

THE NEW ASIA PACIFIC COMMUNITY

Address by Senator Gareth Evans, Minister for Foreign Affairs of Australia, to the Institute of Democracy and Foreign Relations, Kuala Lumpur, 20 February 1995.

I am delighted to be here in Malaysia, and to have the opportunity of addressing so distinguished an audience on a topic that, in one form or another, goes on commanding such an increasing proportion of all our attention.

I am particularly delighted that this morning's Seminar should be hosted by Foreign Minister Datuk Abdullah Badawi, who has been one of my closest and long standing colleagues and friends in the Foreign Ministers club. He and I have shared a few anxious moments together in recent years, but I can now say with absolute conviction that Australia's relations with Malaysia are as close and as comfortable as they have ever been.

Ours is a relationship forged not just on sentiment and some shared Commonwealth history, but on ever growing ties of mutual interest - across the whole spectrum of themes that I will be mentioning this morning in a larger Asia Pacific context: trade and investment, security, cultural and personal contact. Now is the time for us to be consolidating and rapidly expanding our relationship, and I am confident - from what I know of my own country and what I have found in the course of this visit - not least from my excellent meetings with Prime Minister Mahathir and Deputy Prime Minister Anwar - that there is a very strong determination now on both sides to do just that.

Two very important meetings occurred in the Asia Pacific region last year - each major defining events, and together constituting what can be described as an historical watershed.

The first was the APEC Leaders' Summit in Bogor, Indonesia, in which the leaders of the eighteen major economies of the region - accounting between them already for almost 45 per cent of the world's trade and nearly 55 per cent of its production - committed themselves to achieving free and open trade and

investment: no later than 2010 in the case of the industrialised economies, and no later than 2020 for everyone else.

The other meeting was the inaugural meeting in Bangkok in July of the ASEAN Regional Forum (ARF) - bringing together for the first time the eighteen major security players of the region (including Russia and Vietnam, not presently part of APEC) to begin a multilateral dialogue aimed at creating a new cooperative security environment in the region - the idea being to build trust and confidence through a variety of cooperative strategies, including military cooperation programs, wide-ranging information exchanges, the development of preventive diplomacy processes and inter-governmental cooperation in mounting UN peace keeping operations.

These two meetings should be seen as consolidating, and putting in place, respectively, the key institutional elements - one about economics, the other about security - of a new regional architecture. 1994 was a watershed year, because these events can be seen as marking the transition, from theory to reality, of the idea of an Asia Pacific community.

The journey to this point has been a long one. Developments of this kind would have been unimaginable when the region to our north was taking its present shape in the years following the end of World War II - and indeed through until around the mid-1960s. The tide of circumstances for a long time ran comprehensively against such an outcome. Economically, most new countries of the region fared very badly indeed. The economies they inherited from their former colonial masters were generally ill-equipped to meet the demands independence placed on them. All the economic ills of what was to become known as the Third World were familiar to them - stagnant growth rates; low productivity; low export earnings concentrating on agricultural commodities which were all too vulnerable to international price movements; high population growth; and a lack of any but the most rudimentary infrastructure and services. They were societies dependent, to varying degrees, on foreign aid flows. Their economic policy-making was, quite understandably, taken up with the here-and-now of survival, and there was little time for thinking about strategic linkages with their neighbours.

Politically, too, many of the new states were in serious trouble. Government - and systems of government - were under threat from many quarters. Regional

rebellions challenged the authority of central governments in some cases, echoing the divisions of culture and ethnicity which artificial colonial boundaries had often only papered over. In others, insurgencies and military coups were a major threat to fledgling democracies, and the effort to meet them produced its own distortions in curtailment of freedoms and human rights. Administrations were unable and often short-lived, posing huge difficulties for the task of planning and efficient management.

Security itself was a fragile thing for the people of East Asia in those years. Internal conflicts were accompanied by conflicts between states, ranging from the horrors of the Korean War with its four million casualties, to smaller-scale disputes and tensions over national boundaries. It would be an exaggeration to describe the region of the 1940s to the 1960s as one where every man's hand was against his neighbour's, but it was certainly a part of the world distinguished by lack of confidence in the possibility of a peaceful future, and one whose leaders had little confidence about each others' intentions or military capabilities.

Looking back to the mid-1960s, it is easy to see how substantial have been the changes three brief decades have brought for most of our neighbours. From being an area of economic depression, East Asia has become one of the powerhouses of global economic growth, rivalling the traditional economic centres of North America and Europe. Everyone knows about the extraordinary performance of the Japanese economy, which was the first to take off and remains the strongest in East Asia, but what is perhaps still not so widely appreciated is the extent to which rapid economic growth has become a feature of the region as a whole. The ASEAN economies, for example, grew at almost 7 per cent over the past five years, with their output almost doubling in the last decade - as compared to Western Europe and the United States, which grew only by about a third. The strongest individual performer over recent years has been China, with annual growth rates of 12-13 per cent since 1990.

Malaysia, of course, has been at the very forefront of this spectacular pattern of economic growth in the region, with growth rates in excess of eight per cent for the last seven years. Malaysia's success has attracted among the world's highest rates of foreign direct investment, reflecting the tremendous confidence of the international community in the dynamism of the Malaysian economy.

Together with this, as both a necessary precondition and as a result, has come a vast improvement in the region's stability and security. The threat of war between the region's states has receded into the background. And steadily, country by country over the last thirty years, the threat from internal conflict or disorder has, in most places, similarly diminished, and respect overall for human rights has improved significantly despite the concerns which obviously continue in a number of countries.

While economic and political progress has been neither constant nor uniformly distributed, there remain only a couple of states - North Korea and Myanmar which remain comprehensively out of step with the trends at work elsewhere, with their economic backwardness, their abuses of the rights of their own citizens, and their capacity to destabilise the security of the countries around them. But there are currently grounds for hoping that even these states may at last be starting to understand the lessons that others took to heart years ago.

Old suspicions and rivalries, though, do die hard in Asia, just as they do in the rest of the world. The barren years of Cold War confrontation left their mark on our region, as elsewhere, and the habits of cooperation and consultation so necessary for the formation of any joint undertaking are relatively recent blooms. The sense of common regional identity - transcending sub-regional identities like 'South East Asia' or 'South Pacific' - is a very recent phenomenon. While the concept of the 'Pacific Basin' or 'Pacific Rim' has been around in academic and business circles for some years, the currently preferred terminology of 'Asia Pacific' has really only been in widespread currency since around the time APEC was established in 1989. And the idea of that common regional identity being so close as to constitute an Asia Pacific community is an even more recent one still. But if it started late, the concept has taken hold, and it is spreading with accelerating speed.

In talking about an Asia Pacific community, I don't want to be taken as claiming that the region is, or ever should be, a Community in the capital-C European sense, implying among other things a customs union and single internal market. Rather I am speaking of community in the small-c sense, the flavour of which is best captured by the usual Chinese translation of the term, which involves characters meaning literally 'big family'.

Even expressed in this cautious way, there are still plenty of critics who can be

heard to say that the idea of an Asia Pacific community is at best premature and at worst misguided. It is suggested, variously,

- that the region is simply too heterogeneous in terms of its political cultures, economic cultures and basic value systems ever to be capable of being so described;
- that it involves too many major powers with competing interests for any genuinely multilateral process - especially in the security matters - to assume any real significance; and
- that there is an unbridgeable gap, in particular, between the countries of East Asia and North America - that their separate regional identities will always count for more than any common Asia Pacific identity.

I believe that these responses, while familiar and understandable, understate the forces now at work to bring the Asia Pacific together; understate what has been achieved so far; and understate what is capable of being achieved.

First, there are the achievements, and potential of APEC:

- APEC, within the very short period of five years since the inaugural meeting in Canberra in 1989, has grown from a loose grouping prepared to cautiously discuss an OECD-style economic cooperation agenda (focusing on data compilation, policy dialogue and particular sectoral projects) to one which has now embraced a clear-cut, classic trade liberalisation agenda (involving tariff and quota cuts as well). True it is that much remains to be delivered, as distinct from merely talked about, but the progress has been remarkable.
- APEC's trade liberalisation agenda is yet to be worked through in detail, and - while we all continue to hope that agreement on at least a basic framework for action can be reached in Osaka in November - it may well take two to three years, or even longer, before a detailed plan of action to meet the target dates is thrashed out. Questions like what precisely 'open regionalism' means in this context, and whether progress can be made short of a formal Free Trade Area being negotiated, or indeed a new GATT/WTO round being leveraged into effect - are issues still to be

resolved. But the political horsepower has now been injected, and the overall internal dynamics are highly favourable for further trade liberalisation momentum.

Second, there are the achievements, and potential for further change, on the security side:

- The Asia Pacific region is - perhaps not unconnected with its economic success - as benign as it has ever been, and most countries seem to want to capture that mood and make it as permanent as possible.
- Part of the answer will go on being seen in terms of power balances. Witnessing the minuet of the giants in our region (the US, Japan, China and Russia) and conscious as we all are in the region of potential flashpoints like the South China Sea and the Korean Peninsula and the uncertain future domestic environment in China, no one can sensibly deny the continued applicability of at least some traditional *realpolitik*, considerations: the United States's role as a 'balancing wheel' in the region is more or less universally accepted (through sometimes more in private than public statements) and no one is in the business of tearing up familiar bilateral alliances. In a region where the idea of power-balance retains considerable resonance, there may be much to be said, moreover for working over time to unite the less gigantic countries in the region - including those of South East Asia, Indochina and Australasia - into a more cohesive grouping of their own.
- But at the same time, there seems now almost complete acceptance of the idea that a great deal can be done to supplement and reinforce more traditional approaches by multilateral dialogue, confidence-building and problem solving processes.
- The ARF - the Asia Pacific's own version of such a process - will necessarily take some time to assume a clear institutional status and role. It has not yet had the visible achievements to its credit of even the OSCE in Europe - and sceptics there are of course still legion. But I think all of us attending the first session in Bangkok of the ARF came away with the feeling that something of real weight and value had been set in train.

: The first specific-subject conference under the auspices of the new forum (designed to develop specific suggestions to feed into the ministerial process) took place in Canberra in November in the form of a seminar on trust and confidence-building. Some prominent military and civilian policy makers - including from China - attended the seminar, and participated freely and constructively in its deliberations. And a series of practical measures were identified, ranging from the immediately do-able (such as strategic planning exchanges and joint training for peace keeping operations) to those presently, but not necessarily permanently, in the too-hard basket.

: Further such seminars are contemplated in the first half of this year on peace keeping and preventive diplomacy. As with APEC, a clear agenda for action is beginning to emerge and there is no evidence yet that it will be strangled at birth by the kind of indifference or resistance to change that seems to be, unhappily, becoming endemic elsewhere.

Third, there are the underlying forces now at work to bring the region together:

- There is already a high level of economic integration within the Asia Pacific region, with some 60 per cent of APEC countries' trade being with other APEC members, and rapidly growing trade and cross-investment links between Asian economies who have not previously had much to do directly with each other.
- More generally there is the phenomenon of convergence. The global reality is that countries of very different backgrounds are developing, with the help of modern communications technology, information bases, tastes, outlooks, practices and institutions that are ever more alike - and this phenomenon is at least as alive and well in the Asia Pacific as anywhere else in the globe.

Of course there will always be some who will see as wildly implausible the idea of a real sense of community emerging in a region as culturally heterogeneous as the Asia Pacific. The most recent advocate of Kipling's 19th century

prognosis that 'East is East and West is West and ne'er the twain shall meet' is of course, though he dressed it up in more portentous prose, the American scholar Samuel Huntington, who has advanced the notion that, with the Cold War over, we now have to face, as the major threat to global and regional security, 'the clash of civilisations'. Australia is suggested to be a particular risk in this respect, living as we do on the potentially bloody 'fault line' between Western and Islamic-Confucian civilisations. I have to say that I regard that kind of analysis as no more than cartoon caricature.

A variation of the Huntington thesis has gained some currency, however, is that there is something that might be thought of as a distinctly 'East Asian' civilisation, combining elements of Confucianism, Taoism, Buddhism - and, in some versions, a dash of Islam as well. The basic elements of this 'civilisation' are said to involve the family, the group, education, hard work and discipline - all argued to be less emphasised in the West.

My own view, however, is that the phenomenon of convergence is a more powerful idea, and a more powerful reality, in the Asia Pacific than any individual religious culture, or any localised combinations of them. And this response seems to be slowly gaining ground. One of the main pundits of the "Asianisation of Asia" approach has been Yoichi Funabashi of Japan, who spelt it out in a recent *Foreign Affairs* article under that title. But he acknowledges in his concluding paragraphs that the most likely outcome of recent developments is not in fact the emergence of a distinctive 'Asian' or 'East Asianised' identity, but rather what he describes as a new 'Asia Pacific "cross-fertilised" civilisation'. And in the current issue of *Foreign Affairs*, another well known writer on "Asian values" Kishore Mahubani, argues that we are now witnessing, as an unprecedented historical phenomenon, "a fusion of Western and East Asian cultures in the Asia Pacific region". I think they are both right.

Let me finally say something about the place of Australia in all of this.

The emerging new Asia Pacific community is one of which Australia is unequivocally a part: there has never been much doubt about our comfort with the 'Pacific' part of the equation, but nor can there now be with the 'Asian'. Australians now accept, not grudgingly but enthusiastically, the idea that the East Asian hemisphere is where we live, where we must find our security and where we can best guarantee our prosperity.

We have had, in recent years, remarkable success in refocusing our economic sights on our region, reflected in the fact that over 60 per cent of our trade is now with East Asia - with South East Asia last year replacing the EU as our second largest regional market (North East Asia, of course, for a long time having been in top place). We have also had considerable success in focusing our diplomatic sights on the region - in our contribution to the development of APEC and ARF, to the UN peace plan for Cambodia, and to a new closeness in nearly every one of our bilateral relationships.

And within Australia we have seen in recent years what can only be described as an explosion in "Asia consciousness": the media is now full of serious Asian stories and supplements; the schools are full of children studying Asian languages, at the highest rate - for non-local languages - of any country in the world; the cities and streets are full of Asian students and tourists, with the immigrant community of Asian origin expected to constitute up to 10 per cent of the Australian population within the next generation; the business sector is well and truly coming to grips with the abundant opportunities of Asian markets; arts festivals are now tending to derive at least half their program and events from Asia.

While Australia is and always will be uniquely Australian, we do have something to contribute to the evolution of that new cross-fertilised Asia Pacific civilisation to which I have referred - and that civilisation will in turn be reflected in the further evolution of a new, if still uniquely Australian, identity for us. This is the lesson which we hope is also fully understood within the region; that none of the region's members, jointly or individually, can really afford to go it alone; that none can hope to benefit fully if they are not prepared to contribute, and participate fully in the whole region's economic and cultural richness; and that none can guarantee their security better alone than they can be working cooperatively with everyone else.

I certainly know that Australia's interests will be best served by maintaining and strengthening the trans-Pacific architecture which APEC and ARF have already put in place. I believe, in fact, that the interests of all the nations of the region will best be served not only through the further evolution of these institutions, but by the emergence of confident, articulate sense of membership of a common Asia Pacific community. And I believe that, with the events of 1994 I have described, we are well on the way to achieving that.

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