



Beyond Trade Liberalization: Rethinking the APEC Agenda

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The enlargement of APEC

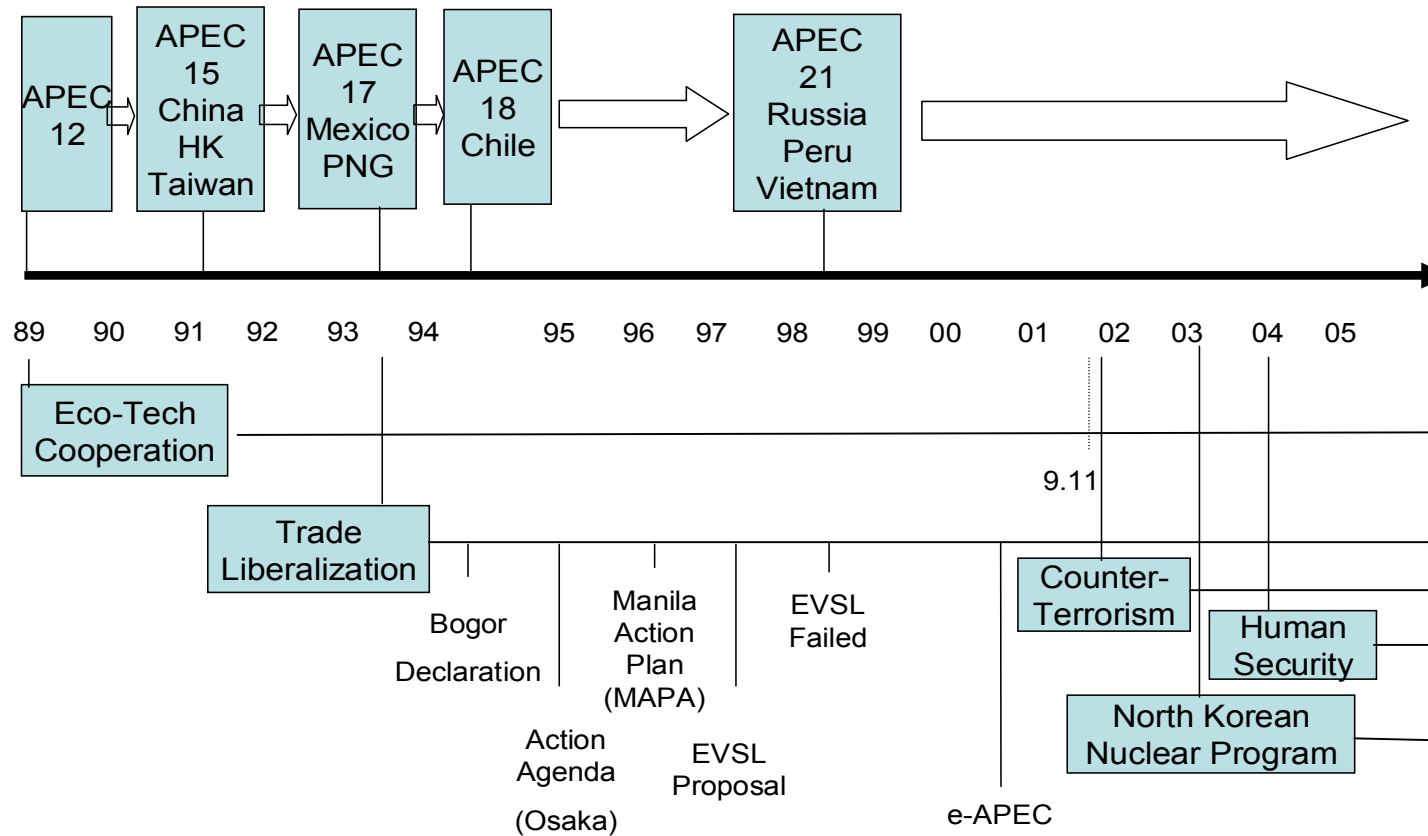
- **Enlargement of Membership**

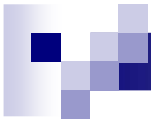
- 12 (1989) → 21 (1998)

- **Enlargement of Agenda**

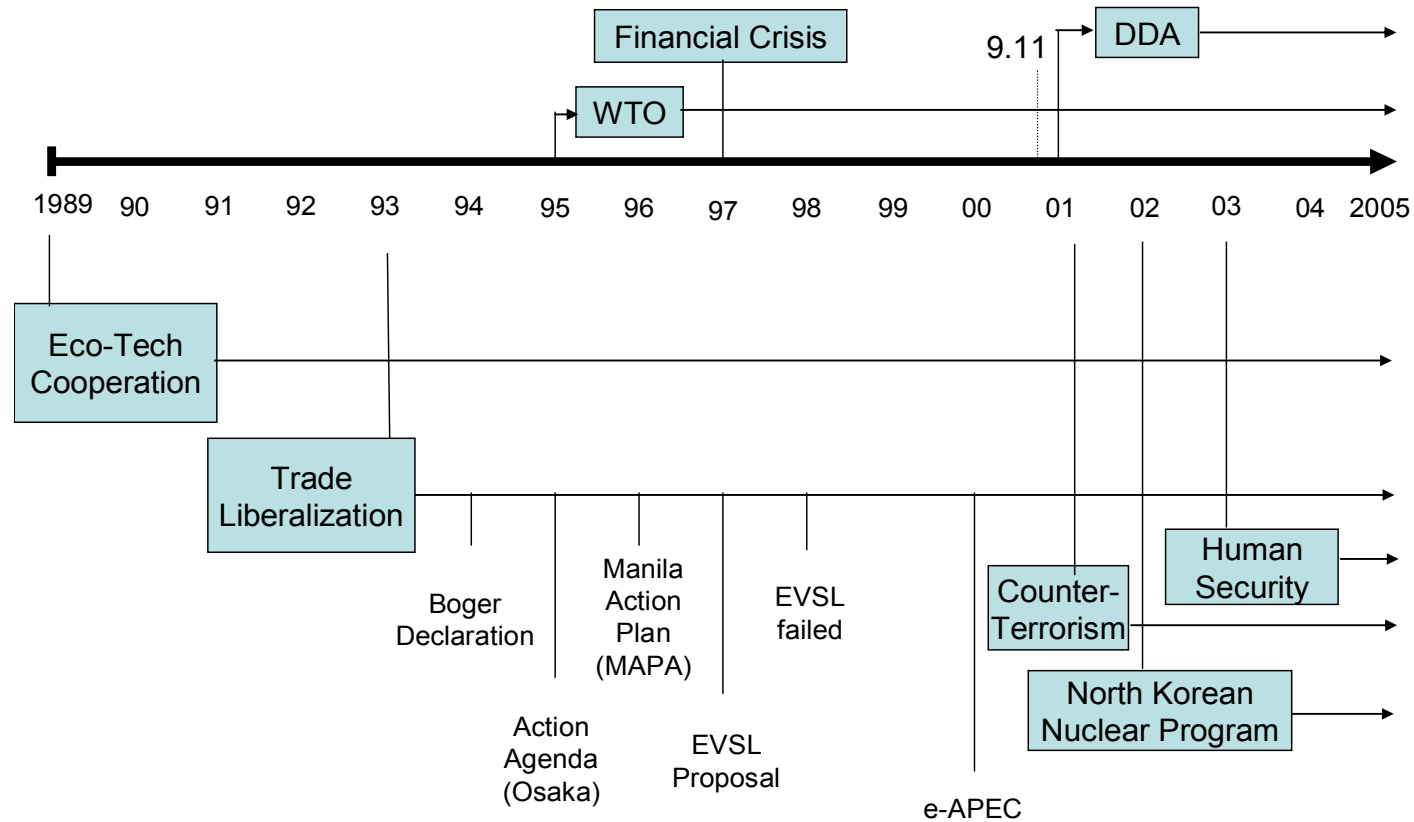
- Eco-tech cooperation → Trade liberalization → Security & non economic cooperation

Enlargement of APEC





Evolution of APEC Agenda





Discussion of Security Agenda

- APEC was initially designed as an economic consultative and cooperative body
 - Economic Leaders' Forum

- **APEC 2001 (Shanghai)**
 - Shifting focus to security and terrorism in the aftermath of the 9.11.
 - “APEC Leaders’ Statement on Counter-Terrorism”:
 - The first formal adoption of security related document of the APEC



Discussion of Security Agenda (II)

➤ **APEC 2002 (Los Cabos)**

- Continued interest in the aftermath of terrorism in Bali, Australia, and the Philippines.
- War against terrorism in Afghanistan and Iraq
- “APEC Leaders’ Statement on Recent Acts of Terrorism in APEC Member Economies”
- Separate section in APEC Economic Leaders’ Declaration
- “APEC Leaders’ Statement on North Korea”
- “APEC Leaders’ Statement on Fighting Terrorism and Promoting Growth”



Discussion of Security Agenda (III)

➤ **APEC 2003 (Bangkok)**

- “Human Security” section in Leaders’ Declaration
- Security discussion in the Retreat Session
- Continued interests in North Korean issue

➤ **APEC 2004 (Santiago)**

- More elaboration of human security
- Linkage between security agenda and economic goals became more visible
- More detailed counter-terrorism measures
- Unofficial meetings for security agenda



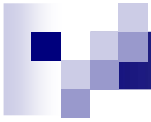
Discussion of Security Agenda (IV)

- **APEC 2005 (Busan)**
 - Human security: counter-terrorism, energy security, health and disaster response and preparedness
 - North Korean issues
 - Continued interest in security agenda by the US
- **Security Agenda as the Fourth Pillar?**
 - Eco-tech cooperation
 - Trade liberalization
 - Trade facilitation
 - Security?



Why Security Agenda?

- 1. Changing international environment after the 9.11.**
- 2. Consolidation of WTO system and the proliferation of FTAs**
- 3. Internal Weakness of the APEC**
 1. Slow progress of economic agenda
 2. Lack of inner dynamics
 3. The failure of Early Voluntary Sectoral Liberalization (EVSL)



Limit of Security Discussion in the APEC

- APEC has little background in the complex hard security issues
- APEC so far tried to modify security agenda to fit into an existing economic agenda
- Security issues at the technical level (e.g. STAR measures)
- Linking security agenda and economic agenda
- Hard and sensitive security discussion in sidelined bilateral talks

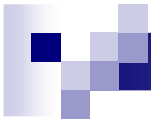


Overlap with Other Regional Institutions

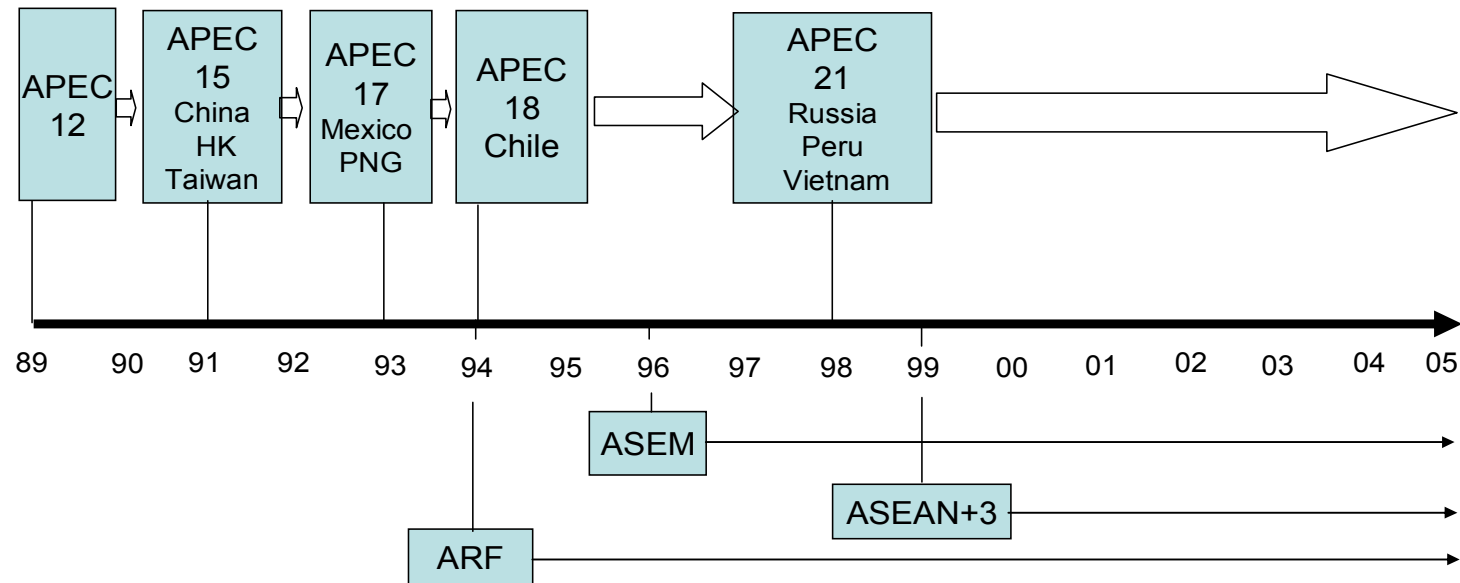
- **Overlapping membership**
- **Overlapping agenda**

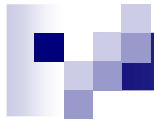
versus

- **ASEAN+3, ASEM, ARF**

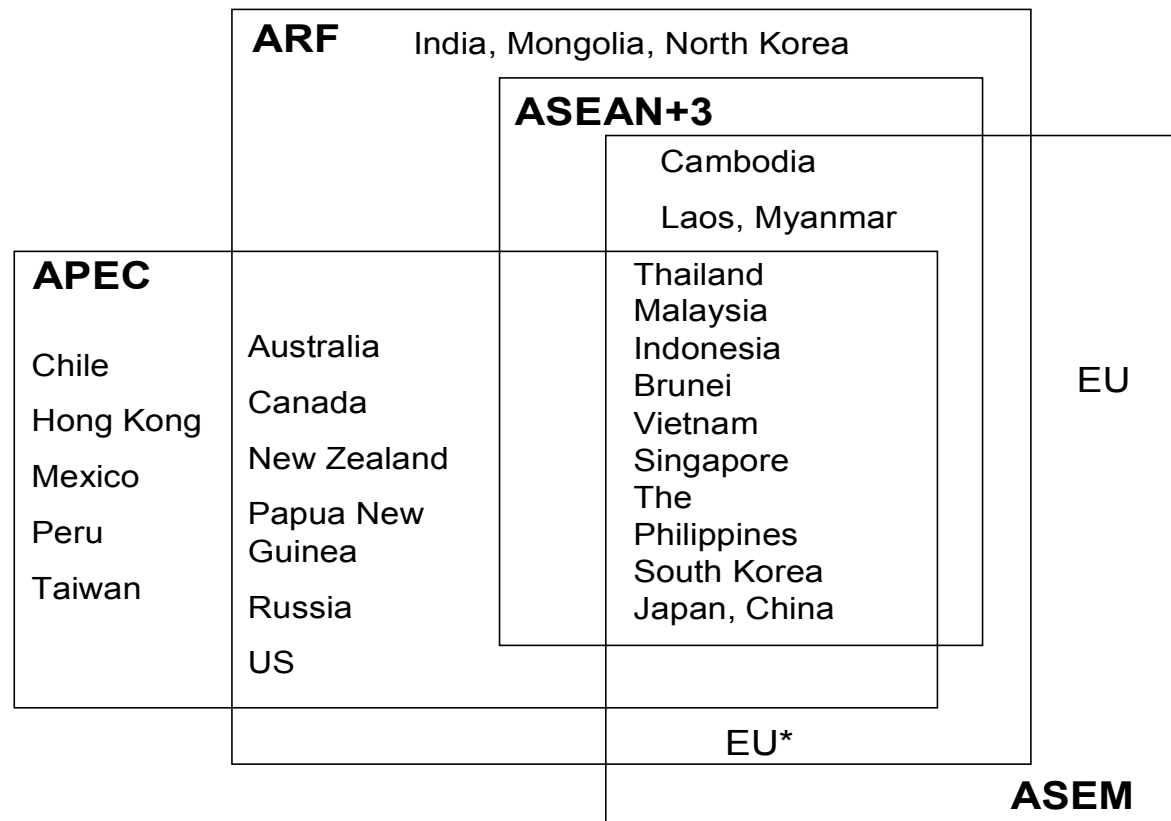


Evolution of Regional Institution





Overlapping Membership



* Presidency country



Overlapping Agenda (I)

➤ **APEC vs ASEAN+3**

- ASEAN+3 is a front-runner of East Asian cooperation
- ASEAN+3 agenda is comprehensive: economic cooperation, monetary and financial cooperation, social and human resources, scientific and technical development, cultural cooperation, development cooperation, political and security cooperation.
- FTA negotiations within ASEAN+3
- Security issues such as Spratlys Islands, the Protocol to the Treaty on the Southeast Asia Nuclear Weapons Free Zone, the Treaty of Amity and Cooperation (TAC), the Declaration on the Conduct of Parties in the South China Sea and North Korean nuclear program



Overlapping Agenda (II)

➤ **APEC vs ASEM**

- ASEM agenda is comprehensive
- Three pillars of ASEM: political, economic and Social/Cultural/Intellectual

➤ **APEC vs ARF**

- ASEAN Regional Forum (ARF) is Asia's only regional security forum.
- Conventional security issues, such as nuclear proliferation, as well as non-traditional ones such as terrorism, transnational crime, the arms trade and human trafficking.
- Confidence building measures (CBMs) and Preventive diplomacy (PD)
- North Korean issues
- However, the ARF has a predominantly ASEAN character.
- ARF holds minister-level meetings.



Overlapping Agenda (III)

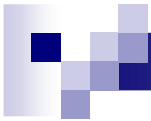
- **Clash between Institutions?**

- Maybe not so dangerous

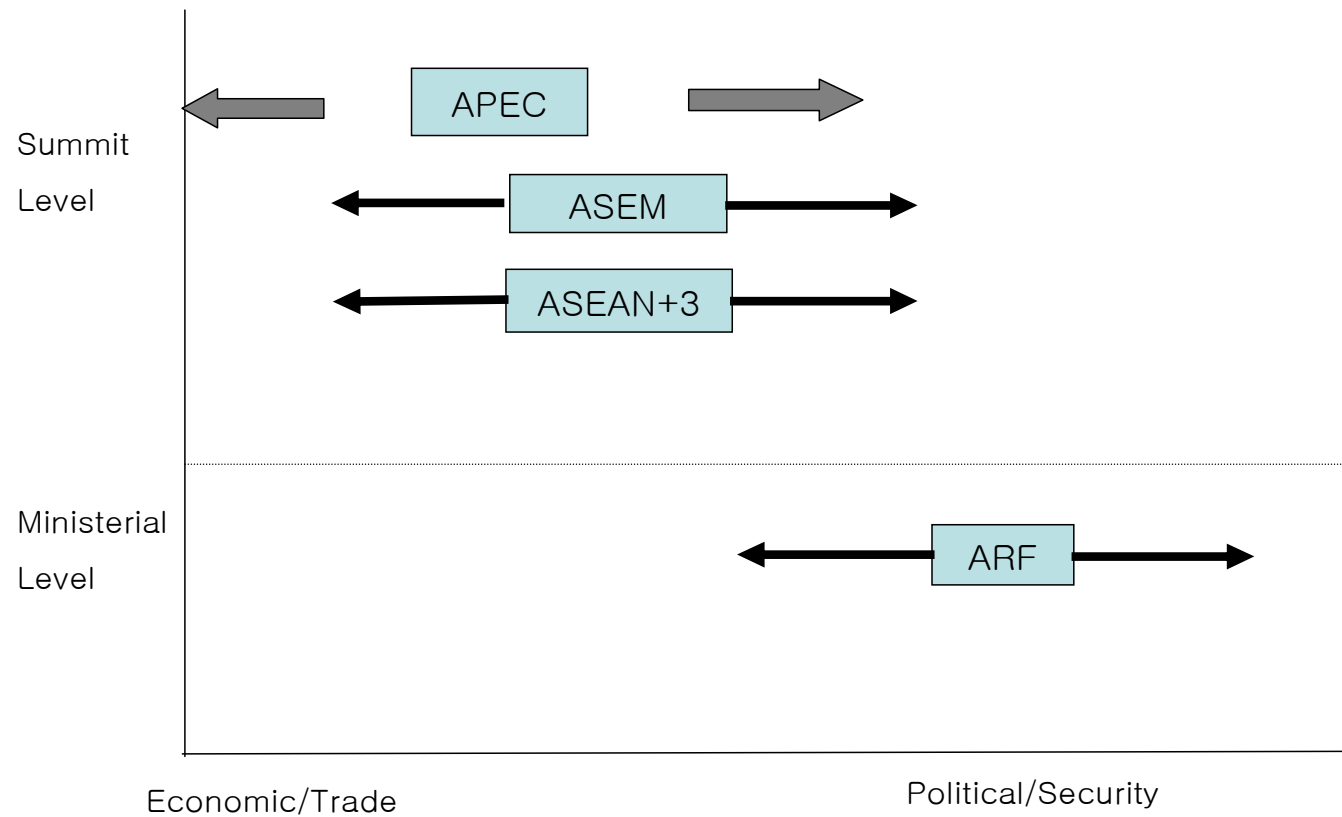
- **Why?**

- There is no legally binding institution among these institutions (except for WTO)
- Low degree of institutionalization

- Instead of sharp contrast, current situation shows **multiple layers of loose duplication of agenda** among these regional / inter-regional institutions



Scope of Agenda





APEC's Edge?

➤ vs **ASEAN+3**

- The scope of APEC goes beyond East Asia (The US, Russia, Australia, New Zealand)
- More comprehensive economic and political participants

➤ vs **ASEM**

- Both APEC and ASEM are inter-regional cooperation
- Europe and East Asia are still remote in terms security
- The level of economic and political interdependence in APEC is much higher than that of ASEM

➤ vs **ARF**

- Duplication of security agenda, especially soft security and human security
- APEC is summit-level meeting and can deal with a high politics agenda.



APEC Agenda at a Crossroad (I)

- **Weakening of trade agenda will be inevitable**
 - Ongoing DDA and FTAs
 - Expectation on the APEC was lowered
 - The US is changing focus to WTO, NAFTA, and FTAs
- **Inclusion of Security has already been done**
 - Participation of the US, Russia, China and Japan is meaningful
 - Both formal and informal security discussion
 - Linking security and economic agenda
- **In the medium and long run, the enlargement of APEC agenda seems inevitable.**
- **Changing the title from Economic Leaders' Meeting to Regional Leaders' Meeting?**



APEC Agenda at a Crossroad (II)

- Overlap with other regional institutions will be inevitable.
 - Two tasks of APEC:
 - How to make a synergy from the overlap?
 - How to maximize the APEC's edge?
- The importance of sidelined bilateral talks should be recognized.
 - Not a cheap talk but an expensive one
 - APEC as domestic political means
→ APEC diplomacy



Leadership in Agenda-Setting

- The US?
- Host Country?
- The dynamics of APEC in recent years depended on the participating country, the US and host country rather than principles and norms.
- To be a more effective institutions, APEC may need a new inner dynamics by combining these scattered initiatives in agenda-setting.



The End