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What's cooking at Apec summit?

TOO much gloom is unhelpful. But as things stand, it is hard to expect anything of substance that might orchestrate changes to the global financial system from the Apec summit in New Zealand next week.

We are in heartfelt agreement with International Trade and Industry Minister Datuk Seri Rafidah Aziz that it will not differ from the previous meetings in Vancouver and Kuala Lumpur. This is the tragedy of international confabulations on new financial architecture which do not go beyond articulating the need for it. Could Apec be different from these international organisations? Doubtless, it has come a long way since the inaugural ministerial meeting in Australia in 1989.

But not far enough. It could lend its collective weight to reform the global financial system through specific measures designed to ensure transparency and accountability in the operations of the economic agents involved in the capital flows. Its economic co-operation programme could be expanded not merely to come up with ideas to deal with financial crisis (ideas were aplenty in the last two summits) but to implement major financial initiatives. As the sole organisation comprising all the crisis-ridden economies, it could have been more than a mere bystander as the regional crises unfolded since mid-1997. It should have seized on the occasion to establish its relevance to economies pulverised to ashes by currency speculation.

It squandered the chance. As observed by Rafidah, Apec had a very good chance to "very strongly come up with something that people could accept at that point of time (the Vancouver meeting) and to start the ball rolling" and as for the subsequent meeting in Kuala Lumpur, major powers within the organisation showed caution in pushing for the regulation of the financial system when they could have purposefully stated their case for reform. The vested interests of certain members prevented the Apec forum process from participating actively or coming up with ideas to restructure the system. Her comment that Apec is not coming up with any idea appears to be true. It seems impotent, maybe desperately in need of Viagra or Tongkat Ali potion to shake it from its stupor.

The truth is there is a huge gulf in economic thinking among its members. The call for its role in restructuring the system is met by a standard answer - Apec is a forum process, not an institution. So, Apecnomics is driven by the economic interests of the United States and close allies. Apecnomics does not equal Asianomics. This is why Malaysia has renewed its call for the setting up of an East Asia Economic Caucus, as done by Prime Minister Datuk Seri Dr Mahathir Mohamad in his recent trip to China and now, by Rafidah.

Both Japan and China must take the leadership challenge in formulating an Asian stand and more important, working together for what we call Asianomics which embrace free market but understand from hard experience the vital need for regulation in international capital market and adjustments or corrections to the liberalisation process. Call it a new deal for Asia. Global capitalism is unequivocally understood to be American capitalism and it is largely moved by, what Columbia University's Bhagwati calls, the Wall Street-US Treasury-IMF complex. Not even in the name of 'human rights' will anyone fight for Asia's economic interests. Asia must rise with or without Apec.

There is much that Apec could have done but did not do or will not do.

Worse, with most countries recovering from the crisis, many members feel that Apec is now not an appropriate place to discuss reforms to the system. The current calm masks the acute need for global financial reforms. Apec can be a prime mover in the restructuring of the financial system. If only US and Japan will allow the slumbering reformist spirit of Apec to awake. Until then, we know what it did last summit and the next summit.

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