

## The Prospects for an Asia-Pacific Community

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1. The Asia-Pacific countries, like the rest of the world, need both internal stability and external peace and security so that political development and economic growth can take place.

Internal stability is essentially up to each country to attain and maintain. But external peace and security require the cooperation of other countries within a bilateral, regional or global framework.

It is usually in a crisis situation that nations are more willing to take bold joint initiatives that create lasting international institutions and arrangements. Thus the UN and the Bretton Woods institutions were founded from the ashes of the Second World War. ASEAN was born during the last stages of the war in Indochina in the late 1960s. APEC was established during a stalemate in the negotiations toward a World Trade Organization in the late 1980s. The ASEAN Plus Three process, which has the East Asia Summit as a spin-off, was a regional response to the Asian Crisis of 1997-98.

The current multiple global crises (food security, energy security, financial architecture and climate change) and the election of a multilateralist as leader of the most powerful nation in the world provide an opportunity for a reconstruction of the political and economic architecture of the Asia-Pacific region.

2. The United States is still the world's most powerful nation but is no longer in a position to take unilateral initiatives and succeed. Still no global initiative can succeed without the US being on board. That is why for the international community to be able to address the global financial crisis with confidence, the ASEM Summit in Beijing last October, where the US was absent, had to be followed by a G-20 Summit in Washington DC where the US was presiding.

Barack Obama's election as president of the US creates hope that the world's most powerful military and economic power will now become multilateralist and consultative in its approach to global affairs. American presence in East Asia has always been regarded as generally desirable, being a force for stability, but during the past eight years, the US government's tendency toward unilateralism had raised a great deal of concern among the regional countries.

We therefore welcome Obama's commitment in his foreign policy plan to *forging a more effective framework in the Asia-Pacific and working with East Asian countries that can promote stability and prosperity for the future.*

3. However, first things first. We need to first of all deal with three vital and urgent concerns:

- a) The formulation and implementation of a coordinated response to the ongoing global financial crisis by restoring confidence in the financial architecture and a judicious financial expansion that will prevent the atrophy of the real sector and thereby sustain production and trade;
- b) The reform of the world financial architecture of in such a way that the economies of the Asia-Pacific region have a greater say in global decision-making on economic and social issues. This will involve reform of the Bretton Woods institutions or the creation of new institutions or arrangements more responsive to the needs and aspirations of the region.
- c) The shaping of a firmer geopolitical architecture of the region, with the role of the Russian Federation and the United States more clearly defined, at least in the minds of the countries of the region.

4. Views have been expressed that the Asia-Pacific region during this century will be the focus of a shift in the global centre of geo-strategic and geo-economic gravity.

But the current crisis could create political and economic changes in all the major countries of Asia and the Pacific, the scope of which is still difficult to assess. Much will depend on how the regional powers address a number of security challenges in the region, which include:

- a) *The Taiwan straits issue.* It is true that relations between China and Taiwan have been much improved lately. There is no guarantee that this trend will be sustained, but it is a trend that should be supported and encouraged until it leads to a comprehensive political solution that is satisfactory to all stakeholders.
- b) *The tensions on the Korean peninsula.* The United States must now address this issue more vigorously and consistently than it has ever done. And all the regional powers must address the concern that if the hermit kingdom implodes, it does not become a satellite of China.
- c) *International terrorism.* The recent terrorist carnage in Mumbai proves that international terrorism remains a major threat to the security of the region. A common strategy must now be devised by the regional powers to address the shifting strategy and tactics of international terrorists.

5. Interstate and intrastate conflicts. While interstate conflicts seem to be decreasing, there are still a great many intrastate conflicts in the developing world, including the Asia-Pacific. Some intrastate conflicts are vertical (centre vs. region), others are horizontal (interreligious or inter-ethnic strife), but in any case are always characterized by a resistance to intervention because of high nationalistic sentiments

among the protagonists. The costs in terms of human life may be relatively smaller in most of these conflicts, but the costs in terms of lost opportunities for development are always exorbitant.

One way to deal with this problem is to strengthen the capacity of the appropriate regional organization to carry out confidence building measures, preventive diplomacy, and conflict resolution initiatives, which were at one time contemplated in the ASEAN Regional Forum. At the same time, the regional organization must also develop a peacemaking, peacekeeping and peace building capacity as advocated by the Indonesian Government today.

6. Prior to the current crisis, political thinkers in Japan, China and ASEAN were of the view that the regional countries must integrate economically and to some extent politically otherwise East Asia could be easily divided by external powers.

The situation, however, has changed. The US is under new leadership that with firmly believes in the efficacy of soft power in tandem with hard power, with a new vision and a set of policies that are multilateral in approach. So an Asia-Pacific architecture is a lot more attractive now than just an East Asian one.

The common resolve of the G-20 Summit in Washington DC recently to shun protectionism, to embrace free trade and to reform the international financial architecture also augurs well for an Asia-Pacific architecture.

The renunciation of protectionism by the major economies may also bring about a second wind for APEC, particularly its Bogor Goals of free and liberalized trade. The Bogor Goals, established in 1994, would remove all trade and investment barriers in developed participating economies by 2010 and in developing participating economies in 2020. The attainment of the 2010 deadline of the Bogor Goals should help bring about an eventual Asia-Pacific Free Trade Area.

7. With the United States and the Russian Federation, as Pacific powers, firmly engaged with the rest of the Asia-Pacific region; with Japan remaining the world's second largest economy, and with China and India beginning to serve as the main engines of global economic growth; with Brazil on the rise with the rest of the BRIC economies; with ASEAN becoming more fully economically integrated, anchored by a sizeable Indonesian economy that has so far been largely spared by the global financial crisis, it is clear that the time is ripe for the building of an Asia-Pacific architecture.

The countries of the region today have the opportunity to craft an effective response to the multiple crises confronting the region and the world. In doing so, they need not reinvent the wheel: they can simply adapt the socioeconomic agenda of the APEC forum, with the difference that this time the United States will now be a better team player and will be more engaged with the rest of the region particularly on the issue of climate change.

As to the politico-security agenda of the new Asia-Pacific architecture, it can be derived from the work of the ASEAN Regional Forum (ARF). If the ARF is able to develop a capability for carrying out effective confidence-building measures and

preventive diplomacy, the less developed countries of the region will have an easier time attaining internal stability and establishing stable relationships with the rest of the region.

The projected Asia-Pacific architecture, of course, will not be a formal organization but will nevertheless be a powerful paradigm that operates through such processes as ASEAN cooperation, the ASEAN Plus Three process, the East Asia Summit, the APEC forum and the ARF. If that architecture can be built in the months ahead, a new era of stability and progress can be ushered into the region. Its immediate beneficiaries will of course be the regional populations. The world will also be the better for it.