

APEC 20th ANNIVERSARY HIGH-LEVEL SYMPOSIUM**Breaking Down Barriers, Connecting the Region and the World****(Suntec Singapore, 10 November 2009), Joint Seminar by ISEAS and Ministry of Foreign Affairs, Singapore.**

The High Level Symposium was a gathering of past and present leaders of the various member economies. The common theme was the relevance of APEC as an important regional fora for cooperation in the Asia-Pacific. Another theme was the **inclusiveness of APEC**, which allowed for interaction among its member economies and which was one of its defining characteristics. **The main APEC achievement in the past 20 years was the declaration of the Bogor Goals in 1994.** The Bogor Goals aimed to set a free and open trade and investment environment by 2010 for industrialized economies, and by 2020 for developing economies. The realisation of these goals, in accordance with the deadlines set, would however continue to challenge **APEC. APEC should now set its sight on establishing a free trade area of the Trans-Pacific, pushing forward trade liberalisation measures, and building on the regional architecture for multilateral trade and investment cooperation.** The general consensus was that the 21 member APEC economies had served to open up trade and investment opportunities in the past two decades. The APEC region accounts for over **50 percent of world GDP and half of world trade.** APEC had also been an effective platform and served as **a venue for world leaders to discuss issues and to forge economic and political relations.**

Panel Session 1: 20 Years After the End of the Cold War –International Structural Changes

Moderated by **Professor Kishore Mahbubani**, Dean, Lee Kuan Yew School of Public Policy, NUS, this session reviewed what APEC had achieved over 20 years. **Robert B Zoellick**, President, World Bank Group, pointed out that 20 years ago, while the world's focus was on Europe and the fall of the Berlin Wall, the **US had realised that it was being shut out of East Asia's growth and development process.** The establishment of APEC at that time was therefore crucial, from the strategic perspective of the US, in building cooperation with the region. APEC also **encouraged Chinese multilateralism by the inclusion of China, Hong Kong and Chinese Taipei in 1991.** On the issue of a popular backlash against globalisation, Mr Zoellick cautioned against underestimating the possibility of an unexpected event driven in part by people's desire for freedom. While ASEAN and APEC had been able to manage conflict within the region very well, there was also **a need to keep evolving; keep markets open;** convince people to act in mutual self-interest; and help people adapt to change in areas like healthcare and the pension system. In terms of the three concrete steps the world could take to improve global governance, he listed the following: i) the need for middle ground for responsibilities of developed nations and emerging States; ii) avoiding the temptation to over-institutionalise, iii) **use G20 to connect foreign, finance and environment ministers.**

Lord Charles Powell, Bayswater KCMG, started on a sobering note. He cautioned against giving too much credit to the fall of the Berlin Wall and the end of the Cold War. He noted that the sentiment in Europe at that time was in fact against moving too rapidly to unify Germany, as it was seen as potentially destabilising for the situation across Europe. Arms security, he noted, could not be attributed to the end of the Cold War as it had started long before that. Neither did war end with the end of the Cold War – more than 150,000 people were killed in Europe with continued conflict in places like the Balkans after the Cold War. Communism, he argued, continued today as seen in Russia and China. **The end of the Cold War was therefore more representative of the movement towards market liberalisation rather than liberal ideals.** The three concrete steps he proposed for the world to take to improve global governance, were: i) **the need to retain the balance of power, which the US should continue to lead;** ii) the importance of strengthening regional technical institutions rather than global governance; iii) the necessity to avoid new global bureaucracies.

Mr Richard Woolcott AC, Former Secretary, Department of Foreign Affairs and Trade, Australia, noted four key areas that went wrong in the last 20 years, namely: i) the Asian financial crisis of 1997 and later the global financial crisis of 2008; ii) the acquisition of nuclear weapons by countries like North Korea and Pakistan; iii) the situation in the Middle East was still unstable with the rise of Iran and the ongoing Israel-Palestinian conflict; iv) the possibilities for regional tension had increased, such as in West Asia. But 20 years on, what went right included i) the end of Soviet Communism in the way economies are run ii) greater trade and economic liberalisation iii) the development of the international system after WWII iv) the emergence of China, India, Brazil and a different Russia v) the way the EU and ASEAN has developed. He then discussed the key issues that would be crucial in the continuation of history: i) global warming and climate change; ii) terrorism; iii) the shift in strategic weight from the Atlantic to Asia Pacific, with the growth of China and India – likely to be accompanied by increased competition for scarce resources and territorial claims. **To improve global governance, he noted: i) a need for the continued emphasis on G20 in order to strengthen it; ii) the importance of shifts in power and influence; iii) focus on strengthening regional arrangements.**

Professor Wang Gungwu, Chairman, East Asian Institute and ISEAS, discussed events from the Asian perspective, in particular, the rise of China. He noted that while the West may take a 20 year perspective, the **Chinese would take a 2,000 year perspective.** The Chinese have a **cyclical view of history**, and could not conceive of an “end of history” as Samuel Huntington had argued in his book. While Gorbachev was revered in the West and the fall of the Soviet Union was celebrated, **the idea of a Gorbachev in China was a nightmare and the Soviet collapse was a terrible point in history for the Chinese.** However, over the last 200 years, the world had progressed in science and technology. **In China, the idea of popular participation and having a voice in society had taken root**, and society had become more open. But the resilience of the East Asian cultural roots meant that **it would take a long time for such ideas to be fully integrated.** On the question on China’s new role in the region, China was not ready to assume a role of responsibility as it did not yet consider itself as powerful and wealthy enough to do so. **As long as China believed itself to be**

relatively less powerful and weak compared to the US, it would not take on the same kind of responsibility as the US.

Panel Session II: APEC: The First 20 Years

Moderated by **Ambassador K Kesavapany**, Director, ISEAS, this session focussed on **the rationale behind the establishment of APEC as well as the achievements and challenges faced by its member economies** over the past twenty years. According to **former Australian PM Robert Hawke**, there were four important elements contributing to the creation of APEC, namely: i) the disintegration of the Soviet Union; ii) shifting from an Atlantic focus to Asia Pacific taking in consideration the rise of the emerging 'tiger economies', iii) the rise of China and its transition to a market economy, and iv) the technological revolution that continued to transcend borders and enabled regions to be more integrated. These elements contributed to a changing global institutional environment and brought momentum into the decision-making processes, aiming to liberalise trade and enhance investments in the region. Both Mr Hawke and Mr Jesus Estanislao reiterated that **the creation and purpose of APEC was not configured to be an instrument or body to address the financial crises**. It was meant to provide a regular meeting point for leaders to discuss trade and investment issues and, by this account, APEC had been successful.

Dr Taro Nakayama, Chairman of the LDP Council on the Constitution, Japan, enumerated the various issues that would continue to make an impact on the region and that APEC might need to address. **The exponential growth of global population and an ageing society, especially in Japan, Korea, and China, would need to be addressed in the future**. Social security issues might consequently become an issue as well. Another issue would be how **energy** could be provided vis-à-vis the acceleration of industrialisation. Attention had to be paid to managing the **environment, food security, and the use of nuclear fuels** without the implications of pollution. An international centre should be set up to address these important issues, and Asia would have to look into this area as well in the future. Finally, the region's education system was different, as compared to Western countries. This had implications on the use of more than one dominant language, and this was due to different religious and cultural backgrounds. **Education should provide the key to bridging differences**.

Mrs Carla Hills, Chair and Chief Executive Officer, Hills & Company International Consultants, reiterated the accomplishments of APEC. In particular, it had enabled participants to understand the issues of their counterparts, and brought all participants into the policy decision-making process. Ministers had been persuaded of the need for a common institutional base for economic action and cooperation. This took place during a period of global gloom in trade and investment climate. As a result, open trade and investment had become the cornerstone of the APEC agenda. The Bogor Goals was a landmark plan, and subsequent meetings had reaffirmed the various member economies' commitment to the Goals and its associated action plans. The APEC agenda had also been broadened to include issues like countering terrorism, promoting health and human security, and discussing steps to buffer the impacts of the current economic crisis. **The one constant that had been continuing over the past 20 years was that ministers had reaffirmed their commitment to open**

trade and investment in the Asia Pacific region and around the world. A strong APEC leadership was needed now more than ever, especially in the context of the current global crisis and rising protectionism. **APEC could make a historic contribution in two areas:** i) leading the way by stopping the trend of protectionism by mustering political will to keep markets open in the region and around the world, and ii) working for a successful conclusion to the Doha Round. **Mr Jesus P Estanislao**, Chairman and President, Institute of Solidarity in Asia, Philippines, provided the Philippines and ASEAN perspective on the APEC experience. **ASEAN had stood well relative to the creation of APEC, and ASEAN as an organization had not weakened in spite of APEC.** He stressed that APEC had broadened its agenda beyond economics to other cooperation areas. These were APEC accomplishments to be proud of.

Dr Charles Morrison, President, East-West Centre, International Co-Chair, Pacific Economic Cooperation Council (PECC), stated that an evaluation of the APEC process could be viewed in two ways – what it had done and whether it had provided value to the region. APEC was the first post-Cold War institution, and it carried many repercussions of the Cold War issues and economic-political environment that had influenced US-Asia Pacific cooperation agendas. Some problems facing APEC were: firstly, **APEC was not a rule-making body but it was mainly a conduit for the creation of knowledge and networks.** Secondly, APEC was not a caucus of like-minded economies. Thirdly, **APEC had widened its membership without careful consideration.** Action had been difficult as APEC was influenced by interest groups. However, APEC had become a driving force by presenting the pertinent issues of the region to the world. Finally, **there was a need to identify threats and opportunities to the APEC process presented by the new G20 configuration and associated meetings.**

Panel Session III: Advancing the APEC Agenda: Defining its Future Role
Moderated by **Ambassador-at-Large Professor Tommy KOH**, Chairman, Institute of Policy Studies, Lee Kuan Yew School of Public Policy, NUS. This session engaged in discussions on a futuristic outlook on APEC. Mr. **Stephen Smith MP**, Minister of Foreign Affairs, Australia, noted that the challenges of APEC rested with the new architecture of APEC as a region, building upon existing regional groupings, particularly ASEAN +6 where Australia had become a dialogue partner since 1994. **The challenging question was: Should the membership of APEC continue to grow? Increasingly important in the global economic community was the inter-regional institution of G-20.** APEC must play a similar role to G-20 in putting forward the necessary regional agenda, for example, climate change.

HE Mariano Fernández Amunátegui, Minister of Foreign Affairs, Chile, stated that Chile had contributed to the Bogor Goal as seen from its trimmed tariffs over the years. APEC member economies must avoid the protectionist setback, emerging from the global financial crisis. **Chile had also attempted to push forward the proposed Free Trade Area of Asia and Pacific (FTAAP).**

HE George Yeo, Minister of Foreign Affairs, Singapore, stressed that in APEC, there had been a **profound breakthrough in that it bridged the Asia-Pacific**

divide by bringing back China into the global market. APEC was also important in that it had become **the principal forum for East Asian leaders to engage the US leadership every year.** However, the agenda under APEC must be continuously deepened and widened; otherwise its progress would be set back. Resisting protectionism was a particular challenge because of the global economic crisis. **With the stalling of the Doha Development Agenda, APEC should play a crucial role by taking the lead** and pushing the agenda forward. The **most important relationship in APEC was that between the US and China.** China's accession to WTO, for instance, had been accomplished, thanks to the APEC platform that made mutual agreements between China and US feasible. The Trans-Pacific Partnership (TPP) had been excruciatingly difficult to negotiate, but could be done through bilateral agreements as a first step. APEC which comprised 21 member economies could indeed set the pace and the direction of global trade liberalization. **Enlargement of the TPP would have positive impacts on trade liberalisation in the region.**

Ambassador Shigeru Nakamura, APEC 2010 SOM Chair-Designate, Japan noted that the **next APEC year would be hosted in Yokohama.** APEC should review its current developments as well as future directions. The **APEC Japan 2010 Roadmap had been drafted and would be submitted to the APEC meetings** in Japan in 2010. The focus would be on **achieving a new APEC vision** in view of the changing economic, political and social climate. **APEC would be forced to embrace a new discussion agenda to further regional free trade.** APEC was not the only existing regional platform. It therefore had to **consider collaboration** with other global institutions to widen the scope of trade liberalization, and develop trade liberalization mechanisms. It also had to think about the **new economic growth strategies.** The emphasis must be put on the **quality of economic growth** such as social resilience and the social safety net.

Mr. Kurt Tong, Senior US Official for APEC, said that **APEC was a platform to indicate the commitment of the US to the Asia-Pacific relations.** APEC essentially offered practical cooperation to take place among member economies. The criticism that APEC was nothing but a talk shop should be challenged. Recent developments had witnessed strong efforts by the various member economies to conduct regional economic integration and coordination efforts that work towards the goal of trade openness. **On the APEC - G20 relationship, there were roles that both could play.** The G20 had focussed more on economic issues that were current while APEC always held both a current and a longer term view of economic and trade liberalisation. APEC and G20 could co-exist with one other, with APEC reinforcing and emphasising agreements related to the goal of trade liberalisation among G20 economies. **From the US perspective, APEC brought together the major economic powerhouses to discuss practical cooperation, idea-sharing, and collaborative trade and investment policies.**

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