



Two competing views of Asia



The annual summit of leaders from the Asia-Pacific Economic Cooperation (APEC) forum, held last week in Manila, was a contentious gathering. While there were obvious and compelling grounds for agreement, much discussion instead focused on equally significant differences among the 21 member governments. Fortunately, these differences can be overcome, but success in that effort requires a greater readiness to compromise than has been evident thus far.

APEC was founded in 1989 as a vehicle to promote trans-Pacific economic cooperation. Over time, the organization has grown in both size and scope. At the urging of then-U.S. President George W. Bush, it expanded to take on security issues – an evolution that had been resisted as a dilution and potential distraction – after the September 2001 terrorist attacks on the United States. In truth, a distinction between economic and security issues can be meaningless, given the economic roots of many security problems and the potential for the misuse of liberalization measures – contraband can be moved as easily as legal commerce.

Heightened attention to security risks was inevitable given the terrorist attacks in Paris and Beirut that occurred days before the APEC meeting. Those discussions rekindled the long-standing debate over the best way to counter terror groups – tougher law enforcement and military efforts or the economic growth that deprives such organizations of traction and followers. The declaration from the leaders meeting “strongly condemned all acts, methods and practices of terrorism in all their forms and manifestations,” and the attendees pledged that they would not “allow terrorism to threaten the fundamental values that underpin our free and open economies.”

At the same time, they agreed that “economic growth, prosperity and opportunity are among the most powerful tools to address the root causes of terrorism and radicalization.” Unfortunately, “global growth is uneven and continues to fall short of expectation,” and poverty “continues to be a reality for millions ... in our region.”

That reads like a compromise between the two positions, but they are in fact banal sentiments that have been repeated in virtually every APEC leaders declaration (and those of most other international groups, for that matter). The real challenge is making them national priorities and assigning resources to those tasks. Too often, however, these problems are left unaddressed while governments pursue more mundane day-to-day obligations and assignments.

It is no oversimplification to say each priority has a champion: The U.S. presses law enforcement while China invariably pushes the case for tackling “root causes.” As a developing country, China has long focused on economic conditions since that is a less intrusive means of intervention, but Beijing is especially quick to call for economic development now that it can provide aid to spur development.

The difference in views between Beijing and Washington was evident in two other issues. The first was the South China Sea, a problem that was not officially on the APEC agenda – reportedly at Chinese insistence – but cast a long shadow over the meeting. The South China Sea is at the heart of regional discussions, both literally and figuratively: literally since it is geographically central to the region and hundreds of billions of dollars of trade travel its sea lanes, and figuratively since the core issue – how rival territorial claimants resolve disputes – will determine the nature of relations among countries of the region.

Beijing insists that no government other than the six claimants has a role in the disputes and sees other efforts to promote a peaceful resolution as “meddling.” China dismisses the growing concern that other governments have about its behavior, as well as the potential impact of acquiescence to Chinese claims. The U.S., along with Japan and other nations, demand the peaceful resolution of the disputes consistent with international law, a call that China considers “interference.” That division is growing sharper each day.

The second issue between Beijing and Washington concerns competing visions for regional economic integration. The U.S. touts the Trans-Pacific Partnership (TPP) and its “gold standard” for a trade deal, while China presses the more inclusive, and less rigorous, Regional Comprehensive Economic Partnership (RCEP). In theory, the two positions can be reconciled through pursuit of a Free Trade Area of the Asia Pacific (FTAAP), a much more sweeping trade agreement that would include all regional governments.

In the absence of the larger deal, however, regional governments will focus on the two trade pacts and the rivalry will grow. It is widely believed that TPP is designed to create a trade bloc without China to counter the increasingly central role it plays in regional economic development. In fact, China was reportedly offered the chance to join and refused. Currently, domestic energies among TPP member states are focused on securing its ratification. When that is accomplished, the pact should be opened to new members – China among them – to ensure that the Asia-Pacific region remains united, despite the many differences among its constituent countries.

