



---

# FOCUS-on-APEC 1 Mar. 1996

---

## Recommended Citation

Ma. Salome Bulayog, "FOCUS-on-APEC 1 Mar. 1996", Aprenet, March 01, 1996,  
<https://nautilus.org/aprenet/focus-on-apec-1-mar-1996/>

---

**aprenet on-line library** **FOCUS on APEC**

---

### FOCUS-on-APEC

---

A regular bulletin produced by Focus on the Global South  
(FOCUS)  
Bangkok, Thailand

Volume 1, Number 1  
March 1996

Welcome to the first issue of FOCUS-on-APEC!

FOCUS was designated the NGO Information/Monitoring Center on APEC (Asia Pacific Economic Cooperation forum) by the participants of the 1995 NGO Forum on APEC in Kyoto, Japan. It was out of this commitment that FOCUS-on-APEC was created. FOCUS-on-APEC carries APEC-related news, the latest items of interest and concern, and informed and critical analysis from a progressive perspective -- with a broad geographical concentration on East Asia and the Western and South Pacific.

FOCUS-on-APEC is where you can learn about other people's APEC-related work and they can learn about yours. Please send us your APEC-related information (by e-mail, fax or snail-mail!) -- including news items, research papers, opinion pieces and information on grassroots activities happening in your respective country. Your contributions will be incorporated into the bulletins.

We welcome your comments and suggestions!

-----  
CONTENTS:  
-----

- APEC HIGHLIGHTS
  - Partner Organizations
- REGIONAL ANALYSIS
  - OSAKA: No Action, No Agenda?
  - APEC and DEMOCRACY
  - APEC and ASEM
  - APEC and ASEAN
  - APEC and the ENVIRONMENT
- REGIONAL ROUNDUP
  - Australia Update: NGOs in the APEC Process
  - Aotearoa/New Zealand Update: July Forum
  - Philippine Update: Organizing for November
- ANNOUNCEMENTS
  - FOCUS' Website!
  - Hard copy versions
- RESOURCES

---

## APEC HIGHLIGHTS

### FOCUS' APEC Project Partner Organizations:

Nautilus Institute for Security and Sustainable Development  
<npr@igc.apc.org>

(Nautilus and FOCUS are working together on two key research projects -- Alternative Security in the Asia-Pacific and Alternatives to APEC. Nautilus now plans to send out an electronic bulletin and short faxes on APEC, with a focus on the environment and a geographical concentration on the Western hemisphere. If you are interested in receiving this, please contact Nautilus directly to subscribe yourself.)

Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC)  
<angoc@econet.apc.org>

Pacific Asia Resource Center (PARC)  
<parc@twics.com>

Asian Regional Exchange for New Alternatives (ARENA)  
<arena@hk.net>

---

## REGIONAL ANALYSIS

"The Osaka Summit: A 'No Action No Agenda' Meeting?:

## Analysis and Reaction"

Summary of two \_Economist\_ articles Nov. 25 , 1995 and Jan. 6,1996

by Ma. Salome Bulayog

Focus on the Global South (FOCUS)

In the November 25 issue of The Economist, the APEC summit in Japan was described as a "No Action, No Agenda" meeting. According to The Economist, the summit has adopted an Action Agenda but there was no real action taking place, in the sense that most of the programs agreed upon by the delegates were vague. Commitments to open and free trade which were proclaimed in Indonesia and which were reaffirmed in Japan are to be implemented in 2010 in the case of rich countries and by 2020 in the case of poor countries. However, it seems that the member countries have different interpretations of the word "free" and "open". For instance, to the Americans and Australians, free trade means a 5% reduction in tariffs, abolition of quotas, and some unspecified progress in reforming policies and other measures which inhibits trade which the other members of APEC disagreed. Furthermore, the members were also unclear about how they are going to achieve their goals. There was an argument among them on whether the benefits of liberalization should be extended to trading partners outside their charmed circle. Optimists plead that it is better to settle on a vague agenda than to risk divisive arguments; at least harmony has been preserved in a group which includes countries as diverse as Brunei and Canada. Although the agreements were vague and the harmony artificial, the group can get results. To quote, The Economist stated that "In sum, Osaka's Action Agenda committed nobody to anything. The best that can be said is that when they meet again next year, the region's leaders may be shamed into bolder tariff cuts. Then again, shame seldom bothers politicians".

Fred Bergsten, director of the Institute for International Economics in Washington, D.C., and chairman from 1992-1995 of the forum's advisory disagrees. According to Mr. Bergsten, the recent Osaka summit has provided encouraging evidence that the APEC's ambitious goals can be achieved. He said that all challenges to the comprehensiveness of its liberalization commitment, notably from Japan and South Korea on agriculture were rejected. Agreements were reached on key "trade facilitation" issues including customs harmonization and simplification, harmonization and simplification, product standardization and mutual agreements for product testing and recognition . In fact, a number of down payments on liberalization were announced:

Japan will accelerate by 50% its Uruguay round cuts in industrial tariffs, a number of countries will accelerate their adoption of the Round's intellectual property and other disciplines, China will cut a number of its tariffs by 30%, and Indonesia and several other developing countries have reduced tariffs sharply. On the criticism that the Osaka summit was vague, Bergsten emphasized that Osaka produced precise agreements on the nine principles, an agenda of fifteen topics, and launched timetables that together will guide the process for implementing the free trade pledge -- APEC's equivalent of the Punta del Este agreement that Uruguay round in 1986.

To The Economist's conclusion that "Osaka's Action Agenda committed nobody to anything", Fred Bergsten admits that it is true that commitments made at the Osaka summit were non-binding and voluntary and unilateral rather than negotiated actions and decision by consensus. He said that many Asians emphasized peer pressure and enlightened self-interest rather than the give and take of formal negotiations that is familiar to western trade officials. This is perhaps the reason for The Economist's conclusion. However, he said that despite some wistful chatter about keeping APEC as a consultative forum, it has already undertaken serious and successful negotiations. Its trade ministers developed a joint offer in late 1993 that helped bring Uruguay Round to a successful conclusion. A code of non-binding investment principles was worked out in 1994. Bergsten emphasized that the Bogor Declaration, through which the free trade commitment was enunciated in Indonesia, was a thoroughly negotiated document and that the Osaka "Action Agenda" was negotiated over nine months with at least the intensity of Punta del Este and similar trade agreements.

Bergsten said that it is also doubtful whether the "Asian way" really differs very much from the traditional trade talks reiterating that all begin with a commitment to liberalize that is political rather than legal as at Bogor or Punta del Este. "No trade negotiations commence with a legal obligation and Economist misleads its readers by suggesting that APEC is somehow unusual in this respect," Bergsten said.

Bergsten also stated that in the Osaka Summit, the zeal for consensus has not prevented the will of the majority from prevailing on every important issue. There was still flexibility alongside comprehensiveness to enable countries to liberalize more slowly in sensitive sectors such as agriculture but this is no different from the rearend loading of the phase out of textile quotas by the United States and others under the Uruguay Round. According to

Bergsten, "Any differences in APEC may turn out to be much more rhetorical than substantive".

-----

## "Democracy in APEC"

by Jane Kelsey

Aotearoa/NZ APEC Monitoring Group, Professor at the University of Auckland

The difficulty we have in working with APEC is that it is a very difficult agency to monitor or to intervene in. Many people compare APEC to the EU or NAFTA. But the EU has institutions, such as parliament, a court, a council, which are visible, which are required to make public the operations and decisions, and which allow some level of democratic participation. Much of NAFTA's framework at least involved formal agreements that required ratification within legislature of the countries involved, although the reality of democratic participation for any outside the United States was very limited.

APEC, however, is the most anti-democratic, secretive, invisible, and inaccessible of these entities. What we are seeing next week is a pageant of ministers and leaders, but this is not really how APEC works. Rather, it operates through a series of meetings throughout the year involving officials who work behind the scenes, outside the framework of national governments in a way which is very difficult to monitor and hold to account. Alongside them are private sector lobbyists who very deeply influence what takes place within APEC. The organization PECC (Pacific Economic Cooperation Council) combines academics, private sector lobbyists, and officials, in their "private capacity," which means that their governments cannot be implicated for what they do. So what we have is an informal network that operates behind the scenes in APEC.

A further dimension of APEC's operation which was promoted by the United States in 1993, was to set up APEC study centers in universities in the different countries. The intent is to create educated like-thinking elites throughout the region, who are committed to neoliberal economics and structural adjustment. It is supposed to provide a launching pad for new ideas to be promoted within APEC.

These networks operate not only within APEC. These same officials and same private lobbyists meet in other forums, such as the Asian Development Bank, the World Trade Organization, and during the consultative processes of ASEAN.

Therefore, one of the concerns that we have when we look at APEC is not simply the institutions but what lies behind them. The aggressive agenda which the United States, Australia, New Zealand, and Canada have pursued sees APEC as a convenient vehicle to achieve their goals. They have little understanding or show little understanding of the complexities involved.

It may well be, in fact, that APEC will fall apart. Some of us may be tempted to call this a success. But what we have to remember is that behind APEC there are series of networks which will survive and find other ways to pursue the same goals. The challenge to us as NGOs and people who are committed to social justice is to develop our own networks to ensure that we can challenge the way the international economic decisions are now being made, outside of the sphere of the state, and which have dramatic impacts on the lives of all of us, whether we live in the North or the South.

(This is a reprint from the \_AMPO Japan-Asia Quarterly Review\_ Vol. 26 No. 4. See the "RESOURCES" section of this bulletin.)

-----

## "ASEM versus APEC"

by Walden Bello  
Focus on the Global South (FOCUS)

Fifteen European and 10 Asian heads of state held an economic summit in Bangkok (Asian European Meeting (ASEM)) on March 1 and 2, 1996. The meeting ended with vows of facilitating freer trade and investment activity. A key objective of the European Union was to press the Asians to agree to the new Multilateral Investment Treaty that they are pushing in the World Trade Organization (WTO) that would grant foreign investors "national treatment," that is, accord them the rights and privileges granted to nationals. Sensitive issues were by agreement avoided; this included human rights, Burma, East Timor, Northern Ireland, the social clause issue, and arms sales.

These issues were, however, in the forefront of the parallel meeting, "The First Asia-Europe NGO Conference", that took place in Bangkok before the summit, on Feb. 27-29. Attended by 350 NGO representatives, the conference opposed the proposed investment treaty, called for greater respect and protection of migrant workers in Europe, demanded greater efforts to stop sex trafficking and child exploitation, and recommended a parallel withdrawal of Indonesia from East Timor supervised by ASEAN and of France from New Caledonia

and Tahiti. The NGO meeting received wide coverage in the Thai, regional, and international press. (Violeta Corral of ANGOCC attended the meeting representing the International Organizing Committee for the Philippine Forum on APEC.)

The official summit was, however, largely a symbolic occasion, the strategic intent of which was to begin to build a counterweight to APEC. As Dr. Joel Rocamora of the Philippines observed, "APEC is the main reason for the EU's push to improve relations with Asia, the main reason therefore why we are here. Without APEC, ASEM would probably not have happened." Rocamora then quoted from the EU's Asia Strategy Paper which said that unless the EU adopted a more coordinated and proactive policy, "The Union stands to lose out of the economic miracle taking place [in Asia] because of strong competition from Japan and the US and also increasingly from companies within the region's newly industrialized and capital rich countries."

(Papers presented to the "First NGO Asia-Europe Conference" will be published in a collective book. Copies will be available at FOCUS within 6 months time. The next conference will be held in London in 1998.)

-----

## "ASEAN and APEC: An Uneasy Coexistence"

by Walden Bello

Focus on the Global South (FOCUS)

(This article originally appeared in The Nation [Bangkok] Nov. 16, 1995. It is the last article of a three-part series. The first dealt with APEC and the US, the second with APEC and Japan.)

It has been from within the ranks of ASEAN that the most militant criticism of the Australian-American move to convert APEC into a free trade area has emerged. The mercurial Prime Minister Mohamad Mahathir has not only become identified with the posture that APEC should refrain from becoming a free trade area, but he is the principal proponent of what Washington and Canberra see is a threatening rival concept: the East Asia Economic Caucus (EAEC).

## ASEAN and the EAEC Controversy

The EAEC would include only Asian and Western Pacific nations in a loosely structured consultative group. While the other ASEAN countries have not been on the forefront espousing it, they have nevertheless

been broadly supportive of the idea. In Mahathir's view, after all, ASEAN would be the nucleus or core of the EAEC. In fact, it has been at the advice of his ASEAN neighbors that Mahatir has downgraded his proposed formation from the status of an independent regional "group" to being a "caucus" within APEC in order to lessen Washington and Canberra's suspicions.

It has not had this effect, however, and the Clinton administration has brought against the "caucus" proposal the same criticism that the Bush administration launched at the original "group" idea: that it would create an "artificial dividing line down the middle of the Pacific."

Washington knows, however, that the so-called line is far from artificial, and its strident opposition to Mahathir's project stems from the fact that it would reinforce trends that are already at work. Already, intra-Asian trade makes up some 45 per cent of East Asia's trade and it is growing much faster than its trade with other parts of the world. The size of Japan's trade with Asia now outstrips its trade with the US, and Southeast Asia has overtaken the US to become Korea's biggest market. With East Asia becoming both integrated production base and its own biggest market, the formation of EAEC would accelerate the lessening market dependence on the US and promote greater political independence.

So threatened is Washington that a few weeks ago, US Undersecretary of State Joseph Nye, according to a report that appeared in Singapore's Business Times, made the strong suggestion in Tokyo that the US would "probably withdraw our security presence" from the Asia-Pacific if the countries in the area were to proceed to form the EAEC on the grounds that the latter would "exclude the US from the region economically." It was another one of those Super 301-like threats that was not likely to raise Washington's stock in Southeast Asia.

Endorsement of the EAEC does not mean, however, that ASEAN as a whole is opposed to the APEC free-trade area concept. It is more accurate to say that ASEAN is not of one mind about APEC liberalization. Postures range from Singapore's support, Indonesia's formal endorsement amidst strong doubts, Thailand's apprehensiveness, Malaysia's confrontational stance, and the Philippines' largely spectator role.

It is fair to say, however, that the center of



gravity of ASEAN opinion tends toward the cautious, critical, and suspicious. This is not mainly because of Washington and Canberra's opposition to EAEC, which remains, after all, a proposal. The reason is much more concrete and, for ASEAN, more vital: APEC is increasingly perceived as a rival to ASEAN and its pet project, AFTA, the ASEAN Free Trade Area.

#### The ASEAN Vision: Regional Industrialization via Trade Liberalization

ASEAN is the grandfather of multilateral regional arrangements in the Asia-Pacific, and the ASEAN governments are very jealous of their creation when confronted with newcomers like APEC. Indeed, even among sectors of the ASEAN citizenries, there is a fellow feeling--a sense of "ASEAN brotherhood and sisterhood"--that is unique in the East Asian region.

In its first quarter century, ASEAN achieved success mainly as a political alliance against communism. However, the original impulse for its founding in the late sixties was for it to serve as a vehicle for regional economic cooperation. The spirit that animated plans for an economic bloc was not the neoclassical concern for "efficient allocation of productive resources through free market mechanisms" that underlies, in theory at least, the APEC free trade area. Rather, trade integration was seen as a base for integrated regional industrialization. As originally envisioned by the influential Robinson report undertaken for ASEAN by UNESCAP, ASEAN members were to carry out limited trade liberalization to create a wider market that would encourage coordinated industrial import substitution at a regional level.

In the 1970's and 1980's, the ASEAN countries launched several initiatives, including the Preferential Trading Arrangements (PTA), which aimed at a limited liberalization; the ASEAN Industrial Projects (AIP), which sought to assign large-scale capital-intensive projects to different countries to develop; the ASEAN Industrial Complementation Scheme (AIC), which aimed to divide different production phases of the automobile and other industries among member countries; and the ASEAN Industrial Ventures (AJIV), aimed at increasing industrial production through resource pooling and market sharing by ASEAN firms. Running through these schemes was the protectionist perspective of using trade policy--that is, reducing trade barriers among members while

keeping them up against non-members--as an instrument to build regional industrial capacity.

Grand in vision, these initiatives were scarcely implemented in the 1970's and 1980's, as ASEAN focused on regional political issues like the continuing instability in Cambodia. But with the end of the Cold War and the return of relative political stability to Cambodia, ASEAN members returned to the common-market agenda that had been ASEAN's original impulse by launching AFTA in 1992. There was another reason as well: the founding of APEC in Canberra in 1989 and Australia's energetic diplomacy to make it the regional economic bloc for the Asia-Pacific.

The core of AFTA is the so-called CEPT or "Common Effective Preferential Tariff Agreement" which applies to all manufactured goods, including capital goods and processed agricultural products. The central provision of CEPT was that all tariffs would be lowered to a substantially free trade level within 15 years, in 2008. In the view of its planners, AFTA was, like the previous ASEAN tariff reduction attempts, no simple free trade scheme. It was to simultaneously use internal trade liberalization and external trade discrimination in an effort to create a wider market that would provide the economies of scale for the profitable operation of capital-intensive and technology-intensive industries, be they ASEAN-based or foreign.

As Australian government study pointed out, unlike the APEC free trade scheme, AFTA employs trade policy for regional industrialization ends: "By creating an integrated ASEAN market and production base, AFTA seeks to encourage multinationals (and ASEAN-based firms) to develop region-wide production, distribution, and marketing strategies; and in the process boost the overall competitiveness of ASEAN production."

When it came to implementation, however, the agreement was initially bogged down in different time frames for tariff reductions and long lists of products that the different countries wanted to exempt from CEPT provisions, casting doubt on countries' commitment to the liberalization process. It seemed AFTA would go the way of past ASEAN initiatives, until ASEAN governments "relaunched" the program in 1994 with the ambitious agreement to advance the target date for the elimination of trade barriers from 15 to

10 years, making ASEAN a substantially free trade area by the year 2003.

#### AFTA and APEC as Rival Processes

This time it was Bill Clinton's big push for the APEC free trade area during the November 1993 Seattle Summit that served as the spur to ASEAN's quickening pace of trade integration, just as it was APEC's 2020 APEC free trade vision articulated at the November 1994 that sparked the Sultan of Brunei's recent controversial proposal that the achievement of free trade in AFTA should take place by the year 2000, three years ahead of the already revised schedule.

ASEAN's competitive pace is not surprising, for the grouping would lose its *raison d'être*--to become a unified market and production base via internal trade liberalization and external trade discrimination--if the APEC free trade area were to become a reality. ASEAN would be happy with APEC if the latter were to remain a group for consultation and cooperation that would not threaten the ASEAN goal of regional industrial upgrading through regional trade liberalization. At the same time, Canberra and Washington have come to realize that the more AFTA becomes a reality, the more difficult it would be for an APEC free trade area to come into existence.

This race for effective liberalization between AFTA and APEC has been largely carried out without direct references to the essential contradiction between the two enterprises. This may be about to change. One Australian government unit has already warned that AFTA could become a "substitute for more comprehensive liberalization," and urged Canberra to "press for liberalization of a range of ASEAN tariff and non-tariff barriers and remaining impediments to investment, for all of ASEAN's trading partners." But probably more alarming, and more offensive, to ASEAN is a recent remark by Dr. Fred Bergsten, the American head of the Eminent Persons' Group, to the effect that permission must be secured from APEC and the World Trade Organization before any subregional economic grouping in East Asia is allowed to pursue further integration.

The ASEAN reaction to Bergsten's proposal and similar suggestions to "bring AFTA under control" is probably not different from that of a commentator in Singapore's *Business Times*: "This is extraordinary.

APEC is a voluntary and non-binding agreement among Asia-Pacific states and why it should have the right to veto any proposal from formally constituted bodies such as ASEAN is hard to see...APEC needs to more carefully avoid giving the impression of patronizing any of its members, especially as it is viewed as an instrument of US policy in this region. A few lessons in diplomacy would not come amiss among visitors from Washington."

#### ASEAN's Guerrilla Strategy

The ASEAN governments, however, have not been without effective weapons in their effort to slow down the momentum toward free trade in APEC. Perhaps the most clever ploy has been to invoke the Most Favored Nation (MFN) principle in international trade, which states that one automatically extends to all other trading partners the terms granted to the most favored partner. Here, the ASEAN countries have teamed up with Japan in opposing the United States, which adamantly sticks to the principle of reciprocity, which would extend APEC trade terms only to non-members who undertake reciprocal concessions.

The US position is that MFN within APEC would encourage "free riders," like the European Union, which would benefit from a free trade area while keeping up their own barriers. This would eventually dilute the benefits of belonging to an APEC free trade area. The ASEAN and Japanese reply is that MFN is the only position that is really consistent with the General Agreement on Tariffs and Trade (GATT) global trading framework administered by the WTO. Disagreement on this very fundamental principle would push discussion of concrete liberalization plans within APEC further into the future, giving AFTA the space to put its liberalization program securely in place.

That ASEAN's resorting to MFN in this context stems less from principle and more from a strategy to slow down the APEC free trade process is obvious if one realizes that none of the ASEAN countries would even dream of invoking MFN in an AFTA context--which is precisely what the Australians are trying to get them to do.

Rather than Mahathir's confrontational tactics, it is likely to be guerrilla tactics of this kind, coupled with rhetorical bows to regional free trade--a

strategy in which the Japanese are also quite masterful--that will bring about the effective demise of the ersatz vision of a regional free trade area that American and Australian pressure produced at Bogor, and bring APEC back to the role that ASEAN, Japan, and practically all the other Asian countries are comfortable with: serving as a consultative forum for economic cooperation, with no other ambitions.

(You can access the first two articles in the three-part series by visiting FOCUS' new ftp site:  
(ftp://maia.au.ac.th/incoming/focus/ParadigmsProgram/APEC.folder/)

For instructions on how to ftp, contact Shea Cunningham at FOCUS: <focus@ksc9.th.com>)

-----  
"APEC and the Environment: Guiding Principles, Innovative Strategies"

by Lyuba Zarsky

Nautilus Institute for Security and Sustainable Development

(Excerpts from the original paper)

The Asia-Pacific Economic Cooperation forum (APEC) has emerged as the overarching institution in the Asia-Pacific region. APEC's eighteen members span East Asia, Australasia and the Western Hemisphere and include the world's fastest growing economies.

The heart of APEC's diplomatic agenda is the creation of a region-wide, liberal trade and investment regime. Although not all APEC members are equally enthusiastic, heads of state agreed in Bogor, Indonesia in November, 1994 to reduce trade and investment barriers by 2010 for the developed and 2020 for the developing countries. In November, 1995, APEC foreign ministers will meet in Osaka to discuss an "action agenda:" ways to implement the sweeping vision of the Bogor Agreement.

Many environmentalists and citizen groups throughout Asia-Pacific worry that APEC's "sweeping vision" portends something more akin to a clear-cut, smoking forest than an efficient economic paradise. Despite some first steps to "green" APEC, free trade diplomacy has to date taken little consideration of the environment. Yet, economic openness generates new and specific pressures on environmental policymaking. With economic interdependence, the policies and norms of one country become deeply entangled with those of its trading partners. The scope for unilateral action is

reduced, even as trade-induced economic growth increase pressures on resources and eco-systems.

Regional economic integration necessitates the creation of regional frameworks for environmental governance--and APEC is the place to build them. Mutual commitments to open borders to trade could be vehicles which also carry commitments to promote ecologically sustainable development. Beyond working to expand market access, APEC countries must cooperate in putting in place conditions and safeguards which provide incentives for sustainable resource and ecosystem use. In this way, trade and environmental policies can mutually reinforce, rather than undermine, each other.

APEC is a young and flexible institution. Over the next five years, an opportunity exists to build environmental concerns into APEC's very foundation. In one way or another, it is likely that environmental issues will be on the agenda. The crucial and unfolding issue is how deep and broad will be the integration of trade and environmental concerns.

#### Towards an Environmental Agenda for APEC

Over the next two years, the Philippines followed by Canada will be the chairs of APEC. In the Philippines, the severity of ecological degradation has made the environment a mainstream concern, both domestically and internationally. Under the leadership of President Ramos, environment and finance ministers will meet in Manila in July to discuss innovative approaches to financing sustainable development. In Canada, there is considerable interest to make the environment a "key theme" of its chairmanship. The United States has also identified environment as one of fifteen "broad" issues to be included in the action agenda.

The role of analysts and activists could be pivotal in the next five years. The environmental agenda is very much in the development stage and the political will to discuss environmental issues at APEC is just emerging. Without external pressure, governments are likely to focus on narrow environmental concerns, such as the harmonization of product standards, which are heavily influenced by their national economic interests. It is up to citizen groups, scientists, analysts and other non-governmental stakeholders to articulate regional common interests and to press for a broader environmental agenda.

#### Trade-Environment Principles

Suggested common principles to guide  
the governance of the trade-environment interface:

1. **Integration of Trade and Environment:** The first principle is the recognition that trade and environment impacts and policies are interlinked, both at the national and regional levels. Trade and investment policies, as well as other forms of regional economic cooperation, should take environmental impacts into account and aim to maintain the resilience of eco-systems.
2. **Cooperation:** Common rules, guidelines and frameworks for environmental management should be developed through processes of regional discussion and consensus-building. The more powerful countries should eschew the use of unilateral trade sanctions to impose environmental conditionalities. Ample opportunities must be created for environmental concerns to be articulated by all members of APEC and for a broad consensus to emerge on ways to integrate environmental and economic management.
3. **Mutual Responsibility:** No APEC country can claim the moral high ground as the guardian of ecologically sound development. The embrace of regional mechanisms which promote environmentally sound trade patterns will require all APEC countries to make changes in their existing domestic policies and to enact new policies.
4. **Efficiency, Eco-Efficiency, and Cost Internalization:** One of the central aims of regional trade-environment cooperation is to generate market prices which take ecological costs into account. The reverse is also important: environment policies should promote economic efficiency and aim to ensure that scarce financial resources are well-spent.
5. **Scientist and Stakeholder Participation:** The creation of sound approaches to regional environmental management requires APEC to open its doors to scientists, especially ecological scientists, citizen groups and other stakeholders. Scientists and stakeholders should receive ongoing opportunities to participate in the design and implementation of regional trade, investment and environment policies. Stakeholders include community, consumer, environment and development groups, labor unions, farmers, businesses and others.
6. **Diversity and Commonality:** The general approach of APEC should be to promote common guidelines and frameworks while leaving micro-management to national and sub-national governments. Rather than the same standards, for example,

APEC could aim to standardize information gathering and testing procedures, as well as standard-setting methodologies such as environmental and health impact and risk assessment. Harmonization of standards should be pursued where appropriate.

(For the full text of Zarsky's paper contact the Nautilus Institute, Fax: 1 510 204 9298, E-mail: [npr@igc.apc.org](mailto:npr@igc.apc.org))

---

## REGIONAL ROUNDUP

Australia Update: NGOs in the APEC Process  
by Jeff Atkinson, Community Aid Abroad

In response to lobbying by NGOs, the Australian Minister for Trade has agreed to establish a Consultative Group for Australian NGOs and unions on APEC. This will enable these organizations to input directly to the Minister and to policy makers within the Australian Government. The Consultative Group will be chaired by the Trade Minister and will have 3 representatives from development NGOs, 2 from environment groups, 1 from the consumer movement, and 3 from trade unions, nominated by the Australian Council of Trade Unions.

The Minister already has a Trade Policy Advisory Committee, with business and farmers' representatives only, and the new NGO Consultative Group could be seen as a side-lining of NGOs. However, the fact that it gives them direct contact with the Minister on a regular basis, unimpeded by other views, has convinced the NGO community that it is worth doing.

Unfortunately soon after the Minister announced this new initiative, a federal election was called in Australia, which could result in a change of government. In the course of the election campaign, the opposition has indicated that it also might consider some form of APEC advisory group, but it is unlikely to include either NGOs or unions.

As part of its lobbying during the recent election campaign in Australia, Community Aid Abroad sent to every candidate a copy of a Social Justice Manifesto which set out what it felt should be the social justice priorities of an Australian Government. Among these was the promotion of socially and environmentally sensitive trade policies through APEC. The official launch of the manifesto attracted significant media publicity.

-----



## Aotearoa/New Zealand Update: July Forum

GATT Watchdog is organizing an Alternative Forum on Free Trade to be held in Christchurch, Aotearoa/New Zealand from 12 - 14 July 1996. Entitled "Trading With Our Lives: the human cost of free trade" it is scheduled to coincide with the APEC Trade Ministers Meeting being held at Christchurch Town Hall, involving the trade ministers and senior officials from the 18 APEC member countries. Topics that the forum aims to look at will include: free trade and colonization; indigenous rights; free trade, labor rights and standards; women and free trade; the role of transnationals and the erosion of economic sovereignty; market reforms - the New Zealand experience - links to the global picture.

Keynote speakers from Mexico, East Timor, and the Philippines are expected to attend as well as a cross-sectoral representation of New Zealanders who are concerned about free trade.

Successive NZ governments have committed themselves to sweeping market reforms over the past decade and by hosting the Trade Ministers Meeting and the 1999 APEC Leaders Summit, are striving to position themselves closer to the regional center of the liberalization process which APEC forms an important part of. Debate and alternative views about the path of development which they have chosen have been actively stifled by politicians and much of the media. "Trading With Our Lives" aims to add momentum to the work at both national and regional levels to challenge these forces.

For further details, please contact Aziz Choudry or Leigh Cookson at GATT Watchdog, Fax 64 3 3484763 or E-mail <gattwd@corso.ch.planet.gen.nz>

## The Philippine Update: Organizing for November

Excerpted notes by Joy Chavez  
Focus on the Global South (FOCUS)

## February Official Meeting in Philippines:

During the First Senior Officials Meeting of APEC held in February 1996 in Manila, the Philippine delegation presented a new philosophy that should govern cooperation among the APEC economies. The Philippine delegation said that APEC should depart from the "donor-donee" approach to development. Instead, APEC should shift to resource pooling to harmonize regional interests and to minimize national

agenda. This approach to development will harness economic strengths of APEC members without strings attached. Resource pooling will also enhance regional bonding and will enable APEC economies to maximize opportunities for trade and investment liberalization and facilitation. The idea of resource pooling is similar to the AFTA's Integrated Cooperation Scheme (AICO).

According to the Philippine delegation, if the proposal is adopted, APEC will foreshadow economic donor agencies like the United States Agency for International Development and the Japan's External Trade Organization. The new approach will integrate human resource development, telecommunications and information services on top of infrastructure and technology which are considered as "classic" modes of development.

Some key points of interest:

Taiwan and China: The Philippine Government has issued an assurance to China that Taiwanese President Lee Teng Hui will not participate in the APEC Summit this November. It will adhere to the "one-China" policy. The Philippines will follow the procedures adopted in previous summits. That is, it will send invitation to Taiwan, but it expects Taiwan to turn it down. On the other hand, Ambassador Chan Hsi Ching, the Taiwanese representative to Manila, said that since Taiwan is a full member of APEC, Mr. Lee has every right to attend the Summit. According to Ambassador Chan, Mr. Lee can make a lot of contributions to the APEC process especially in the most sensitive area of agriculture. Mr. Lee has a Ph.D. in agriculture from Cornell University, and is considered one of the main movers of Taiwan's agricultural development.

On 13-15 March 1996, APEC held a workshop on small and medium size industries in Los Banos, Laguna. The workshop tackled the organization, structure, funding and sustainability of the Center. The main function of the Center is to package information for use of small-and medium-scale enterprises within APEC.

Notes from two recent FOCUS' interviews:

According to Mr. Akihiko Hashimoto, JICA (Japan International Cooperation Agency) resident representative to the Philippines, Japan's apprehension over the "mobility of labor" concept arises from two things. One, Japan has been under a recession for the last four years. Labor mobility poses undue competition to their own labor markets which they have to protect. Two, it is unacceptable to Japan that

cooperation for human resource development should benefit countries other than the intended direct beneficiaries. Japan is among the biggest donor for ODA. Their intention is for the workers trained under their programs, or using Japanese aid money, to help the economies of their own countries (say, Filipino workers help to improve Philippine economy) and not other economies. Hence, their objection to the concept of "labor mobility" which covers not only "qualified persons" but also the generic overseas contract workers. (Mr. Hashimoto said that his statements are unofficial.)

Mr. Stewart Henderson, Counselor and Consul, Political and Economic Relations/Public Affairs, Canadian Embassy, Manila stated: it is clear to Canada that APEC harnesses people-to-people relations. But APEC is not a formal organization, and does not entail formal treaties. Members enter into agreements, not negotiation. Thus, it should not be compared to GATT where members undergo a process of ratification. Nor to the European Union where citizens of the members are able to cast their votes, because there is no APEC Parliament, no formal organization that requires such process. And because everything is done on a voluntary basis, there is no need for sanctions. APEC cannot and will not issue sanctions officially. However, APEC cannot stop its members from issuing bilateral sanctions to other members who choose not to comply with the APEC agreements.

#### The People's Forum:

The Philippine Hosting Committee (PHC) is chaired by Mr. Horacio "Boy" Morales of the Philippine Rural reconstruction Movement (PRRM). Mr. Omi Royandoyan of the Philippine Peasant Institute (PPI), and Ms. June Rodriguez of the Rural Enlightenment and Accretion in Philippine Society (REAPS). Working in close coordination with the PHC is an interim ad hoc International Secretariat currently manned by the Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC) and Focus on the Global South (FOCUS). A Manila-based International Secretariat is expected to be formed by end-March.

As of 14 March 1996, the PHC reported the following number of confirmed participants for the "People's Forum on APEC 1996" (PFA) : 81 Philippine NGOs and People's Organizations, 13 international/regional organizations, and two members of the Philippine legislature. Up for confirmation are 20 other local groups and five members of the legislature. (The International Secretariat and the PHC will meet to draw up the list of international groups to be invited.)

## April Events:

A strategy planning meeting of the International Committee and Philippine Hosting Committee will be held on Wednesday, 24 April 1996, from 6.00 PM up, venue to be announced.

The tentative date for the launching of the PFA '96 is Thursday, 25 April 1996, venue to be announced.

All interested NGOs are invited to attend.

Given funding constraints, however, the International Committee will not be able to finance the plane fare of those attending from outside the Philippines. All inquiries re: PFA 096 should be addressed to:

The Secretariat, Manila People's Forum on APEC 1996, Room 209, PSSC Bldg., Commonwealth Ave., Diliman, Quezon City, PHILIPPINES; Tels: (632) 929-6211; (632) 922-9621, Fax: (632) 924-3767

or to: Asian NGO Coalition for Agrarian Reform and Rural Development (ANGOC), No. 14-A 11th Jamboree Street, Brgy. Sacred Heart, Kamuning, Quezon City, PHILIPPINES; Tels : (632) 993-315/973-019, Fax : (632) 921-5122, E-mail: <angoc@igc.apc.org>

---

## RESOURCES

### Books:

\_Economic Fundamentalism: The New Zealand Experiment - A World Model for Structural Adjustment?\_ by Jane Kelsey (London: Pluto Press, 1995).

\_Challenging the Mainstream: APEC and the Asia-Pacific Development Debate\_ (1995). A collection of articles on APEC, featuring Walden Bello. To obtain the book please contact ARENA in Hong Kong: Tel: (852) 333 7737, Fax: (852) 362 1847, E-mail: arena@hk.net, address: Rm A4, Blk G, 2/F, Hung Hom Bay Centre, 104 - 18, Baker Street, Hung Hom, Kowloon, HONG KONG.

### Periodicals:

"The Big Picture" is a quarterly newsletter produced by GATT Watchdog. For subscription information contact: PO Box 1905, Otautahi/Christchurch, New Zealand, Tel: 64 3 366 2823, Fax: 64 3 348 4763, E-mail: <gattwd@corso.ch.planet.gen.nz>

\_AMPO: Japan-Asia Quarterly Review\_ published by the Pacific

Asia Resource Center (PARC). For subscription information  
contact: P0 Box 5250 Tokyo Int'l, Japan, Tel: 81 3 3291  
5901, Fax: 81 3 392 2437, E-mail: <parc@twics.com>

#### Electronic information:

The Asia Pacific Regional Environmental Network (APRENet)  
Run by The Nautilus Institute for Security and Sustainable  
Development in Berkeley is an international electronic network of  
people interested in Asia-Pacific environmental issues.  
Network participants include analysts and activists from  
research institutions, environment and development citizen  
groups, government, and business. The Network links sources  
and users of information on environment-related issues in  
the Asia-Pacific to encourage dialogue and promote regional  
environmental advocacy. A primary focus is to stimulate  
debate about institutional evolution and policy alternatives  
on trade, environment, and development issues at APEC.  
Contact Nautilus to subscribe: E-mail: <npr@igc.apc.org> or  
visit the Nautilus Website:  
<http://www.nautilus.org/>

---

#### ANNOUNCEMENTS

- FOCUS now has a Website! URL:  
<http://www.nautilus.org/focusweb/focus.html> Please visit for  
more general information on FOCUS and find more APEC-related  
information and internet links. Be forewarned, however,  
that we are working out a few bugs and it will be under  
considerable construction for the next two months.
- Regular mail and shortened faxed versions of FOCUS-on-  
APEC are available upon request. Due to our budget  
constraints, however, we are unable to air-mail the bulletin  
to many people/groups, so we kindly ask you to print this out  
and regular mail it to interested groups in your country who  
do not have access to e-mail. Thank you.

---

FOCUS-on-APEC is produced by Focus on the Global South  
(FOCUS). Edited by Shea Cunningham. For more information  
contact our office: c/o CUSRI, Chulalongkorn University,  
Bangkok 10330 Thailand. Tel: (66 2) 218 7363/7364/7365,  
Fax: (66 2) 255 9976 E-Mail: <focus@ksc9.th.com>  
Greetings FOCUS-on-APEC subscribers! Below is a correction to the first  
bulletin:

In the "RESOURCES" section of the bulletin where Challenging the  
Mainstream was listed,  
the contact information was incorrect. ARENA's new contact information:

Flat B1 2/F Great George Bldg.,  
27 Paterson St.,  
Causeway Bay, Hong Kong  
Tel: (852) 2805-6193, (852) 2805-6270  
Fax (852) 2504-2986.

The book is also available from:

Documentation for Action Groups in Asia (DAGA)  
E-mail: <daga@asiaonline.net>  
Fax: (852) 2697-1917;

Christian Conference for Asia (CCA)  
Fax: (852) 2692-3805;

Asia Alliance of YMCAs  
E-mail: <asiay@hk.super.net>  
Fax: (852) 2385-4692

If you have any comments or suggestions regarding the first bulletin,  
please get in touch with us.

Warm regards,

Shea Cunningham  
FOCUS

-----  
Focus on the Global South (FOCUS)  
c/o CUSRI, Chulalongkorn University  
Bangkok 10330 Thailand  
Tel: (66 2) 218 7363/7364/7365      E-Mail: [focus@ksc9.th.com](mailto:focus@ksc9.th.com)  
Fax: (66 2) 255 9976

---

View this online at: <https://nautilus.org/aprenet/focus-on-apec-1-mar-1996/>

Nautilus Institute  
608 San Miguel Ave., Berkeley, CA 94707-1535 | Phone: (510) 423-0372 | Email:  
[nautilus@nautilus.org](mailto:nautilus@nautilus.org)