

A peek at APEC

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We guess APEC does not top your list of interesting topics. Some people are annoyed at the disruption to life in Sydney, but for those outside Sydney, the event may be irrelevant. Most will just stay well away and enjoy the public holiday, although a few will gather to protest against APEC. Perhaps the following two opposing opinions will help us glimpse some issues at stake:

Translating economic prosperity into direct social benefits for the region's citizens is a key goal for APEC members. A 2005 study by the Centre for International Economics in Australia found that strong economic growth in APEC economies has led to reductions in poverty, improvements in health and education, and increased access to basic services since 1989. (*Department of the Prime Minister and Cabinet*)

On this view, people help each other when they share goods in markets. Trade gives communities more and cheaper access to what each community needs. Therefore it also builds friendships between communities, and removes reasons for communities to resort to war to get what they need. APEC is a forum to achieve these ends in the Asia-Pacific region, by freeing up trade through the removal of tariff barriers and so on. But not all agree:

The current global trade system—supported and promoted by APEC—is seriously distorted. Trade can provide opportunities for increasing wealth by making goods and services available. However, trade agreements sometimes give priority to the flow of goods, services, and investment, without consideration of the social impact of these on communities. The challenge is to ensure trade agreements provide opportunities for all people and nations to share wealth. (*AFTINET*)

On this opposing view, free trade is not a cure-all. When cheap goods can be found elsewhere, local suppliers struggle, jobs are lost, and local communities can become seriously stressed. Worse, the environment, which is the basis of our entire cultural life (including future trade), may be damaged. This 'free market' is no level playing field: big players become bigger, and the market becomes distorted as power becomes centralised upon the rich. The pain of transition into a 'global economy' can be too great to be worth it.

APEC exists to enhance trade between its members. But is free trade worth having, or not? If we think that question can be answered in a briefing like this one, we have failed to see the complexities hiding in the question. We can find examples where free trade has greatly enabled some communities and seriously damaged others. But we will return to this question later. For a moment we will outline the specifics of APEC.

What is APEC? The Asia-Pacific Economic Co-operation forum was established as an Australian initiative in 1989 in response to 'the growing interdependence among Asia-Pacific economies with a goal to promote and strengthen economic growth in the Asia-Pacific community' (see list below for participants). The 'three Pillars of APEC' are trade and 'investment liberalisation', 'business facilitation', and 'economic & technical co-operation'. APEC seeks these goals for both established and developing economies in the region.

Unlike the World Trade Organisation (WTO), APEC is the only inter-governmental grouping in the world operating on the basis of non-binding agreements, and it has no treaty obligations required of its members. Decisions made within APEC are reached by consensus, and commitments are undertaken on a voluntary basis. Australia is host to APEC in 2007. Formal and informal meetings have been hosted across Australia since January, culminating in the September 2-9 meeting in Sydney of APEC Economic Leaders. A Declaration is released at the end of this meeting outlining APEC priorities for the following year. This year, responses to climate change are a new agenda item.

The Australian Fair Trade and Investment Network (AFTINET) is an opponent of the kind of trade and investment liberalisation that it says APEC stands for:

The APEC goal of ‘zero trade and investment barriers’ does not only mean removing tariffs (taxes on imports), but also often means removing regulations and policies that protect people and the environment. In a free trade context, these regulations are called ‘barriers to trade’ – mere obstacles that should be removed in the name of economic growth and profit.

Free trade objectives are often achieved by: removing government regulation of essential services, like water and education—and instead opening them up to privatisation; removing all tariff protection for vulnerable workers and farmers, especially in rural and developing areas (despite the fact the rich countries used these same protections to get their industries established, and still do!); putting the rights of corporations above the rights of people and the environment; ignoring commitments to International Labour Organisation conventions on labour rights or to UN International Environmental Standards.

Unlike the World Trade Organisation (WTO), which has similar objectives, APEC’s agreements are voluntary and non binding. However, the APEC goal of zero trade and investment barriers is far more extreme than the objectives of the WTO. APEC is a promoter of an ambitious neo liberal ideology.

We suspect, or at least hope, that national leaders are not completely blind to the difference between helpful and unhelpful trade liberalisation. Good leaders know that markets are just one aspect of people’s lives, and good political leadership guards other aspects even while assisting markets. A leader may balk at reducing some tariff barrier or signing some agreement for ‘political’ reasons; and sometimes what we mean by ‘political’ is that he or she knows the resultant pain for their community will not be worth it. The life of the conscientious political leader consists in making such difficult judgments every day.

But AFTINET’s concerns might be reflected in the APEC position on climate change. A draft declaration on climate change is patterned on President Bush’s call for ‘a more flexible and diverse framework that promotes practical and co-operative action’ on climate change. Hence APEC leaders will agree upon ‘a long-term aspirational global emissions reduction goal’. This ‘aspirational’ approach protects trade and business, and avoids *binding* emissions reduction targets that climate campaigners insist must be at the heart of any climate change agreements. Here, as AFTINET says, APEC avoids regulations that may protect the environment.

APEC hopes for the best of all worlds, where freedom translates into friendship, social enablement, and the kind of common-sense that will also protect the environment. Christians are with them to the extent that free engagement between people is always better than engagements dominated by legislation. But Christians also point to the human capacity both to misread the environment and to exploit others. These are the concerns of those protesting outside the doors of APEC, and these concerns also need to be reflected in our prayers for APEC.

In the end, politicians are given the task of using their specialised knowledge to make policy judgements for the good of society. It is right for our leaders to remove unnecessary barriers to the cultural engagement we call ‘trade’. But it is also right for them not to fall into the kind of utopian trade ideology that imagines trade to summarise our communities and our cultures. We need them to guard us against the rapacious, who do not care for us, and who are short-sighted in their use of the natural world.

Those who enjoy the public holiday might also pray for APEC (and see <http://micahchallenge.org.au> for a prayer gathering on Sept. 1). As these leaders build relationships and think about society, ask the Lord who appointed them to give them wisdom and sound judgment. They need a deep care for communities they represent, and for those they are getting to know. They need a proper respect for the abundance and limits of the natural world. These are such hard matters, it is no wonder we shrug at the mention of APEC. Pray that those who are there will find the right way.

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Sources:

Official websites:

www.apec2007.org , www.apec.org

Department of the Prime Minister and Cabinet, *The APEC Australia 2007 Year* (briefing paper):

http://www.apec2007.org/documents/APEC2007_detailed_%20briefing_paper.pdf

Australian Fair Trade and Investment Network:

<http://www.aftinet.org.au/index.html>

Marian Wilkinson, 'APEC soft on emissions,' *SMH* August 18 2007:

<http://www.smh.com.au/news/environment/apec-soft-on-emissions/2007/08/17/1186857771538.html>

Further APEC facts and reading:

For information about the APEC prayer meeting:

<http://micahchallenge.org.au>

SMH APEC portal:

<http://www.smh.com.au/specials/apec/index.html>

'APEC at a glance':

http://www.apec.org/apec/publications/all_publications/apec_secretariat.html

Who participates in APEC? The 21 'member economies' (referred to as such because they are all economic entities) represent over 40% of the world's population, 56% of global GDP and around 48% of world trade. The member economies are:

Australia, Brunei Darussalam, Canada, Chile, Peoples' Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, The Republic of the Philippines, The Russian Federation, Singapore, Chinese Taipei, Thailand, United States, Viet Nam.

APEC member countries account for:

- Eight of Australia's top export markets
- 69 % of Australia's total international trade
- 61% of the world's growth between 1989 and 2003
- Approx 40% of inward investment in Australia
- Around 63% of Australia's investment abroad
- Key Australian commodity exports (95% of beef/veal exports; 89% of medicinal/pharmaceutical exports; 84% of petroleum exports; 82% iron & steel exports; 77% non-ferrous metal exports; 64% coal exports)

For a discussion on the limitations of the current framework of regional organizations, including APEC:

<http://www.lowyinstitute.org/Publication.asp?pid=638>

For an alternative public forum hosted by Asia-Pacific People for Environment and Community APPEC:

http://www.aftinet.org.au/campaigns/APEC_07/apec-index.html

For a critical perspective on APEC, 'Put people into APEC':

http://www.aftinet.org.au/campaigns/APEC_07/publication.html

Paul Keating's Speech 'Australia's Biggest Seat at its biggest table':

<http://evatt.org.au/publications/papers/197.html>

'Keating's APEC would not work':

<http://www.smh.com.au/text/articles/2007/08/26/1188066937829.html>

'Cooled expectations on climate change':

<http://www.theaustralian.news.com.au/story/0,25197,22317988-16741,00.html>

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