

Architectural momentum in Asia and the Pacific

by Hadi Soesastro
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The Asia Pacific region is fast becoming a core area, if not the core area, in the international system. A new regional architecture is required to help frame the cooperation with the Asia-Pacific core as well as shape regional strategies towards global issues. As a soon to be released PECC report suggests: 'So long as the multilateral architecture fails to incorporate Asian economies in a manner central to systemic issues, these economies will remain secondary players on global issues and sometimes even regional issues. The world cannot afford this.'



The need to reassess Asia Pacific's regional institutional architecture has been under discussion at the Pacific Economic Cooperation Council (PECC) since 2006. A PECC Task Force will publish a report on the subject within the next month. The relevance of this exercise was underlined by Australia's Prime Minister, Kevin Rudd, in his address to the Asia Society AustralAsia Centre in Sydney on 4 June 2008, when he suggested a new vision for an Asia Pacific Community. Has the moment arrived for a significant transformation in Asia Pacific's institutional architecture?

There are four basic functions that a regional architecture needs to address. These are: (a) to provide a collective forum for regional leaders to address the full range of critical

regional and global issues that affect them all; (b) to strengthen and deal effectively with the consequences of economic integration, particularly its trade and investment dimensions; (c) to address issues of political change and security; and, (d) to provide a basis for educating the public and opinion leaders about the region.

None of the existing institutions in the region fulfills these needs, as Kevin Rudd also recognized. That does not mean that all functions need to be served by the one organisation. Accepting 'variable geometry', would seem a practical way forward. The PECC report argues for having institutions operating at the sub-regional level, particularly in East Asia where there is a legacy of historical suspicion and the need for an intensive form of community building.

There is no need to reinvent such key existing institutions like APEC and the ARF (ASEAN Regional Forum) to deal with regional economic and political security issues, respectively, but they need to be fundamentally reformed.

A renewed drive for reform will come from a clear understanding of the need to have a regional forum that can address the full range of regional and global issues affecting all regional countries. These include issues that might arise in APEC or ARF. This points to the need for a new Heads of Government meeting or Asia Pacific Summit – a forum that cannot be too large, because that would make it ineffective, but needs to be broad enough to make it representative. It would not need its own secretariat. APEC and ARF would develop issues for consideration by this new Asia Pacific Summit.

There will be sensitivities in creating a new Summit involving a limited number of countries, the 'larger' players in Asia and the Pacific. At one extreme is the proposal for a G2 (China and the United States), which is unacceptable even to China. The most practical proposal, and most logical, to date is that the Summit should include the Asia Pacific members of the G20. A caucus of these countries does not entail creating an additional institution as G20 leaders are likely to continue to meet beyond the current financial crisis. This should be an important consideration in making the next steps towards realizing the Asia Pacific vision.

The message coming from the consultations in the region undertaken by Kevin Rudd's envoy, Richard Woolcott, is that 'no-one wants more meetings' and that there is no appetite for additional institutions.' (see Rudd's Shangri-La Dialogue-Singapore speech). That paves the way for institutional innovation built on what we already have as the PECC group suggest.

The broader strategic picture underlying this proposal is the recognition that the global economic governance after the global financial crisis, which is led by the G20 as its steering committee, needs to be supported by effective regional efforts. Regional effort helps strengthen the G20 process itself and at the same time helps ensure that decisions made by the G20 will have the support they need globally, through the 'regional representatives.' It is through the existing regional structures that even the smaller countries can channel their aspirations. (See my earlier piece on this, see link no.1 below).

At the recent, scheduled, but aborted, East Asia Summit (EAS) in Pattaya (Thailand), there was the plan to brief all members about the outcome of the G20 London Summit.

If that briefing had taken place, it would have marked the beginning of a new process of purposeful regional-global interactions that would contribute to the strengthening of the world's economic governance structure. East Asia can lead the way. There is a Korean proposal (see link no. 2 below) to create an East Asian caucus of the G20 that would include the 6 G20 members in the region, namely Australia, China, India, Indonesia, Japan, and Korea. This proposal has received support in Korea and elsewhere in the region and its relevance is widely seen in the group's potential to make a major contribution to the strengthening of the G20 agenda when Korea chairs G20 next year, and beyond.

This East Asian group can help establish the processes involving a larger Asia Pacific group as the core of the new Asia Pacific Summit. This G10 of the Asia Pacific includes Australia, Canada, China, India, Indonesia, Japan, Korea, Mexico, Russia, and the United States.

This G10 represents half of the members of G20 and will be able not only to make a stronger appeal at the global level but more importantly, it can make more effective contribution to the better functioning of global economic governance. This G10 needs to be integrated with the reformed and strengthened APEC and ARF processes. There is opportunity to take this proposal up in APEC, especially since the three consecutive APEC chairs, Singapore, Japan, and the United States, are capable of producing purposeful and coordinated processes under strong leaderships.

‘Architectural momentum’ is now possible in the region. But there will need to be systematic efforts to bring the wider public on board in the process, if the momentum is to be sufficient to entrench the new structure that PECC recommends.

The Rudd initiative and the support by Kurt Campbell (see link no. 3 below) at the confirmation hearing as Assistant Secretary of State for East Asian and Pacific Affairs for a regional discussion on institutional architecture serve to strengthen the momentum.

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Related links mentioned:

1. <http://www.eastasiaforum.org/2009/03/08/east-asia-the-g20-and-global-economic-governance/>
2. <http://www.eastasiaforum.org/2009/04/12/the-case-for-an-east-asian-caucus-on-global-economic-governance-a-korean-perspective/>
3. <http://www.eastasiaforum.org/wp-content/uploads/2009/06/Campbell-Testimony-on-the-Rudd-Proposal.pdf>

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