

More voices, greater credibility for APEC

Asia-Pacific observed Greg Earl

Asian diplomacy sometimes resembles a three-ring circus, with the sensitive ideas having to trot around at least two tracks before they are let loose at the orchestrated leaders' meetings.

These so-called second and third-track gatherings typically comprise meetings of business people and non-government groups — often supplemented by government representatives in a "non-official" capacity.

It is common to find ideas that survive the feisty debate on the outer tracks eventually end up as triumphs when the leaders meet.

Despite being the region's largest single leadership gathering, the Asia Pacific Economic Co-operation (APEC) group has only gone modestly down this path of consultation, despite regular navel-gazing about why the annual summits have little resonance with the general population.

But one of the little-recognised developments during Australia's year running APEC has been the evolution of multi-track diplomacy, which could allow the group to tackle more controversial issues in the future.

At the second-track level, the APEC Business Advisory Council has been much more integrated into the way the wider group considers economic reform issues — underlined by a frank



There are fears that new APEC chair Peru has a narrower agenda.

Photo: REUTERS

meeting between business representatives and finance ministers in Coolom. This has given business an opportunity to push ideas throughout the year rather than rely mostly on the influential but still quite formal meeting with leaders during the summit.

At what might be seen as the third-track level, Monash University's APEC Studies Centre held a conference of economists that focused on shifting APEC beyond its core trade function to issues such as climate change and domestic economic reform.

The outcome of the focus on alternatives to the Kyoto Protocol

will not be clear until the United Nations meeting on climate change in Bali later this year, but APEC has shifted towards a broader economic policy agenda.

However the most interesting move towards more diverse input into APEC's discussions came from Melbourne University's Asialink, which convened a shadow leaders' summit in the days after the real leaders had left Sydney.

With two representatives from each APEC economy — mostly business people or other non-government figures — the conference provided an intriguing insight into what might have happened if the 21

leaders had cast diplomacy and their speakers' notes aside.

While climate change grabbed the headlines at the real summit, there was scepticism at the Asialink gathering — conducted under Chatham House disclosure rules — that the environment would remain on APEC's long-term agenda.

But there was also much optimism about how businesses were getting on with dealing with climate change, particularly through forest protection, which was not covered by the protocol but will be the focus of UN meetings in New York this week.

And while the leaders issued yet another special call for conclusion of the Doha round of multilateral trade talks, the shadow summit revealed a much lower level of concern about this issue.

This reflects both a business view that the global economy is doing well and a more technical view that there is so much unilateral trade liberalisation that a failure of Doha may not be so damaging.

At the same time there is considerable interest across the region in exploring an APEC-based free trade zone despite scepticism from trade reform purists.

The gathering only tentatively confronted the big issue inside APEC of whether the group has become too diverse, with its Latin American membership — but also irrelevant by excluding India.

The discussions revealed only

modest interest in expanding APEC at this point. But the three Latin members — Mexico, Chile and Peru — made a strong case that their link to Asia via APEC was a bulwark against being drawn back towards the statism that has resulted in South American economic development falling far behind Asia's.

However there is nervousness that Peru — the new APEC chair — will pursue a narrower agenda during the next year, leaving question marks over the ambitious program the federal government has spent so much time (and money) promoting this year.

It came as no surprise, given the people that Asialink assembled to ponder APEC's future, that there was a common view the region's largest group lacks organised input from the people it represents.

Opening up to a network of non-government groups is probably the last thing many foreign ministry officials would want, given the difficulty they have getting agreement on anything in the diverse group at the moment.

But institutions like the World Bank have gone down this path to win more public credibility, as have APEC's competitors in Asia, such as the Association of South-East Asian Nations.

If APEC is going to have a reputation for generating more than headlines about security crackdowns and traffic jams, this might be part of the solution.



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