, one reason is the

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19. Mahathir bin Mohammad, "Tak Kenal Maka Tak Sinta" Quoted in Hadi Soesastro, "ASEAN and the Political Economy of Pacific Co-operation" *Asian Survey* Vol. XXIII No. 12, 1983.

20. Peter A. Drysdale and Hugh Patrick, "An Asian - Pacific Regional Economic Organization: An Exploratory Concept" paper prepared for the Committee on Foreign Relations, US Senate. 1979,

fear that their joining a new regional arrangement is likely to undermine the solidarity of their own organization which they believe to be not yet solid. Another reason attributed to the reluctance of the South-east Asian countries may be the fact that they desire to maintain neutrality of ASEAN and its autonomous entity.

Finally, the Pacific Community idea is unlikely to make real progress without a political commitment from major regional government. A good deal remains to be done to strengthen the confidence of the states of ASEAN and South Pacific with Australia and Japan with appropriate support from the United States to give substance to the idea. This is because the community development will depend considerably on the eventual arrangement of the forum in which the poor and less advanced countries along with the rich and advanced nations will be provided an equal footing and the opportunity of pragmatic solutions to their development problem.

### Conclusion

The idea of the Pacific Basin Community may take time to materialize but the process is on to give substance and shape to the dream. The frequent meetings and joint attempts for solution of the regional problems has enhanced mutual understanding and fostered a sense of

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community cooperation within the region. Besides, though cooperation may have to be promoted on a long term policy and objective, a great deal has already been achieved in promoting regional cooperation through various organizational activities such as Pacific Economic Cooperation Conference (PECC), Pacific Trade and Development Conference (PAFTAD), Pacific Basin Economic Basin

Council (PBEC) and many other institutions of this kind. A growing number of people in various countries of the region now share the belief that the Pacific Cooperation concept is worth serious thought. When the Asia-Pacific region and its countries are growing in economic and political spectrum of the world, it is felt by many that for the Pacific states an opportunity exist now to build cooperative processes to complement each for dealing with trade and other pressures in support of free trade and free enterprise.

Nevertheless, the scheme for a Pacific Community entails as many problems as hopes and for this, there is requirement of a political commitment from major Pacific powers. Economic dynamism in the Pacific and a growing consciousness of economic strength and identity in the regions are process that are likely to continue. Should this occur, the Pacific Basin should emerge as a geopolitical reality. In the coming years though the visible signs are likely to be modest but its indications are promising. It may or may not be possible to embrace all countries concerned in a formal, inter-governmental organization, but if the concept does materialize, regionalism will receive a tremendous boost as a new model and the Pacific nations will be able to make valuable contribution for peace and prosperity of the world and mankind.