

The evolving environment in the Pacific and the world and the need for APEC adaptation

*Neanthro Saavedra-Rivano**

Abstract

The Asia Pacific region is living through interesting times and APEC, as its premier international institution, is subject to many pressures. In addition to those resulting from the intense dynamics of political and economic competition in the region, APEC faces two other types of challenges. First, the proliferation of bilateral and multilateral trading arrangements among countries of the region threatens the rationale for the existence of APEC. Second, the increasing emphasis that the organization has accorded to the trade liberalization component of its original agenda and its inability to go beyond the already slow pace of the WTO has generated doubts about its ultimate usefulness. The basic goals of APEC seem to be undermined by some of its own very special features, such as the non-binding nature of its decision-making and the heterogeneity and diversity of interests of its membership.

It is not an understatement to say that APEC is going through an identity crisis. Such a juncture is not without advantages as it makes it easier for APEC to freshly examine possible futures for it. This paper will discuss the international (and, in particular, Pacific) background for the current predicament of APEC and a variety of possible scenarios for the future of APEC. A basic premise of the paper is that APEC will not be able to survive for long in its current stalemate and that regardless of the choice of future scenario the institution will need substantial reform. The paper will conclude by discussing some of the institutional aspects of possible reforms.

* Professor and Director of APEC Study Center, University of Tsukuba, Tsukuba, Ibaraki, Japan 305-0035