

Does the Region Have the Architecture It Needs?

:Toward a Prosperous
Asia-Pacific Community

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Characteristics of the Asia-Pacific Region

- Dynamics and Diversity
- Dynamics calls for closer cooperation to boost economic prosperity and share benefits
- Diversity impedes closer cooperation
- How to overcome impediments?

The New Challenges Facing the A-P Region

- The 1997 Asian financial crisis and consequences of its aftermath
- The “war on terror” and its reverberation
- The emergence of the new human security agenda, one that not only includes counter-terrorism, but also a range of other issues

The New Challenges Facing the A-P Region (Cont'd)

- The political and economic rise of China and its implications for regional and global systems
- Rapidly growing FTAs/RTAs and emerging sub-regionalism
- The political backlash of globalizatin

Conditions for the Proper Architecture

1. The capacity to respond to the challenges and changes facing the region
2. Inclusiveness of interests and agenda
3. The capacity for harmonizing the roles of other groups in the region
4. Should involve the pursuit of multilateralism and consistency with the WTO.

Conditions for the Proper Architecture (cont'd)

5. Any single regional cooperation mechanism alone cannot function perfectly in isolation.

Two Dimensions of the A-P Architecture

- Revamp APEC to be more relevant for building A-P community
- Establish constructive relationship with sub-regional cooperation mechanisms to make them building block towards A-P community

APEC Reform

- Secure more resources to grapple with broader agendas: larger secretariat, A-P OECD
- Narrow the gap between APEC process and real world: peer pressure, bindedness, decision-making
- Post-Bogor: where to go?
- Membership

Post-Bogor?

- The view that Bogor Goals are not likely to complete free T&I is now widespread.
- APEC is faced with two tasks
 - 1) To speed-up the process and effort in achieving the Bogor Goals
 - 2) Where to move toward a newer and more productive, workable agenda after Bogor?

FTAAP

- FTAAP came out in 2004 in the form of ABAC's recommendation to APEC Leaders as an alternative means of trade liberalization.
- APEC Leaders, in the Hanoi Declaration, agreed to take further steps toward FTAAP.

Is FTAAP Really an Option for Post-Bogor Goals ?

- If so, APEC member economies should note that an FTAAP should be workable.
- FTAAP negotiation changes the basic principle of APEC: Voluntarism
- Each member economy should have political will in order not to end up with another failure in APEC's ambitious goals, along the lines of EVSL

A dilemma in terms of moving toward an Asia-Pacific community

- A-P region, as a whole, seems to experience “diversity” and difficulty in agreeing on some common grounds.
- A community in terms of “Sub-regionalism” appears to be formed: East Asian Community.

Regional Cooperation Mechanisms

- The Asia Pacific Economic Cooperation (APEC)
- The Association of Southeast Asian Nations (ASEAN)
- The ASEAN Regional Forum (ARF)
- ASEAN Plus Three (APT) , EAS
- NAFTA, FTAA

Concerns Regarding RCMs

1. The possible conflicts in interests between different cooperation mechanisms such as the APEC and APT have alarmed non-Asian countries in the Asia Pacific region including the US.

Concerns Regarding RCMs (cont'd)

2. The emergence of regional cooperation mechanisms in East Asia only such as APT and EAS have caused considerable concern and criticism has often been made in the context of nationalism and protectionist regionalism which emphasizes “Asian Only.”

It is not a dilemma because...

- Regional cooperative mechanisms, such as the APT and EAS will not only serve the interests of Asia, but also those of the non-Asia
- Sub-regional integration facilitates A-P wide integration: ASEAN plus one→plus three,six→FTAAP
- Forming an East Asian Community should not be viewed as a move against the Asia-Pacific Community. Different from EAEC

To move toward a prosperous A-P community

We need to understand..

- 1) Why East-Asian cooperation mechanisms have been formed
- 2) How to harmonize several mechanisms in the region: Dialogue with/among sub-regionals is needed

To move toward a prosperous A-P community (cont'd)

- APT and APEC should not be viewed as conflicting mechanisms, but complementary
- East-Asian cooperation can be viewed as the middle station to arrive at the farther destination of A-P community
- As APEC strongly supports the WTO process, regional mechanisms in East-Asia can also function in this supportive role

To move toward a prosperous A-P community (cont'd)

- East-Asian cooperation and an East Asian community can be viewed as the stops to be reached on the way to arrive at the farther destination, “Asia-Pacific community.”
- A strengthened APEC with strong regional supporters such as APT will eventually form the strong architecture that the Asia-Pacific region needs.

Conclusion

- We already have proper elements and parts which can be put together to build a proper architecture for the region
- The proper elements are the existing and emerging mechanisms in A-P and sub-region
- Strengthened APEC with strong regional supporters such as APT will eventually form the proper architecture the A-P needs

Thank you very much.