

Roundtable on the Asian Crisis: February and June 1998 Reports  
Asia Pacific Foundation of Canada

Discussion of the Asian crisis included analysis of its national idiosyncrasies and structural change, the winners and losers of the crisis (Greater China as a winner and overseas Chinese in Southeast Asia as losers), and the positive medium to long-term prospects for Asia. These possible outcomes include an end to labour bottlenecks and an improvement in the quality of Asia's financial infrastructure. Discussion also included possible responses to and consequences of the crisis, such as the removal of fixed exchange rates, the threat of global deflation, the questionable ability of the US and Japan to increase their imports from the Asian economies, and corresponding debt issues. Businesses were approaching the crisis with cautious optimism, as business itself is not being cancelled, especially in the high-tech sector. The greatest impact of the crisis was considered to be in the traditional resource-based industries, with British Columbia companies especially vulnerable in this regard. It was also noted that Canada should give greater consideration to outward investment as a response to the Asian crisis and begin to strengthen its investment in the region in light of potential inflows of profit, royalty and dividend repatriation. The dominant commodity mentality was considered to be a factor in the way that Canada has been affected by the Asian crisis and needed to be replaced by an entrepreneurial mentality, in essence identifying and meeting market needs in traditional primary industries.

The social impacts of the crisis were discussed in the second of the roundtables; these included large-scale labour migration, deteriorating social conditions and growing unrest due to growing unemployment, demoralisation, with variations among South Korea, Indonesia and Thailand as a result of differences among them regarding labour movements and democratic processes.

Policy responses to the crisis were noted to have to deal with choices between socio-economic groups, between consumption and investment, and among different ways of protecting consumption. The crisis was also noted to have created an opportunity to discuss labour and other social issues in the various regional fora. At the same time, it was reported that there was a growing intolerance of NGO activities in the region, especially those who publicised the plight of the poor and that many international aid agencies in the region are ill-equipped to confront the looming humanitarian crisis.

The report did not include any policy recommendations for Canada.