

**THE INSTITUTE OF
INDO-PACIFIC STUDIES**

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The Institute of Indo-Pacific Studies

The Institute of Indo-Pacific Studies was set up primarily to promote, accelerate and facilitate private enterprise-led trade, business and other economic links between the countries bordering the Indian and Pacific Oceans and help in integrating the economies of the countries of the dual rims of this maritime basin. There are convincing grounds already for seeing this Region as a geographic, historic, political and developmental entity. The closer integration of these economies cannot help but contribute powerfully to regional evolution and formation as well as to regional security.

The Indo-Pacific Rim

The countries of this Rim of states have been, for the purposes of The Institute, grouped as follows:

Group A

The Pacific Rim of East Asia including the Russian Far East, Japan, China, Hong Kong, North and South Korea, as well as the states of South east Asia including Thailand, Malaysia, Singapore, Indonesia, the Philipines, Cambodia, Laos and Vietnam.

Group B

The countries of South Asia, South west Asia, eastern and southern Africa including Myanmar, Bangladesh, India, Pakistan, Sri Lanka, Iran, Iraq, the Gulf states, Kenya, Mozambique, Mauritius, Madagascar, South Africa, Tanzania and Zambia.

Group C

The Pacific Rim of North and South America, including those of Canada, the United States, and Mexico, the states of Ecuador, Peru and Chile as well as Australia, New Zealand and the Pacific Islands.

"Co-operation for Growth and Economic Development in the Indo-Pacific Rim"

The Issue

At their Fourth Ministerial Meeting held in Bangkok in 1992 the APEC Ministers set up an Eminent Persons Group (EPG) "to enunciate a vision for trade in the Asia Pacific Region". In enunciating such a vision, the Eminent Persons Group held that the "Asia Pacific has been the only major region of the world that has not developed region-wide (or even Asia-wide) inter-governmental institutions - in either the economic or security dimensions - to foster and facilitate its progress". This vacuum had persisted despite the fact that the Asia Pacific "has achieved faster growth than any other region of the world for the past thirty years".

With APEC's formation and institutionalisation, there is no such vacuum now in the Asia Pacific. But, with its formation, the vacuum in the Indian Ocean Rim is thrown into sharper relief. More than at any time in the past decades, it figures as a no-man's land, a veritable limbo; neither a region by itself nor a part of any region. Indeed, the Indian Ocean Rim did not even figure in the consciousness of the EPG when they cited the Asia Pacific as the only major region of the world in which region-wide inter-governmental institutions have not developed.

The question arises, in the circumstances, whether the Indian Ocean Rim should remain the vacuum it is, whether it should become a Region by itself with region-wide inter-governmental institutions to foster and facilitate its progress and/or whether the time is not right to enunciate another vision - 'a vision for trade', for economic growth, development and security that embraces the Indo-Pacific Rim. An International Forum organised by The Institute of Indo-Pacific Studies will be held in Singapore on November 11 to address the issue.

The Forum Theme

The Theme of the Forum - "Co-operation for Economic Growth and Development in the Indo-Pacific Rim". - has been chosen carefully so as to dispel any impression that the Forum is intended to propagate the idea of an Indo-Pacific wide regional setting for inter-governmental co-operation as a feasible immediate objective. The political will for it has to still to materialise. The volumes and values of Indo-Pacific trade, economic exchanges and business linkages are not compelling enough for the flag to feel constrained to follow trade. There are persisting dissonances in values. The tendency to see reality piece-meal and in fragmented terms does not die easily in a region where states are still emerging from the grip of their particular social and cultural matrix and from their particular location in geographic and historical space.

On the other hand, no theme today can be relevant unless it is open to the future and is future-driven. There is mounting evidence, at the same time, of the constant erosion of received assumptions about conditions in the Indian Ocean Rim, in the Pacific Rim and more generally in the Indo-Pacific Rim - namely that the first is a non dynamic part of the world, the second the world's fastest growing region and, therefore, the pre-eminent setting for regional co-operation and the third visionary.

ed, such is the pace of change that what might seem as established truths may not be sustainable over the brief spans within which historically significant change takes place today. For both reasons, the Forum will not be backward looking or myopic as to the spatial and political scope of regional evolution in this maritime basin formed by the connected waters of the Indian and Pacific Oceans. It will also examine existing evidences for their value as directions to the future.

With these considerations in view, the Forum will focus its attention on the existing levels of business and trade-led linkages between the dual rims of the Indo-Pacific, on the extent to which they are contributing to linked growth and development between them, on the importance and value of the on going process as a basis to build on, and the limitations that still hinder or delay the process.

On the basis of this assessment, it will consider what measures should be taken to accelerate such business and trade-led linkages, socially broaden and societally deepen their impact as well as ensure that the needs and interests of all countries, whatever their stages and levels of development, and of regions within countries, receive due attention in the course of the linked development of the dual rims.

As these are matters that cannot be usefully addressed in a political, social, cultural and strategic vacuum, these other variables will receive due consideration.

There are, for instance, questions relating to the stability of political life of countries which often agitate the concerns of investors. What the litmus test of instability must be is an issue that needs to be addressed so that no country in the process of transformation is shied away from on the mistaken ground that the pangs of transformation are indications of instability. By the same token, the relative surface calm of a country is not mistakenly seen as an indication of the deep-rooted stability of its political life and institutions.

General insecurity is another besetting problem. Indeed, the region bristles with an outcrop of issues that carry security implications. Trade conflicts are legion. There has been talk of a clash of civilisations.

The Forum Issues

To facilitate a more focussed discussion of the Theme of the Forum, a number of topics have been identified. The following are a list:

1. Whether it would be a tenable position to regard the Indian Ocean and Pacific Ocean Rims as distinct and separately developing regions or whether the more justified view would identify them as together making one of the emerging International Regions of the world. The issue would need to be scrutinised taking relevant factors and variables into account.

The existing levels of business co-operation between the dual rims of the Indo-Pacific. This should take account of on going realities with respect to trade, to factor flows, to sector-specific co-operation, to strategic alliances etc.,. It should assess the magnitudes of such co-operation and the extent to which, growth dynamics and development processes in the two Rims are becoming linked, inter-dependent and mutually reinforcing processes.

3. The general policy and operational environment, the extent to which they are facilitating or impeding such across-Rim business co-operation and collaboration.
4. The strengths and limitations seen in the respective private sectors' own ability to respond to business opportunities in the dual Rims and the reasons or basis for them.
5. In the light of the information disclosed, the steps that should be taken in the Medium Term to promote and accelerate private sector-led business co-operation involving the dual Rims, to remedy shortcomings that preclude, delay or otherwise hamper business responses to economic opportunity, and create a more conducive environment, both policy and operational, for their facilitation and active support.
6. As a socially responsive, developmentally oriented and regionally open and sensitised private sector is an imperative for a region that comprehends great diversities in stages and levels of development, counts the pre-ponderant number of the world's poor and poorest, discloses grave disparities in income levels, and carries in-built virtually systemic obstacles to real and effective equality of opportunity, the measures that might be taken (a) to develop the values, ethics and wide angle perceptions of a private sector which is so imbued and have it accepted, (b) to make growth a socially broad process by fostering, among others, small and medium enterprise development, (c) ensure active private sector involvement in human development strategies and (c) preclude rent seeking and efforts to subvert public institutions by corrupt practices.
7. The institutional arrangements necessary to assist the process to start with at the private sector level, and later at the inter-governmental level.

Among Institutions that might have consideration at this stage of regional evolution are: A Confederation of Indo-Pacific Chambers of Commerce and Industry, an Indo-Pacific Economic Forum, an Indo-Pacific Development Bank, a Centre for Indo-Pacific Strategic Studies, a Centre for the Study of Indo-Pacific Civilisations.

A **region-wide industry association**, like the proposed Confederation, would be an important means for networking the private sectors of the Rim, for building face to face relationships, for enhancing the depth of the private sectors' knowledge of business opportunities, market niches and so on in the various countries of the Rim and for a truer assessment of political and other risks than those conveyed by the world media or by professional risk analysts.

The Indo-Pacific Economic Forum's objective would be to facilitate study of the development issues facing the Rim states, to promote regional thinking and regional consensus on issues of growth and development, on human and social development, and on strategies of development in the light of the different stages and levels of development of the various states of the region.

An Indo-Pacific Development Bank will help support the development effort of Indo-Pacific nations, foster and support the linked development of the dual Rims, and advance the interests of less developing countries of the region specially in such areas as rural infrastructure (among them small tanks and reservoirs, country and village roads, rural electrification), micro-, small and medium industries, small and medium farms, indigenous R&D, export villages and other areas which traditional commercial lending normally shy away from.

There is no reason why such a Bank should be an inter-governmental institution. A development oriented private sector could indeed undertake roles that governments have normally assumed. They are roles that could be made wholly compatible with ideas such as bankability and profitability. Inter-governmental financial institutions, on the other hand, besides being of nature less cost-efficient, are functionally better adapted and culturally better attuned to lending to Governments.

The Indo-Pacific Centre for Strategic and International Studies will, independently and in collaboration with various regional and national centres in the field, scrutinise developments which bear on the security of the region keeping in view the region's need, given the unprecedented explosive potential it carries for conflict, to progress towards the goal of a security community such as is seen in Western Europe.

In a region where the potential for the chauvinising of culture and for a possible resulting clash of civilizations is high, the **Centre for the Study of Indo-Pacific Civilizations** will help promote within the region depth of historical knowledge of the civilizations of the countries of the Rim, foster cultural sensitivity, understanding and exchange between societies and actively promote the inter-active development of these civilizations

The Forum would consider setting up expert groups to study and report on the various issues considered by it, including the institutional arrangements proposed, for follow up action by The Institute on any recommendations that the groups may make.

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The world has seen phenomenal changes in the second half of the 20th Century. They were years in which the curtain drew down on an era of international history marked first by the euro-centrism of the world order and later by its bi-polarity. Power in the world system became distributed. The states system became universalised. People became a factor in the life of nations. Most important for our purposes, it was a period marked also by the rise of regions that Europe's expansion had submerged

One resurgent region - the Asian littoral on the Indo-Pacific, has since been a catalyst of formative regional dynamics in recent years. They are dynamics that now increasingly take in its sweep broadening areas of the maritime basin formed by the Indian and Pacific Oceans. Today, the Indo-Pacific Rim has become, over differences in stages of advance, the most dynamic component of the global economy.

Japan, S.Korea, Hong kong, Taiwan and Singapore were the first countries to accomplish their economic transformation and become the new industrialising economies of Asia. Moving from east to west and from island and peninsula to continent, the dynamics of such transformation has since made Malaysia and Thailand threshold states. It has placed China, Indonesia, and India on the road to a similar but more phenomenal transformation. Further down in the line up are Sri Lanka, Pakistan and South Africa. Indeed, there are few states in the Indo-Pacific Rim which have not yet been swept in. Communist states like China and Vietnam and states like India and Sri Lanka which pursued mixed systems influenced by socialist and populist ideologies have not been exempt.

Today also, economic concerns have assumed primacy over political considerations. This owes to growing consensus among these same countries of the Indo-Pacific Rim that their development will be speeded, poverty in their societies reduced sooner and the quality of life of their population sharply raised if they adopt market friendly and outward looking strategies of development. Indeed, they now know better that distributive strategies work best in a growing economy.

The developed countries of the Indo-Pacific Rim, moreover, are showing increasing interest in the markets and economies of the developing countries of the Region. They know better that it is these same developing countries that can supply their needs for natural resources, including land, for labour and even human capital. To remain export competitive, to maintain their high rates of growth and their high standards of life, they must import or otherwise access these factors of production.

Besides, as the size of the middle classes in the more emerging of the developing countries rise, as they have been phenomenally in recent years, the markets generated

have given a new boost to output, to diversity of economic structure and to the export earnings of the more developed states of the Rim.

The Institute is conscious of the fact that many of the countries of the Indian Ocean segment of the Indo-Pacific lag behind the stage and level of development of several Pacific Rim states. It sees this, however, in a positive light because the more the developed countries invest in the development of their poorer neighbours the more their own interest will be advanced by the growth of the economies they are plugging into. Further, although it sees the state's role as critical, it recognises that often the flag tends to follow trade and that, in such circumstances, the role of private enterprise in regional formation becomes decisive.

In other words, development within the Rims of the Indo-Pacific will have to go with development between the Rims if the creative potential of the vast populations that inhabit the littoral and immediate hinterlands of the maritime basin enclosed by the Indo-Pacific is to be productively engaged.

Objectives

The Institute of Indo-Pacific Studies was set up with some specific objectives in view. These are:

- + to foster among the states concerned an awareness that the Indo-Pacific is a political region, a strategic integrity and a developmental continuum
- + to take initiatives designed to accelerate private enterprise-led economic growth and development in the region focusing particularly on the need to reinforce trends towards the linked development of the dual rims of the Indo-Pacific
- + to suggest governmental action at several different levels - national, bilateral, multilateral and regional - to facilitate such private enterprise-led growth
- + to work with existing groups in the Indo-Pacific Rim - inter-governmental or other, bilateral, sub-regional or other - to further action to promote common interests and links in development
- + to actively support private enterprise, particularly small and medium enterprise, by assisting them in their efforts to find business partners, form joint ventures, identify market niches, source capital etc

+ to undertake studies and other activities to advance the regionalisation of national economies by means such as identifying growth areas and growth sectors which can then be taken up for collaborative action by the governments and private sectors concerned

+ to keep in view the necessity of engaging the physical, human and investment resources of the Region in its productive development.

+ to keep in view social, environmental, poverty reduction and human development goals and the need to foster sensitivity to them on the part of private enterprise

Mission Statement

The Mission of The Institute of Indo-Pacific Studies is to:

* “Develop, promote and accelerate business linkages between the private sectors of Indo-Pacific nations, independently and with the support of governments, of existing regional organisations and other Institutions of the Indo-Pacific Rim

* Foster a facilitating policy environment for business linkages

* Work towards the formation of an Association of Indo-Pacific Nations in order to bring to fruition the region’s inherent potential as a geographic, historic, strategic, political and developmental entity”.

Activities

The Institute of Indo-Pacific Studies will set itself up in such a way as to be able to organise activities that are in keeping with its objectives.

1. A Conference division will organise seminars, conferences, forums, talks, roundtables, symposiums on a regular basis with participants from the Indo-Pacific Region

2. A Publications department will be responsible for bringing out Directories, Studies, Surveys, Monographs, Books, Periodicals, Statistics etc. on the Indo-Pacific Region, on developments in the Region, on matters of interest to Governments and to the private sectors of the Region respectively for the determination of their economic policies and strategies and for the making of their business and investment decisions.

3. A Research department will conduct studies, surveys etc, independently or in conjunction with other organisations, acting as a Think Tank for the region in matters related to promoting business linkages, to trade, investment and economic co-operation
4. A Training department will conduct, independently and in conjunction with other organisations, relevant courses and programmes of training to promote skills and human capital development in the region
5. A Business Development department will assist the private sectors of the region, specially the small, medium and entrepreneur sector, in the determination of their start up, investment, business expansion, diversification, product development, marketing and management strategies.

In setting up an Institute whose objectives, activities and mission embrace a region as seemingly far flung as the Indo-Pacific, the founders were moved, among others, by a firm conviction that in a collapsed and globalised world small groups of states for regional co-operation cannot viably withstand the competing pressures of other such groups or the pressures that draw from the global environment or domain in which they have to operate. They must either expand their political and geographical limits and scope and increase their inclusivity or progressively lose their ability to support the interests of the associated states. A viable region, in others words, must be an International Region, one whose limits finally reach what might be called its possibility frontier. For many reasons, the Indo-Pacific Rim comprises such an International Region.

In setting itself up, however, The Institute did not see the regional idea behind it as something that was hostile to or that sought displacement of existing regional groupings in the Indo-Pacific. Instead, it saw the latter as building blocks of an overarching regional idea as well as units of decentralisation and devolution to facilitate more effective regional action and co-operation.

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