



## **SARS' Three Lessons for ASEAN and ASEAN+3**

by Eric Teo Chu Cheow

The outbreak of deadly severe acute respiratory syndrome, or SARS, is creating a whole new situation and changing Asia far more profoundly than expected. China, Hong Kong, Singapore, and Vietnam have been the most affected Asian countries, but others are desperately trying to prevent the disease from reaching their shores, infecting their citizens, and damaging their economies.

ASEAN countries fear the spread of this deadly disease; they worry that once infected, the spread could be fatal. They see Singapore (one of their richest and most developed member economies) battling the scourge as the number of dead and infected rise incessantly in the republic. ASEAN economies, which are weaker and have less financial resources, would have even more difficulty fighting SARS than Singapore.

Therein lies the importance of the upcoming ASEAN "SARS Summit" in Bangkok on April 29, which will be attended by the 10 ASEAN heads of state or government and their ministers of immigration and health. This unprecedented summit will be hosted by Thailand, but presided over by Cambodia, as the current "rotating" chairman of the group.

This summit is the first high-level coordinated ASEAN attempt to share information on how each country is tackling or preventing SARS and decide collectively on region-wide measures to contain the disease. It has been reported that a possible ASEAN+3 Summit could follow thereafter, as ASEAN leaders would like to better coordinate efforts with their Northeast Asian counterparts quickly. SARS should therefore move from the regional agenda of ASEAN to that of ASEAN+3.

The current deadly SARS epidemic could provide three useful lessons or reminders to East Asia (ASEAN and ASEAN+3) at a critical juncture.

First, the SARS epidemic has reminded us that ASEAN and East Asian borders are more open than we think. The deadly epidemic has spread fast throughout the region because East Asian boundaries remain porous, and as travels for tourism and business accelerate across the whole region. In fact, the ASEAN or East Asian Community concept, as proposed by Singapore's Prime Minister Goh Chok Tong, is perhaps already in the making, as East Asians take advantage of the liberalization in trade, services, tourism, and people-to-people contacts to knit a region together. Only sovereign borders and the sensitive issue of national sovereignty, as perceived by governments and for national security concerns, could be perceived today to be hindering this ever-freer movement of peoples within ASEAN and eventually, ASEAN+3.

Furthermore, it has been a timely reminder that viruses, like a myriad of other cross-border problems, still fester across the region. These problems include the rapid spread of deadly diseases and AIDS, the trafficking of drugs, arms, women, and children, as well as clandestine labor movement, and environmental and health hazards. Such wide-scale cross-border problems in ASEAN and ASEAN+3 necessitate intensified cooperation between governments to deal with them regionally as "national solutions" no longer make sense in a region that is "opening up" and will "open up" further. In a way, these governments are now "doomed" to get their act together as realpolitik warrants more cooperation and coordination on regional issues and challenges.

Second, the SARS epidemic has also brought to light another crucial dimension of the emerging regionalism, whether be it ASEAN or the future ASEAN+3. As has been confirmed, the SARS outbreak started from Guangdong and spread via Hong Kong, Hanoi, and Singapore to the rest of the region. As East Asians develop a sense of community, they must look urgently into developing the poorer regions so that they will not remain poor, underdeveloped, and thus, a hotbed of chronic diseases, which may have been eradicated in the richer and more developed countries. For example, Thailand may now be discovering some new hardy strains of viruses (which Bangkok thought had been eradicated in Thailand as a result of its rapid economic and social development) in provinces bordering Myanmar, Laos, or Cambodia, which could spread rapidly throughout the country. It is therefore imperative that with growing wealth and better social distribution, hygiene standards should be raised and pockets of dangerous illnesses totally eradicated, freeing richer areas in the region from being at the mercy of poorer and underdeveloped ones.

It is in this context that an important facet of the development of ASEAN or ASEAN+3 as a community should be the expedient distribution or redistribution of wealth and development, to ensure that poorer and less-developed areas are not left behind in economic wealth, social development, and health care. An example might be the European Union's structural fund, which has helped re-distribute wealth and development across the present 15 member nations; ASEAN and the eventual ASEAN+3 may have to think likewise!

Third, SARS is now seriously affecting the economic growth and the recovery of the whole region. The SARS epidemic is paralyzing travel and business activities throughout East Asia. For example, SARS has already taken a profound toll on the Singaporean economy, as official growth projection for the year is down by at least 1 percent, after the government recently released a S\$230 million relief economic package to support the affected economic sectors. Malaysia's dilemma is like that of Singapore, as more than 150,000

people cross the land border each day; cooperation with “infected” Singapore has been and will continue to be key to Malaysia's own efforts in combating SARS as a total shut down of the border would be an economic disaster for both countries. The reputed Malaysian Institute of Economic Research has downgraded the country's economic growth forecast from 5.7 to 3.7 percent, down a hefty 2 percentage points.

Thailand, with few SARS cases so far, initially adopted very stringent measures to screen and control visitors from SARS-affected countries into the country. But, like Malaysia, Thailand has relaxed some of the more “discriminatory” measures after quiet protests from its neighbors as well as severe damage to its own fragile tourism and retail industries. For example, as a reaction to the Thai measures, China stopped its citizens from traveling as tourists to Thailand, Malaysia, and Singapore; that was a severe blow as initial estimates put the number of tourists at at least 800,000 this year. It is also in this perspective that Indonesian President Megawati Sukarnoputri recently appealed for East Asian borders to be kept as open as possible so as not to hamper tourism, people-to-people exchanges, trade, and investments at a time when Indonesia may be finally recovering from the devastating effects of the October 2002 Bali bomb blasts. The deep concern for all ASEAN countries is the dire economic impact of SARS.

But the biggest worry to all East Asian economies (including Japan and South Korea) could be a substantial economic slowdown in China, which has been in the past two years the locomotive of East Asian growth. A drop of one to two percentage points in China's economic growth would have dire consequences for its East Asian neighbors; even Japan would feel the pinch on its own flagging economy, as its exports to China have helped fuel Tokyo's modest economic growth in 2002. ASEAN countries, which have increasingly depended on a fast-expanding Chinese market (including for tourism), would have to lower economic prospects if SARS takes a heavier toll on China and its booming economy; it also poses a profound danger to China's own fragile social stability.

The SARS epidemic offers three useful lessons on the future of East Asia (ASEAN and ASEAN+3). First, the longer-term goal of an East Asian Community may be already crystallizing, thanks to increasing people-to-people contacts and the freer movement of goods, services, tourists, and expatriates, with both positive and negative effects. ASEAN and eventually, ASEAN+3 governments should consider “freeing up” borders as expediently as possible to allow more interaction and interdependence, but cooperate more intensively to resolve cross-border problems. Second, if this community is to take off and all future members are to truly share the mutual benefits, there should be a redistribution of wealth, development, and social and health benefits within. Otherwise the richer regions will be hostage to the social problems that originate in poorer and lesser-developed areas within this community.

Third, Asia's economic growth and recovery this year could be gravely compromised, especially if regional countries succumb to excessive fears of contagion, close their borders, and restrict the movement of people, goods, and capital.

Closer economic coordination and cooperation are necessary so as not to dampen the successful liberalization in trade, services, ideas, and people-to-people exchanges; the upcoming ASEAN Summit on SARS, and an eventual ASEAN+3 Summit next month would be significant in this regard. If there is a silver lining in the SARS dark cloud, it is that this deadly epidemic has warned and reminded East Asians about what remains to be done to achieve the long-term goal of an “East Asian Community.”

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