

## THE FUTURE OF ASIA PACIFIC COOPERATION : FIVE CHALLENGES

Address by the Hon Gareth Evans QC MP, Deputy Leader of the Opposition and former Foreign Minister of Australia, to the Carlos P Romulo Foundation for Peace and Development, Manila, 30 August 1996.

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The idea of the "Asia Pacific" is just seven years old. While the concepts of the "Pacific Basin" and "Pacific Rim" have been around in business and academic circles for some years longer, the term "Asia Pacific" has really only been in currency since the establishment of APEC in 1989. The sense of a common Asia Pacific regional identity, transcending sub-regional identities like "South East Asia" or "Oceania", is a very recent phenomenon, and one that is still not completely embedded in regional consciousness. And the idea of that common regional identity being so close as to make us all part of a common Asia Pacific "community" is a more recent idea still, with a growing band of supporters but at this stage only a tenuous and fragile level of regional acceptance.

That said, the idea of the Asia Pacific, and the ideas of Asia Pacific economic and security cooperation that have come with it, have already amply proved their worth. In a world turned upside down over the last decade by the end of the Cold War, the collapse of the Soviet Union and the bi-polar universe that went with it, and the dramatic rise to economic power and prominence of East Asia, the emergence of the Asia Pacific as a new organising idea has been a very important economic and political stabiliser.

At a time when the Uruguay Round was a long way from finality and there seemed a real danger of the world dividing itself up into three warring trade blocs built on the dollar, yen and deutschmark respectively, APEC built a crucial bridge across the Pacific between East Asia and North America.

And at a time when all the world's major security powers have had to rethink and re-evaluate their relationship with each other in the light of new post-Cold War realities, the emergence of the ASEAN Regional Forum as a cooperative security body embracing both the US and the major East Asian Hemisphere powers - Russia, China and Japan - added an important new dimension to a debate which had previously been conducted almost entirely in *realpolitik* balance of power terms.

To date, the significance of the new institutions of Asia Pacific cooperation has been as much in their existence as their achievements - more in their promise than in their performance. This is most obviously the case so far as the contribution of APEC to regional and global trade liberalisation is concerned: we have the vision, but as yet not

much of the substance.

So far, so good - but Asia Pacific cooperation is really only in its infancy. If there is to be a real future for Asia Pacific cooperation - if it is to make a real contribution to the peace and development ideals which this Foundation has been established to promote - then it seems to me that there are at least five major challenges which will have to be met.

The first challenge is to *maintain the vitality and coherence of the "Asia Pacific" idea, and identity, against pressures both from within and without.*

What exactly is the value added by the "Asia Pacific" idea and identity? We all have multiple identities, depending on the context of the moment. In the case of Australia, for example, we can be cast, as occasion demands, globally as a member of the UN, WTO and Commonwealth, and regionally as an Asia Pacific country, an East Asian Hemisphere country, as a South Pacific or Oceanian country, or as an Indian Ocean Region country. Given the choices available to all of us, why should any of us give primacy, or particular weight, to our Asia Pacific identity.

I think the short answer is that for all of us, leaving aside the weight we attach to the global institutions, the Asia Pacific is the main game, more inherently significant than any of our other regional or sub-regional attachments. That's a large claim to make, especially for the ASEAN countries, but I think it's true. And though it will pain the EU and Russia for me to say so, the biggest game in the world at the moment, not merely in our part of it, is the trilateral relationship between the United States, Japan and China.

In not too many more years - certainly by 2020 - China will become the biggest economy in the world (in traditional GDP, as well as more recently fashionable PPP, terms): all this assumes is that China will continue to grow at 7 per cent while the US needle will be stuck at 2.5 per cent per annum. It will need a substantial effort of will by all players - and a continued strong security commitment by the US to Japan - to ensure that the traditional disposition of economic hegemons to become political and military ones does not lead to a new Cold War or worse.

I firmly believe that the best framework within which to achieve this is not a bilateral, trilateral or North East Asian sub-regional one. Rather it is one of larger Asia Pacific economic interdependence and security cooperation, in which many more players than just the big three have a major stake in ensuring continuing peace and stability.

If that in turn is to happen, however, it will be crucial that the economic and security institutions of that cooperation remain manageable in size and disciplined in focus. There is a real challenge to both APEC (which presently has eighteen member economies) and the ARF (now with twenty member countries, plus the European Union) to resolve the

question of future membership in a way which advances rather than inhibits these objectives. Sensitive and difficult questions have already arisen about the proper role in APEC or the ARF, or both, of (and this list is not exhaustive) the Latin American Pacific littoral countries, the European Union and some of its constituent members, the Russian Federation, and India - and a number of these issues remain unresolved.

How all this will be resolved in the case of APEC remains rather uncertain, but so far as the ARF is concerned there seems to be now a clear consensus emerging from the most recent ARF Ministerial meeting in Jakarta that the "geographical footprint" on which it will concentrate - and which will help define, and confine, its membership - is that embracing North East and South East Asia and Oceania, ie excluding development in the Americas, and South and Central Asia as well.

My own instinct from the outset has been that it is important, so far as reasonably possible, to maintain some sense of geographic coherence about the Asia Pacific concept, confining it, other things being equal, to countries more or less on the Pacific littoral. Those other countries or organisations which have acknowledged major interests in the issues under discussion might have "observer" rather than full member status (with that courtesy being reciprocally extended by other regional organisations, where appropriate, to us). I have also always thought that it would be desirable, if this could be achieved without too many bruised feelings, for those economies or countries which are clearly within the Asia Pacific geographical region, but too small to be able to play a significant economic or security role, to be prepared to accept the status of, at best, "associate" members. For either APEC or the ARF to grow much beyond twenty-five full members - and even that would be too large to be optimal - would, I fear, simply ensure its ineffectiveness.

All that said, a pure model of this kind is probably now unachievable, and to try to significantly re-shape the respective organisations as they have evolved to date would cause far more diplomatic trouble than it would be worth. An in any event, at least in the case of India (if not necessarily the other South and Central Asian countries), there is a good case to be made for the strict geographic criterion being diluted, given the obvious significance for the East Asian Hemisphere of India's security, cultural - and increasingly, economic - relationship with us.

The second challenge is to *further consolidate and develop the institutional dimension of that Asia Pacific identity.*

APEC, as we all know it, is a grouping of "economies", and the ARF a grouping of sovereign countries: their memberships do not necessarily align, and may never do so. It has been an article of faith in APEC - driven by the sensitivity of the China-Taiwan issue - that it exists to deal only with economic issues. The ARF is not similarly constrained - and

indeed the traditional agenda of the ASEAN PMC, out of which it grew, was very much economics focused - but it has naturally evolved as a straightforward political and security body.

There was a strong initial reluctance to accept the institutional character of each of these bodies. Chairing the inaugural meeting of APEC in 1989 I was able to get us to a final press conference only by chanting the mantra "APEC is a process, not an institution", and by accepting a title that I had occasion to describe subsequently as "four adjectives in search of a noun". And we remain technically to this day not a "Council", nor a "Community", nor even a "Forum". The ARF was at least given the courtesy of a noun, but it remains merely a Forum, not a "Council" or an "Organisation".

In practice both APEC and the ARF *have* evolved as formal institutions, albeit still very undeveloped in the case of APEC (notwithstanding its small permanent secretariat in Singapore) and still very much in its infancy in the case of ARF. The servicing of both institutions is very much a matter for rotating commitment by member governments, and I don't believe we need to push this aspect of the matter too self-consciously: nature will take its course as new roles and functions are agreed upon, and we should certainly not be erecting any massive regional bureaucracy in advance of that evolutionary process. I do remain a little wistful about a name change for APEC - making the "C" stand for "Council", or more adventurously "Community" - but I am perfectly prepared to acknowledge that this may not yet be an idea whose time has come.

A more immediate institutional challenge is to address the question whether it makes any sense to think of *uniting* in some way, at some point, these two presently parallel economic and security institutional streams.

My own instinct is that this would be desirable, and achievable, using the mechanism of the Leaders' Meeting, or Summit, which has been part of the APEC landscape since Seattle in 1993. At the moment that meeting has an unequivocally economic character, with any political or security dialogue taking place bilaterally or in smaller groups informally in the margins. Things could not be otherwise, given Taiwan's non-sovereign status, and China's concern that it should remain so.

But it should not be impossible to devise a mechanism whereby the Asia Pacific Leaders' Summit itself meets successively in Economic Session and Political Session, with the seats at the table changed overnight (or over morning tea, as the case may be!) to reflect the marginally different composition of the two groupings. APEC and the ARF would continue to maintain their separate functional identity, but - to change the metaphor from rural streams to architectural pillars - the Leaders' Summit would be the capstone of the arch, providing support (and authority) to both.

There is no doubt that the Leaders' Summit has been hugely successful in giving new momentum, vitality and direction to APEC - the Bogor Declaration, in particular, would have been unthinkable without it. The need is at least as great to give shape and drive to regional political and security cooperation, and Summit chemistry is presently the most obvious missing ingredient.

Of course that chemistry cannot always be relied upon to produce constructive results, and of course it is the case that objective circumstances have to be right, and a mass of other work done by lesser mortals - like Ministers - if good results are to be achieved. But parallel Summits of the kind I have suggested would reflect the reality of the interplay and interdependence of economic and security developments, and give us the opportunity to move the cause of Asia Pacific peace, stability and prosperity a quantum leap forward.

The third challenge is to *accelerate the momentum of Asia Pacific economic cooperation*.

This is not the occasion to embark on any major discussion of where APEC has come from and where it might be going. Nor do I want to overstate the scale of the challenge here: all of us who have had something to do with the evolution of APEC are entitled to be enormously proud of what has been achieved to date, and confident about the future. APEC has firmly established itself as a regional organisation, different in character from, but rivalled in significance only by, the European Union. As we all know, it has moved rapidly from being a discussion forum concerned with economic cooperation in the broadest and loosest sense, to become a complex organisation with an increasingly ambitious and sharply defined trade and investment facilitation and liberalisation agenda.

The road from Seattle to Bogor to Osaka has not been one for the faint-hearted, and the energy and expertise that has been invested by our Philippines hosts in the preparation for Subic in November gives us ground for confidence that a further significant step forward will be taken in relation to the specific action plans now on the table.

One of APEC's most distinctive contributions has been to evolve a new consensual, voluntarist - and rather self consciously "Asian" - approach to multilateral negotiations, sharply distinguishable (at least in theory) from the card-sharping and horse-trading traditionally associated with the GATT rounds. What gives us hope for a successful result from this is the increasing recognition around the region that the economic benefit of being able to easily access each other's markets and compete effectively in global markets greatly outweighs the short-term costs of the adjustments which are needed.

Of course none of us are entirely immune from politics, where clear-headed economic analysis is not always at a premium. I did hear a few months ago, when the action plans first made their appearance, one official (from a country which shall remain nameless) describing their initial content as "ranging from the trivial to the miserable". It seems that

even in the world of "concerted unilateral liberalisation" the tradition of crabbed and cautious opening bids lives on!

The main challenge ahead for APEC lies, I think, in ensuring that APEC's success does not become totally hostage to a narrow reading of the 2010-2020 Bogor vision, ie as involving the achievement of zero tariffs by those respective dates. I happen to firmly believe that those tariff target dates *are* achievable, despite all the political minefields that lie in our respective domestic paths, with the process having its own natural momentum.

But it is important, if confidence and commitment is to be maintained - and in particular the strong support of the private sector is to be maintained - that the zero tariff goal not become the be all and end all. I have always seen broad based economic cooperation, and in particular development cooperation, as the crucial foundation on which APEC's success at other areas would be built, and am delighted at the way in which, again, the Philippines has taken the lead in refining and developing a sophisticated new approach to that cooperation which is not just donor/donee "foreign aid" revisited.

Similarly, it is crucial that we recognise that the liberalisation and facilitation agenda reaches out to many more issues than just tariffs, a great many of them in fact being even more economically significant. The challenge now is not merely to be working away quietly in the back room on these issues, but articulating clear *targets*, some of them of course necessarily quite long term in character, which can shape and focus official effort, and in particular attract strong private sector support at the same time.

I am referring to the articulation of specific targets (and this list is not meant to be exhaustive) on issues like the national treatment of international investment, a code of practice for trade policy dispute settlement, minimum standards for competition policy, common auditing and disclosure standards, full compatibility of customs procedures, mutual recognition of all telecommunication standards, longer term harmonisation of technical standards generally, visa free travel and common processing procedures, and recognition of professional and vocational qualifications.

The fourth challenge is *to accelerate the momentum of Asia Pacific political and security cooperation.*

The evolution of cooperative security arrangements is necessarily a gradual process, and there will always be some for whom the process can never be gradual enough. As one of those in the region pushing hardest for the establishment of something like the ARF in the early 1990s, I am frankly delighted that things have moved as far and fast as they have over the course of three successive Ministerial meetings, and quite an accretion now of Intersessional meetings constituted either on a "track one" (purely intergovernmental) or "track two" (broader based) basis.

I am certainly one of these who believe that, while the matter was not in any way formally negotiated through the ARF, the mere existence of a forthcoming ARF Ministerial Meeting in 1995 was an important element in defusing what had been rapidly becoming a quite disconcerting buildup of activity and rhetoric around the territorially-disputed South China Sea.

All that said, I do now think that the time has come to start seeking from the ARF, and certainly from its Intersessional meetings, some rather more substantive outcomes than we have seen so far - particularly in the areas of the identification and implementation of confidence and security building measures, in the more formal development of preventive diplomacy processes and strategies, and in the area of arms control.

As to arms control, while I do not believe that there is yet evidence in the region of anything that could reasonably be described as an arms race, the modernisation of many defence forces has been proceeding apace, much assisted by the ever growing health of national economies. If the dynamic of changing economic power relationships *is* to have consequences for political power relationships, as is not inevitable but has certainly been the case so often before in world history, then it is important that we be working *now* to anticipate and defuse these consequences - especially through dialogue and transparency strategies - rather than postponing potentially sensitive issues indefinitely.

Another real security challenge for the region is to show leadership on the crucial question of nuclear weapons elimination. The recently concluded Canberra Commission report, coming in the aftermath of the International Court of Justice decision focusing on the legal and moral dimensions of the issue, makes a compellingly hard-headed military and strategic case for elimination - not just reduction - and points to a step by step way forward. A number of the really key players in this debate are members of the ARF, and with the commitment already evident from the South East Asian and Oceanian members of the Forum in the establishment of our own nuclear weapons free zones, the ARF could be an ideal vehicle for generating real momentum toward the achievement of what is now, in the post-Cold War world, at last within our reach.

The final challenge I want to identify for the Asia Pacific is *to evolve strategies for accommodating differences within the Asia Pacific on questions of values.*

Given the extraordinary diversity within our region of cultural and political and economic systems, it is tempting to adopt the line of apparently least resistance and accept that nothing that happens inside any country is any other country's business. And that, of course, is a view one often hears articulated around our region.

But this approach is not without its difficulties. It is not just the practical one of determining which issues are wholly internal and which do have a destabilising potential

for neighbours, or in some other way impact across national borders. More generally it is a matter of recognising that there are a number of issues - most notoriously these days the repression of democratic dissent in Burma/Myanmar - which do influence the way in which governments, influenced in turn by their own publics, perceive and deal with each other.

This is not the occasion to revisit the whole "Asian values" debate, except to note that there have been a number of scholars and statesmen in recent times - among them, interestingly, people like Anwar Ibrahim in Malaysia - who have been at pains to deny that there is anything "un-Asian", in the Confucian, Islamic, Buddhist or any other tradition, about participatory democracy and a significant measure of respect and tolerance for individual freedom.

The challenge, as I see it, is to win recognition for the position that talk of human rights values - including the right to participate genuinely in the choice of one's governor - is talk about genuinely *universal* values, not those embraced only by those reared in the Western liberal democratic tradition.

The basis for this approach is clearly there in the language of the Universal Declaration of Human Rights and the Human Rights Covenants, overwhelmingly formally embraced by the international community. And certainly there are precedents - apartheid in South Africa being the most obvious - where a quintessentially internal human rights issue has been cheerfully accepted as just about everyone's business.

The trouble is that countries are notoriously selective in the way in which they choose to see these issues. That is certainly true of all those Western democracies who constantly speak of human rights in terms extending only to political and civil rights, ignoring the social, economic and cultural rights that must be just as much part of the equation.

The only way one can really advance the resolution of this issue is through dialogue - careful, deliberate, systematic and persistent - in which each side genuinely makes a major effort to understand the perspectives and outlook of the other, and to find common ground. We in Australia made a determined start on such a dialogue process, with China and Vietnam in particular, during the years that I was Foreign Minister.

There are natural processes at work - with the globalisation of commerce and communications technology, and internal economic liberalisation - which, nowhere more obviously than in our own region, seem to carry with them their own inexorable momentum toward political liberalisation, as educated middle classes emerge and demand more responsiveness by governments to their interests and aspirations. It may be, on the other hand, that authoritarian and democratically-responsive characteristics can now co-exist for quite a long time - and this is a view gaining increasing currency in the literature,

with examples drawn from our own region.

The point is not to legislate an instant resolution of the different views that people are going to have for a long time yet on what is possible and desirable. The point is rather to get us all so familiar with, knowledgeable about and comfortable with each other in this Asia Pacific community of ours, that we can continue to draw ever more strength from the many things that unite us, and not be distracted and driven to counter-productive action by the things which have the potential to divide us.

Whenever I think about the future of the Asia Pacific, and our capacity to sustain the extraordinary progress we have made in recent years in finding that common ground and cooperative way forward across vast gulfs of geography, history, demography, language and culture, my mind is drawn back to an extraordinary photograph that was one of the centrepieces of Marina Mahatir's "Eyes on ASEAN" photographic exhibition, which has been travelling throughout the region and came to Australia a couple of years ago.

The picture, taken in Singapore, is of a Chinese opera singer making up her face, looking directly into a hand-held mirror. What she sees would be her own reflection - starkly defined; heavily painted features; white against purple-pink against black. What the viewer sees is the back of the mirror, on which Leonardo's Mona Lisa is reproduced - the features quiet; refined; bathed in golds and browns, and muted greens.

At first glance the contrast is obvious, stark; two emblematic clichés; the clash of civilisations brought to life, captured in one press of a camera button. But then one looks more closely - at the eyebrows, the bridge of the nose, the soft contours of each face - each very feminine face. One looks *through* the looking glass that separates them, and the images look less and less radically different; more and more they replicate each other, converge, unite, become one.

Perhaps I have succumbed a little to sentimentality here, always a risk in the Philippines. Maybe I am a little romantic, naive even, about all this - but that's the future of the Asia Pacific that I dream about.