

# Address to the AIIA, Sydney

by

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## An Asia Pacific community; an Idea whose Time is Coming

I intend tonight to speak about Prime Minister Kevin Rudd's idea of the need for progress towards an Asia Pacific community over the next decade.

I shall address four main issues;

Firstly, why did Mr Rudd put this proposal forward in the first place, on behalf of Australia?

Secondly, what is Mr Rudd's actual proposal, given that although his broad objective is clear, he is still developing his ideas on the detail of the arrangements he would want to pursue? The destination he wants to reach may be clear, but it is the most suitable pathway to that destination which he has yet to decide. This is not a problem because he has always seen this as a step-by-step process.

Thirdly, what was my role as his Special Envoy, and what were the outcomes of my consultations?

Fourth, what are the next steps to advance the idea of an Asia Pacific community?

On 4 June last year Mr Rudd put forward his proposal. It is his response to major global economic and geo-strategic changes. Just as in 1989, former Prime Minister Bob Hawke put forward the idea of an Asia Pacific Economic Consultative forum (APEC) in response to a situation in which he feared the world could be moving towards three major trading blocs – a Dollar bloc, a Yen bloc and a Deutschmark bloc, from which Australia and New Zealand might find themselves excluded.

Twenty years later Mr Rudd came to the view that Australia and other countries of the region needed to respond to a seismic shift in economic influence, from the Atlantic to the Pacific, or from the United States and Europe to Asia, driven mainly by the spectacular economic growth of China and the substantial growth of India, in addition to the established strengths of the Japanese and South Korean economies and the potential for growth of countries like Indonesia and Vietnam. Such an increase in economic influence will be accompanied by the growth of political and security influence, especially on the part of China and India, as well as, potentially, Indonesia.

This major shift in economic, political and security influence will produce new challenges over the next few decades, such as possible competition for scarce resources, not only for oil and gas but also for water and food. There are also a number of important transnational issues such as Nuclear Proliferation, unresolved territorial claims such as around the Spratly Islands, Climate Change, the illegal movement of people's, and action to combat terrorism which require multilateral as well as bi-lateral and tri-lateral approaches.

As Mr Rudd said in Singapore only 11 days ago at the Shangri La Dialogue on the 29 May, the countries of the Asia Pacific region have a choice. That choice is really to seek actively to shape now the future of our wider region by finding and establishing the most appropriate consultative arrangements we are going to need; or whether we wait passively to see what evolves, Mr Rudd believes that it is important to act now to refine regional arrangements in ways which will reinforce and advance a more stable, cooperative and peaceful Asia Pacific region as this 21st Century unfolds. Is it not wiser to anticipate likely issues and prepare for them in advance, rather than simply respond to developments as they occur? As Mr Rudd said in Singapore 11 days ago, "I do not believe we can afford to sit idly by while the region simply evolves – without any sense of strategic purpose."

What he has in mind is not an EU type of institution or the creation of some supranational bureaucracy.

There are three other reasons why it is appropriate for Australia to launch such an initiative. Firstly we are part of the South-East Asian and South-West Pacific region.

Secondly, Mr Rudd is committed to “active middle power diplomacy”. We already have a sound and established record in acting to promote regional cooperation, the main examples being the creation of APEC in 1989, our role in the Cambodian peace process and our efforts which were instrumental in the lead up to the establishment of the ASEAN Regional Forum.

Thirdly, it is better for a middle sized country like Australia or, say, Malaysia to put forward new ideas for the region than for a major power like the United States, China or Japan to do so. If a major power does so smaller countries may suspect there might be some hidden or self serving agenda.

Mr Rudd’s actual objective is to see a meeting at HOG level, of the six major regional countries – United States, China, Japan, India, Russia and Indonesia – and other countries in the Asia Pacific region to discuss in a congenial atmosphere how best to handle the challenges which I have mentioned, that our region is likely to face.

There are already a plethora of institutions in the Asia Pacific region dealing with various issues. The main ones are ASEAN, APEC, ASEAN+3 (the 3 being China, Japan and South Korea), the East Asia Summit (EAS which includes Australia, New Zealand and India), the ASEAN Regional Forum (ARF) and the Shangri-La Dialogue. So why should we be suggesting additional arrangements?

The problem is that none of the existing institutions has the mandate, the membership or the ability to deal comprehensively with all of the economic, political and security issues that Mr Rudd has in mind. For example APEC does not include India and its mandate is essentially economic. The EAS does not include the United States and Russia. While the ARF does include all of the principal countries it is widely seen as being too large with 27 countries, it does not meet at HOG level and when a serious regional issue arose, such as North Korea’s nuclear capability, it was handled by a new arrangement, the Six Party Talks, although all six countries were members of the ARF. So, there is a clear need for more effective arrangements in the future, especially to deal with political and security issues.

Turning now to the third matter, my role as Special Envoy was essentially consultative. Mr Rudd did not want to be proscriptive. Indeed, had he put a firm plan on the table without

extensive prior consultation it would have naturally attracted criticism in the region and in Australia itself. Mr Rudd wanted to refine his thinking with the benefit of the ideas of other regional countries. So, he asked me to consult at a high level with all of the ten ASEAN countries, with the exception of Burma, and all of the APEC and EAS countries, with the exception of Hong Kong and Taiwan, which while members of APEC, are not sovereign states. This meant I needed to visit 21 countries. In fact I made 22 visits, because I visited New Zealand first under the Clark government but returned in January after the Key government had been elected.

This extensive consultative mission brought me into personal contact with one monarch, the Sultan of Brunei, two presidents, five Prime Ministers, and some 33 Ministers of Foreign Affairs and/or Trade, as well as a large number of Deputy or Assistant Foreign Ministers. In addition I met with a large number of senior officials, academics and those involved in regional think tanks. In all, I discussed Mr Rudd's proposal with some 300 people.

During this process I submitted, at the Prime Ministers request, an interim report before he attended the APEC Summit meeting in Lima last November, and a final report in March after I had concluded my last visits, which were to Canada and the United States. Naturally, it was necessary to wait until after the Obama administration had been inaugurated before discussing the APc concept in the United States.

I consider this was a very worthwhile and most interesting experience. It was worthwhile because my mission re-emphasised, at senior levels in the countries I visited, Australia's ongoing determination to play an active and constructive role in the affairs of our region. It was interesting because of the wide range of advice and views which I encountered, both between countries and on several occasions within a country. I also found this welcome because, as Mr Rudd has said, a major aspect of his initiative was "to begin the conversation about where we need to go" to strengthen cooperation in the Asia Pacific region.

What should the next steps be?

Mr Rudd intends to maintain the momentum for his initiative for progress towards an APc.

He had intended to talk personally to Heads of Governments present at the recently aborted EAS in Thailand and was disappointed that this opportunity was denied to him. The next opportunity was at the Shangri-la Dialogue ten days ago on 29 May in Singapore.

In his speech he referred at some length to my report. He acknowledged that I had reported there was little appetite for the establishment of a new institution. Nor did he want to see the pressures on regional leaders and senior ministers to attend meetings unnecessarily increased.

Mr Rudd said the APc is, however, an important issue which “needs proper consideration”. He said he would brief leaders at the EAS Summit, now rescheduled for October 23-25, and also at the next APEC Summit to be held in Singapore on 20 November. He has also written to all 21 Heads of Government in the 21 countries I visited, indicating that he looks forward to discussing ideas for an Asia Pacific community with them, including how we might develop our institutions to meet more effectively the challenges we all expect as the 21st Century unfolds. In addition, Mr Rudd announced in Singapore on 29 May that Australia would convene a “one-and-a-half track conference” of prominent government officials, academics and opinion makers to continue the discussion of the form an Asia Pacific community should take. This conference is planned to take place in December after the APEC Summit, or early in 2010.

Mr Rudd believes the case for modernising global institutions so that they can respond more effectively to this century’s challenges is strong.

The greatest gap in the present global systems is the absence of a driving centre, which reflects the changing balances of global economic, political and security influence. This challenge also applies to regional institutions, including in the Asia Pacific. The G20 is seeking to fill this gap in respect of a coordinated approach to the global economic crisis.

To conclude, I have been closely involved recently in developing the idea of an Asia Pacific community – just as I was closely involved in developing and establishing APEC in 1989. I have been encouraged by the level of interest and by the mostly positive reactions, especially at senior Government levels, which I have encountered. In coming to this judgment I have

made allowance for what is often called ‘traditional Asian politeness’ and for the fact that I know personally many of my interlocutors.

I believe the initiative is continuing to gather momentum. In 1989, I thought APEC was an idea whose time had come. Twenty years on – in 2009 – I believe that another Australian regional initiative, that is the development of an Asia Pacific community, based on fostering habits of co-operation, is an idea whose time is coming.

Thank you.

***Richard Woolcott AC - Former Secretary of the Department of Foreign Affairs and Trade,  
Former Ambassador and Permanent Representative to the United Nations***

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