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# APEC: The Trans Regional Organization in the Asia-Pacific Region

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### Abstract

By the 1990s, East Asia had become one of three core economic regions (along with Europe and North America) that together dominated the world economy, accounting for 25 per cent of world GDP by 1995. East Asia had become the new workshop of the world, the location of fast emerging markets, and a new financial power in the making. Japan had first spearheaded East Asia's economic rise up to the 1990s, and now China has become a major force behind the region's economic momentum.

Theses two countries are amongst the world's four largest national economies, but East Asia is also host to the highest concentration of newly industrialized economies (e.g. South Korea, Taiwan Singapore, Thailand, Malaysia) found anywhere in the world. The trade and financial surpluses generated by East Asian countries are second to none. The region accounts for just over a quarter of world trade, production, new technology patents and gross domestic product. It is also the home of some of the world's largest banks and multinational enterprises.

East Asia has achieved one of the most profound economic transformations in recorded history. In the 1950s and 1960s, it was a relatively poor developing part of the world, with countries such as Korea having comparable income per capita and development levels on par with many sub-Saharan African states. The region accounted for only 4 per cent of world gross domestic product (GDP) in 1960.

In this article, the relation of global market, regionalization and regional conflict is discussed. The role of economic community in emerging market and global market in the East Asia is the section of establishing trade investment liberalization. So, new liberalization is based an economic regionalization and global market. This model is forming is East Asia and APEC region.

Keywords: Regional Developing, World Economy, Global Market, Investment, Trans-Regionalism, APEC.

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## Introduction

East Asian countries learned from each other's lessons of development and implemented many similar policies, leading to some extent to a shared development experience. Also, Japanese firms played an initially crucial role in helping integrate the East Asian regional economy through networked trade and investment. American companies too contributed to this process through foreign investments made across the region. In addition, after many of East Asia's less developed countries had graduated to newly industrialized, middle income economy status they began to trade and invest more with each other. This further deepened East Asia's regional economic interdependence.

The likelihood of five possible outcomes-internal conflict, humanitarian crisis, violent political transition, state collapse, and the emergence of "ungoverned spaces"-are assessed for each country considered at risk.

Also included in the assessment are potential crisis triggering events, the likelihood of such events occurring in the short to medium term, the potential consequences and severity of a crisis, and the resulting impact on U.S. interests. Since 2006, the office of Conflict Management and Mitigation within USAID has also produced two similar alert lists: the Fragility Alert List and the Instability Alert List.

The former ranks more than 160 countries according to established criteria of state strength or weakness, while the latter assesses the likelihood that any given state will experience political instability or the outbreak of violent conflict in the near future. Office of Conflict Management and Mitigation also produces an amalgam of the two lists to determine those that not only face elevated risk of instability but also have the fewest political, economic, social, and security resources to deal with their vulnerability. These watch lists augment other, more established warning products (Smith, 2009: 15).

Since 1999, the National Warning Staff has produced a quarterly Atrocities Watch list of "Countries where there is evidence of, or the potential for, significant political repression or systematic human rights abuses that could lead to a deliberate pattern of widespread atrocities or a major humanitarian emergency over the next twelve months." More importantly, the National Warning Staff periodically issues "Special Warning Notices" when the threat is considered particularly acute or imminent, some have a relatively short (Six months) time horizon, while others can be as long as two years (Dod, 2009:12).

Considerable effort goes into creating and distributing these various early-warning products. In addition to the well-established intelligence channels to senior officials, S/CRS has also created a dedicated network to distribute more specialized assessments to relevant agencies throughout the U.S. government. Its senior officer for warning chairs an interagency Intelligence and Analysis Working Group and also produces a regular compilation of other relevant material called the "Global Daily." Office of Conflict Management and Mitigation likewise distributes the USAID watch lists to its respective country and regional missions in the field and to regional bureaus in Washington, DC. (Mossalanejad, 2009:77).

### 1-The 'open regionalism' debate

There has been a great deal of discussion o the definition meaning of 'open regionalism'. To many, it essentially concerns how a regional group of countries commit themselves to a WTO-consistent, MFN-based liberalization process (Drysdale and Elek 1996).

They thus do not discriminate between trade barrier reductions made in relation to regional group members and non-members, i.e. those lying outside the region. In one way, such groups may be considered regional branches of the WTO, and indeed back in the mid-1990s this was what some thought APEC could be considered as being (Dieter 1997).

The idea of open regionalism is then to make regionalism compatible with multilateralism and avert the risk of the international economic system being fragmented into competing, adversarial trade blocs.

Ravenhill (2001) notes that the first articulation of 'open regionalism' came from a PBEC/PECC related study group report commissioned by the Japanese Government and Published in 1981, which proposed that: 'a regionalism that is open to the world, not one that is exclusive or closed, is the characteristic of our concept.

We are fully aware that a regional community without a perspective for a global community, a regionalism that excludes Globalism, has no possibility of development or prosperity' (Pacific Basin Co-operation Study Group 1981: 184).

The first mention of 'open regionalism' in official APEC documentation came in the Joint Sttement of the Fifth Ministerial Meeting held at Seattle in November 1993, in which member states expressed their commitment to attain regional trade and investment liberalization 'through consultation in a manner consistent with the principles of GATT and open regionalism' (APEC 1993, paragraph 6).

Ravenhill (2001) argues, however, that there has never been any firm consensus within APEC as to how open regionalism should be specifically defined.

Yet at the same time he notes there has been a general understanding amongst officials and analysts working in PAFTAD and PECC circles about what open regionalism implies, this being 'a continuation of the process of unilateral liberalization that has characterized the economic policies of countries in the region for several decades, a market driven process rather than one directed by government officials to construct formal free trade areas (Ravenhill 2001: 141).

However, to many, putting open regionalism into practice was problematic on various levels. First, and most fundamentally, as a concept it was somewhat oxymoronic-a contradiction in terms. Organizational expressions of regionalism are by their very nature exclusivist as they distinguish a regional group or club of countries from others in the international system.

As social constructivists would especially note, summits and other meetings of regional officials help create a sense of regionness and defined regional community through various socialization processes. Moreover, while APEC's Bogor Goals did not originally aspire to establish an Asia-Pacific regional FTA, its potential for imposing indirect exclusivist effects on non-APEC economies remains considerable.

This is particularly relevant to the convergent regulatory environments that APEC members are endeavoring to establish between themselves (Dent 1999). Recognizing this dilemma for the European Union back in the mid-1990s, the European Commission stated in one of its official documents that 'if the countries of East Asia were, as a result of regulatory co-operation within APEC, to align their regulatory systems practices to those of the United States.

This would place the EU at a competitive disadvantage, at least to the extent that a large and dynamic part of the world economy developed as result of a system which diverged significantly from that of the Union' (Commission of the European Communities, 1995:7).

Another predicament of open regionalism is the free-rider problem: countries outside APEC may not reciprocate in kind after APEC member states have unilaterally liberalized their trade and investment regimes. Bergsten's (1994) suggestion of adopting a 'temporary conditional MFN' approach, noted in the main text, was an early indication of how APEC could be pressuring outside trading powers like the EU into making reciprocal liberalization concession.

This more accurately related to specific reciprocity, entailing concessions between involved parties simultaneously agreed on a specific and direct quid pro quo basis (Ruggie 1993).

The US has particularly demonstrated an interest in this switch in reciprocity choice, and thus undermining APEC open regionalism. The preference of the EPG's American Chair, Fred Bergsten, for a Pacific regional FTA has been previously mentioned, and Bergsten has continued to advocate this idea into the 2000s. Even when the Bogor Goals project was being launched in 1994, US President Bill Clinton was of the view that, 'any market opening granted by one country would have to be met with equivalent concessions in other APEC countries.'

After the breakdown of the EVSL scheme in 1998, the US proposed that APEC trade liberalization should nod proceed unless matched by similar concessions made by outside trade partners (Rapkin 2001). We later note in the chapter how the US was also the primary advocate of the Free Trade Area of the Asia-Pacific (FTAAP) proposal that was tabled at both the 2004 and 2006 APEC summits. This plan essentially subverted the open regionalism principle by its aspirations to create an exclusivist Pacific regional FTA rather than realize the Bogor Goals by 'concerted unilateral' measures, as originally embodied in the IAP scheme.

## 2-The Role of Regional conflict in delaying of Global Market

A strategic shift could be taking place in the Middle East as the states of West slowly but surely gravitate closer to their eastern Asian neighbors. The Strategic shift is already influencing, and will further affect, the flow of globalization in the Middle East region as it will increasingly penetrate the region with both a Western and an 'Oriental' face. It will be shown later that as China, India and their satellites rise in the coming years, so the geographical shift in the power of globalizing forces themselves will play into the strategic shift taking place in the GME (Barber, 2003: 45-47).

For the USA, which today is depicted as a global hyper-power with overwhelming military and economic power-even as the New Roma-these strategic developments have macro-consequences. This hyper-power looks around the world and identifies the 'unruly tribes'-the rogue states and actors-and goes out of its way to bring them into line. Where it can, it will also aim to punish them for challenging the New Rome's power and its unilateral pursuit of its interests.

It also pursues them in order to make an example of them in front of other potential rivals. In the context of the post -9/11 international environment and the USA's new national security strategy, MENA regional actors must be seen to pose the most serious and direct challenge to this hegemonic actor.

The American strategy anticipates confronting them in an effort to 'roll them back'. In the context of globalization, the 'containment' strategy has surely been replaced by 'roll back', as exemplified in the treatment of Iraq in 2002/3. Globalization and the revolution in military affairs in the 1990s, as well as the USA's strategic responses to 9/11, have brought the New Rome and its regional rivals more directly into confrontation with each other.

The posture the Middle Eat oil exporters Asian partners adopt in this struggle will have direct and far-reaching consequences for the region, as well as for the USA's global strategy. If they resist the USA in West Asia, they will encourage the regional counter-hegemons to resist. But if they submit to the USA's grand strategy, will they not only help in strengthening Washington's grip on the region? (Asmus, 1996: 231). They can not afford to remain passive actors when the re-ordering of the region is being encouraged in the manner outlined by the Bush White House since 2002 and the publication of its two (2002 and 2006) national security documents.

But American imperial over-reach will also have huge implications in the MENA region. Over-reach can lead to deeper and more prolonged military engagements-a procession of rolling and costly wars with no end and no clear winners or losers (Mossalanegad, 2008: 91).

### **3-Trans-regionalism in the Asia-Pacific**

We discussed how East Asia's regionalism both overlapped with, and was embedded in other integrative processes arising within the international economic system. As we also know, east Asia may be considered one of three macro-regions (the other two being Pacific America and Oceania) that make up the Asia-Pacific 'trans-region'.

Trans-regions are essentially hemispheric or inter-continental entities, other examples being Eurasia (Europe and Asia) and the Americas (North,

Central and South America), which are often used as referents when discussing the establishment of common 'spaces' or intensifying linkages (economic, political, socio-cultural) between and across macro-regions. The formation of trans-regions is thus closely connected to discourses on the development of international society and globalization because of the large geographic scale of international or associative processes that are involved.

This article examines the emergence and development of the Asia-Pacific Economic Co-operation forum, the most prominent trans-regional organizational the Asia-Pacific. It is also the most important exercise of trans-regionalism in which East Asian countries participate.

The organization was established in 1989 with 12 original members from East Asia (Japan, South Korea, Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand), Oceania (Australia and New Zealand) and Pacific America (Canada and the United States). Others joined in the 1990s (China, Taiwan and Hong Kong 1991: Mexico and Papua New Guinea 1993: Chile 1994; Russia, Peru and Vietnam 1998), expanding APEC to its current membership of 21 economies.

As we shall see, APEC had evolved in the context of long-standing endeavours to substantiate a Pacific (economic) community. Furthermore many scholars were suggesting at the time of APEC's creation that it marked a further consolidation in the shift in the global economic center of gravity to the Asia-Pacific (away from the historic transatlantic centre) as well as augmenting deepening transatlantic centre)as well as augmenting deepening transpacific alliances between the United Stated and certain East Asian countries.

This was of particular concern to Europe, which faced potential geoeconomic marginalization in a then anticipated 'Pacific Century' (Dent 2001b, 2001c). The founding aim of APEC was to advance regional economic co-operation in the Asia-Pacific but this was significantly enhanced in 1994 when member-stats agreed to realize the so called Bogor Goals of establishing trade and investment liberalization across the Asia-Pacific by 2020.

This was to be achieved by the process of 'open regionalism', whereby APEC member-states would unilaterally (i.e. on their own without direct negotiations) eliminate their international trade and investment barriers not just with other APEC countries but all trade partners globally. Hence, this was not an attempt to create a regional free trade agreement in the conventional sense. By the late 1990s, however, the Bogor Goals project had more or less stalled. Around this time, serious disagreements had emerged amongst APEC member states over which paths of trade liberalization should be followed. Most Asian members have never really supported the organization's trade liberalization objectives, preferring instead to promote APEC's trade facilitation (e.g.regional infrastructure development, e-commerce) and economic and technical co-operation (ecotech) initiatives.

By the early 2000s, even the most ardent supporters of the Bogor Goals project (e.g. the United States, Australia and Singapore) had turned instead to the alternative trade liberalization route of bilateral FTAs. More generally, we discuss both how APEC's relationship with the intensifying bilateral FTA trend in the Asia-Pacific is one of the most critical with regard to the organization's future.

On the one hand we may view the trans-region's new "FTA"<sup>1</sup> trend as subverting APEC's founding principles and organizational purpose. On the other hand, and evolving APEC may harness the Asia-Pacific's proliferating FTA activity to serve the organization's regional community-building objectives. Here, thought, it is more likely that APEC will be adapting to the bilateral FTA trend than vice versa. In this chapter, we shall also broadly examine how "APEC"<sup>2</sup> has come under increasing pressure to adapt and evolve in recent years.

This particularly relates to addressing economics-security nexus issues in the aftermath of the 11 September 2001. In addition, since the 1997/8 financial crisis, East Asian countries have become more preoccupied with developing the "APT"<sup>3</sup> and "EAS"<sup>4</sup> regionalist frameworks than advancing the trans-regional projects of APEC.

## 4-Constructing a Pacific economic: early ideas and initiatives

In one sense, APEC is the culmination of many decades of preceding ideas and initiatives on Pacific regional community-building. Three Asia-Pacific nations-Australia, Japan and the US-have played an especially important role in this historic process. The earliest endeavors at developing Pacific community initiatives originated from the United States in the form of the

<sup>1.</sup>Free Trade Association

<sup>2.</sup> Asia-Pacific Economic Co-operation

<sup>3.</sup>Asia Pacific Trade

<sup>4.</sup>East Asia Society

Pan-Pacific Union (established in 1907) and the Institute of Pacific Relations (established in 1925).

Both these initiatives created epistemic communities of policy-makers, other public figures and academics in which ideas on how to forge closer relations across the Pacific were discussed and proposed. However, both also made a limited impact in this regard. The US did make other institutional contributions to fostering transpacific relations (e.g. the United Nations Economic and Social Commission for Asia and the Pacific, or UNESCAP) but during the Cold War period its economic and security relations strategy in the Pacific was primarily based on 'hub-and-spoke' bilateral alliances.

By the 1960s, Japan had begun to show an interest in developing ideas pertaining specifically to Asia-Pacific economic regionalism. In 1965, the government-sponsored Japan Economic Research Centre (JERC) proposed that a Pacific Free Trade Area (PAFTA) be created between the region's five advanced economies (Japan, the US, Canada, Australia and New Zealand) with developing countries in the region conferred associative membership (JERC 1966).

Japan also proposed the creation of the Pacific Basin Economic Council (PBEC) based on an existing Japan-Australia private sector forum that was extended to include representations from the US, New Zealand and Canada. Running in parallel with the inaugural meeting of PBEC in 1968 was the first Pacific Trade and Development (PAFTAD) conference-a forum of economists from academia, government and international organizations-and organized by Japan's Ministry of Foreign Affairs and the JERC. Subsequent PAFTAD conference provided an important framework for early technical discussions on enhancing regional economic co-operation, including how PAFTAD could be realized.

Although support for establishing PAFTA waned during the 1970s, Japan and Australia continued to push new initiatives, including the Pacific Economic Co-operation Conference (PECC) that comprised representatives from academia, business and government. Certain commonalities of interest bound Japan and Australia together in such joint endeavors. Both feared the effects of deepening regionalism elsewhere in the international system and the effects this would have on their exports, especially with Community integration (Korhonen 1994: 24).

For Japan, rising US protectionism against its exports during the 1970s was also a growing concern. Both Japan and Australia furthermore felt outsiders in their own regional backyards, and thus promoting ideas and initiatives on Pacific regional community-building were intended to foster their closer identification with the region in a general sense (Terada 1998: 36).

#### 5- Framework of trans-regional market

The PAFTAD/PBEC/PECC framework made some progress through the 1980s, keeping alive various levels of trans-regional dialogue on strengthening economic and business ties within the Asia-Pacific. The idea of establishing an Organization for Pacific Trade and Development (OPTAD) was particularly discussed. This was modeled on the OECD (Organization for Economic Co-operation and Development) and thus charged with facilitating mutual policy-learning that could in some cases lead to setting norms of economic policy practice amongst participating countries. Japan and Australia continued to be the principal advocates of OPTAD and other such initiatives, yet other Asia-Pacific countries remained rather unenthusiastic.

Although the US was showing more interest in Pacific community building ventures by the late 1970s and early 1980s, it still eschewed regionalism in strategic diplomacy terms, preferring instead multilateralism on the trade liberalization front through GATT negotiates in tandem with maintaining strong bilateral alliance relationships with key economic and security partners in the trans-region (Morrison 1981: 65).

Elsewhere, Southeast Asian countries were more interested at the time in upgrading their own regional organization, ASEAN, than engaging in a wider Asia-Pacific regional project. The persistence of Cold War divisions during the 1980s meant that China and other communist-socialist countries in East Asia (e.g. Vietnam) were excluded from any Pacific regional community-building process led by the trans-region's capitalist states. Meanwhile, South Korea and Taiwan were still only emergent newly industrializing economies in the close economic and security embrace of the United States. Many East Asian nations were also highly circumspect of any Japan-led regional initiative given lingering memories of the country's aggressive imperialism that it exercised in the early twentieth century.

Both Japan and the US also had the problem of many other states fearing these two economic giants would dominate any transpacific regional organization that emerged. With this in mind, it became politically more expedient for Australia to take a higher profile lead in new Pacific diplomacy initiatives relative to Japan. It was therefore Australia that officially proposed the creation of APEC in 1989, the inaugural ministerial meeting being held at Canberra in November of that year with significant financial and technocratic support provided from Japan. By the late 1980s, various events and developments were conspiring to make other Asia-Pacific nations more interested in joining a Pacific regional organization (Ravenhill 2001:88).

We should also remember that the launch of APEC-the most substantial inter-governmental arrangement proposed by this time-was the culmination of three decades of discussions on host to better promote and organize closer regional economic relations in the Pacific (Garnaut 2000: 35).

East Asia's developing economy members in particular had an obvious interest in APEC's work on economic and technical co-operation, or 'ecotech' programs. Japan too wanted the organization to have a substantive regional economic co-operation agenda, which it believed would complement the country's own development aid strategy at work in East Asia. Some ASEAM countries were nevertheless concerned over APEC's impact on Southeast Asian regionalist initiatives, especially the AFTA project.

Subsequently, they agreed to participate subject to 'three no's', these being that APEC would have no legal binding authority, no negotiating right and pursue no regional agreements beyond those permitted under GATT/WTO trade rules (Ravenhill, 2002: 69).

Most observers agree that APEC made a reasonably solid start in its first four Ministerial Meetings. The profile of APEC was to be raised further still as a result of higher level ambitions set during the 1993/4 period of the organization's development (Garnaut, 2000: 35).

## 6-APEC's economic liberalization agenda during the 1990s

There was a general unease amongst East Asian countries from the start concerning APEC's aspirations on regional trade and investment liberalization. Many were disappointed that ecotech issues were poorly prioritized in EPG reports, only being afforded a few pages in each. It was this area of APEC's work that was the primary interest of East Asia's developing country members, most of which moreover wished to maintain some kind of trade protection in strategic or infant industries for developmental purposes. This was a view shared to some extent by the strong neo-mercantilist and economic nationalist lobbies in the more developed economies of Japan, South Korea and Taiwan (okamto, 2004: 125).

Differences of opinion soon arose between East Asian countries on the one side and Anglo-Pacific countries on the other regarding APEC's modus operandi of implementing the Bogor Goals project. As Case Studly 4.1 discusses, considerable ambiguity existed over the exact meaning of open regionalism. After the dissolution of the EPG he chaired, Fred Bergsten (1996) argued that the non-discriminatory free trade was neither practical nor desirable because it conferred APEC with no leverage in global trade negotiation. Bergsten (1994) had even earlier argued that pursuing a 'temporary conditional MFN' approach, whereby APEC applies pressure to secure reciprocal tariff concessions from non-APEC trading partners, would serve as a solution to this problem. The specific reciprocity terms and modalities that Bergsten was advocating would also require APEC members to agree to more definitive commitments on implementing trade and investment liberalization.

East Asian countries were already arguing the counter-case for greater flexibility to apply, both in terms of what was implied by trade and investment liberalization and the means by which it was to be realized. For example, many ASEAN member states believe that AFTA's targets of reducing tariff rates to the 0-5 per cent range should be the benchmark for meeting their Bogor Goal objectives.

At the ASEAN Economic Minister's Meeting held in Chiang Mai in September 1994, the general consensus was that the EPG's second report recommendations on trade liberalization were too specific. In 1995, Malaysia announced that the Bogor Goals were largely indicative, and therefore it was not bound to abolish its tariffs by the deadlines set. Government officials from other East Asian countries expressed similar views about how APEC should adopt a 'flexible' approach on liberalization (Ruland, 2002: 36).

#### Conclusion

East Asia may be considered one of three macro-regions (the others being Oceania and Pacific America) that constitute the Asia-Pacific trans-region. East Asian countries have developed particularly close economic political, security and socio-cultural ties with other Asia-Pacific nations, especially the United States.

1-The Asia-Pacific Economic Co-operation forum has emerged as the most important regional organization within the trans-region. It was established in 1989 after many years of diplomatic efforts, made notably by Japan and Australia, at fostering closer 'Pacific community' relations from the 1960s onwards. East Asian countries form much of APEC's core membership, and hence APEC-led developments on trans-regional community-building may have notable impacts on East Asian regionalism. Broadly speaking, it may on the one hand have a positive reinforcing effect by further cultivating closer cooperative and integrative links amongst the organization's East Asian member states.

2-On the other hand, APEC may dilute East Asian regionalism by blending the regional community-building endeavors of East Asian states within the larger Asia-Pacific trans-regional mix. As indicated in this chapter, many East Asian countries have become increasingly wary of the latter, especially after APEC demonstrably failed to address the fallout from the 1997/8 financial crisis.

3-It was also during and after the 1997/8 financial crisis that the differences between East Asian and Anglo-Pacific member States concerning the main purpose and objectives of APEC became more starkly revealed. Whereas commercial liberalization has been prioritized and promoted by the Anglo-Pacific countries (Australia, Canada, New Zealand and the US), most of their East Asian counterparts have instead championed APEC's economic and technical co-operation (ecotech) agenda.

4-In a way this marked a clash of economic cultures within the Asia-Pacific, between Alglo-Pacific market liberalism and East Asian developmentalism. The failure of APEC to make substantial progress with its trade and investment liberalization initiatives, such as the LAP, EVSL and FTAAP, owes much to these economic cultural differences.

5-The US's preoccupation with closer linking APEC's core economic agenda with 'war on terror' related security objectives has further complicated APEC politics. Moreover, East Asian states have diverted increasing attention to developing their own more exclusive regional frameworks of co-operation and integration-the ASEAN plus Three and East Asia Summit-with the inevitable de-prioritization of APEC this has generally entailed. AS was also discussed, many Asia-Pacific countries were being drawn into a proliferating trend of bilateral free trade agreements (FTA) from the late 1990s onwards, and this too has undermined APEC.

6-A neo-liberal institutionalist evaluation of APEC would in contrast stress hoe the regional organization, like others of its type, is essentially a tool for managing interdependent links and interests that have developed amongst a regional group of states. In addition, APEC provides mechanisms for these states to co-operate at the trans-regional level rather than just compete in an anarchic fashion, and also to provide the basis for cultivating as Asia-Pacific community.

7-Deepening interdependence requires APEC member states to work more closely together rather than engage in zero sum competition, as the national interests of member states are increasingly interwoven in a regionalizing and globalizing world. The United States used such reasoning when advocating that APEC should adopt more security-related measures after the 11 September 2001, soil as the 'war on terror' in some way impacted on, and hence involved all APEC member states according to Washington.

8-From another neo-liberal perspective, APEC's centerpiece Bogor Goal Project on commercial liberalization has to some extent helped advance economic liberalism in East Asia and elsewhere in the Asia-Pacific. It may be going too far, though, to assert that APEC has become a club of liberal economies.

9-As frequently discussed in this chapter, East Asian developmental interests have often been divergent to those of Anglo-Pacific market-liberalism. Whereas the latter have naturally championed APEC's market-liberal integration schemes (e.g.EVSL, FTAAP), the former have backed APEC's developmental integration agenda, especially its ecotech program.

10-Neo-liberals would also note the important role played by non-state actors in the creation of APEC and its antecedent organizations, namely the Pacific Basin Economic Council, the Pacific Trade and Development conference, and the Pacific Economic Co-operation Conference forum.

11-In all three cases, business representatives, academics and research analysts were vital members, working alongside government officials in seeking how to best manage deepening economic interdependence in the Asia-Pacific. The crucial role of non-state actors has continued: for example, it was the APEC Business Advisory Council that first tabled a proposal in 2004 to initiate an FTAAP project.

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