



## Asia-Pacific Community Options and Opportunities for India

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On 4 June 2008, the Australian Prime Minister, Kevin Rudd, called for the establishment of an Asia-Pacific Community (APC) by 2020, giving further momentum to the growing demand for a new regional architecture in the Asia-Pacific, suited to the region's changing geo-political reality in the 21st century. The proposal comes at a time when the Asia-Pacific is already struggling to manage and sustain the existing frameworks of cooperation – ASEAN Regional Forum (ARF), Asia-Pacific Economic Cooperation (APEC), and East Asia Summit (EAS).

The proposed APC will bring major players in the Asia-Pacific – China, Japan, India, Indonesia, and United States, within a common framework to address the plethora of political, economic and security issues facing the region. The proposal has raised varied responses from different quarters. While both China and Japan have welcomed the proposal, India supported it after initial hesitation. ASEAN has shown its interest, but with two reservations; that the proposal needs to take definite shape, and any such proposal should not take away the centrality of ASEAN in the deliberations concerning the region. Singapore has characterized it as a departure from Australia's previous position on ASEAN's centrality in any such endeavour.

The proposed APC has raised various questions, whose answers will also bring forth the objectives and implications of such a proposal. What are the issues in the Asia-Pacific, which require to be addressed in such a grouping? Why should the region have another institution, when there are already a number of institutions operating in the region? What does the proposed APC seek to achieve that is different from the declared objectives of the existing regional institutions?

How does India figure in the proposed framework and is it likely to address its interests? How does the APC position Australia in the changing politico-strategic equations in the Asia-Pacific? In order to answer these issues, it is pertinent to look briefly at the changing contours of the politico-economic environment of the Asia-Pacific.

### I ASIA PACIFIC CHANGING STRATEGIC LANDSCAPE

The economic landscape of the Asia-Pacific is rapidly changing and the single-most important change is the rise of Asia as the global economic powerhouse. As stated by the President of the European Central Bank, Jean-Claude Trichet, the Asia-Pacific, representing roughly half of the global population, contributes around 37 per cent of global GDP in terms of Purchasing Power Parity (PPP) and roughly 40 per cent of global growth in 2007 came from Asia. Kevin Rudd, in his speech, identified three economic indices to reflect upon the increasing importance of Asia in the world by 2020. First, Asia will constitute roughly 45 per cent of global GDP, one-third of global trade and 25 per cent of global military spending.

The growing contribution of Asia to the world is further evident from the recent statement of Singapore's Prime Minister, when he said, "Asia's growth will contribute to a doubling of the world economy in the next 25 years." Second, China and India have emerged as the most powerful drivers of economic growth in Asia. The growing economies of China and India, decades of their growth momentum and their rising standards of living, have vetted manifold, their hunger for resources. This has ensued resulted in intense competition among the growing Asian economies to acquire existing

resources, giving rise to new global challenges, as is evident from the current global food crisis and spiraling oil-prices. The region is facing various challenges, such as climate change, natural disasters, food and energy crises, which if not addressed effectively and immediately, cannot only derail the growth momentum of the region, but also push the world towards a global crisis.

Another important characteristic is the simultaneous growth of cooperative engagements between different countries or groups of countries in the Asia-Pacific. The region has witnessed sudden upsurge in the efforts towards bilateral, sub-regional and multilateral economic integration. Almost every country in the Asia-Pacific is engaged in FTA negotiations with other countries. The formation of the East Asia Summit is an important highlight of the pan-Asia-Pacific engagement process. The emergence of new power centres in Asia not only forewarns the dilution of power away from the Atlantic to Asia, but also necessitates their greater representation in the global politico-strategic deliberations and greater global attention towards Asian affairs.

There are three existing mechanisms – APEC, ARF, and EAS, which claim to offer an overarching platform for dealing with different sets of challenges facing the region. The APEC, formed in

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1989, seeks to promote economic cooperation among the countries of the Asia-Pacific and regulate economic affairs of the region. It excludes India and has agreed recently not to open itself to additional members in the near future. However, it has become defunct over the years, leading to reduced Australian influence in the Asia-Pacific. The ARF, formed in 1992, aims to address security challenges facing the region, through transparency and confidence building measures. However, the institution has proved to be a mere talk-shop and failed to deliver practically on every issue. Finally, the EAS,

formed in 2005, is relatively new and its mandate has remained limited to issues of energy, culture, economic cooperation and so on. USA is not a member of the EAS. Further, the organisation faces the spectre of being sidelined by the ASEAN+3 framework, involving ten countries of ASEAN, China, Japan and South Korea.

Now the question arises that if the three above-mentioned institutions have not been able to deliver, what is the guarantee that the fourth one will be successful? Can we not modify or reform the existing structures rather than adding another one to the list of non-performing institutions? These questions bring us to examine different aspects of the proposed Asia-Pacific Community.

## II

### APC: WHO IS IN & WHO IS OUT?

Rudd's proposal relies on three different sets of logic, which also form the basic contour of the proposed APC and its supposedly improvised components. He has, both implicitly and explicitly, tried to advance this logic while pushing for the APC. First, all major powers in the region need to be accommodated in a single architecture, which can best represent the changing strategic equations in the Asia-Pacific. In terms of membership, while APEC excludes India and the EAS excludes USA, the APC brings both of them together.

In other words, the APC recognizes India as an important player in the Asia-Pacific, and calls for continued US presence in the strategic deliberations of the Asia-Pacific. Second, instead of each organisation deliberating on different issues, the region needs to look at the challenges holistically to be able to deliberate effectively on all types of issues, such as traditional and non-traditional security issues, economic and political issues. The APC combines the security-exclusive functions of ARF, economic objectives of the APEC, and new emerging issues, such as, climate change and energy, as discussed under the EAS. In other words, the APC offers a comprehensive package, proposing to deliberate on significant political, security and economic issues within one platform. Third, the Asia-Pacific needs to learn to function the way the European Union does. In other words, the APC will function as a building block towards the formation of a European Union model in the region.

However, two important components of the proposal appear to be problematic and therefore, its regional acceptability remains doubtful. Addressing diverse issues collectively, within one platform, may end up being unwieldy and contentious, given the diverse interests of member countries. Instead of adding to the existing institutions, efforts should be made to make existing institutions more efficient and responsive to regional and global challenges. This brings us to another contentious component of Rudd's Asia-Pacific Community – does the Asia-Pacific need a regional architecture, modeled on the European Union, to be more effective in approaching and mitigating the challenges? In fact, it appears that what the APC claims to be its innovative components, could lead to greater reluctance among countries towards acceptance as this does not offer anything qualitatively advanced from the existing mechanisms.

#### Australian Posturing in the Asia-Pacific Community

Three key components of Australian posturing through APC can be identified. First, Rudd's proposed APC reflects continued celebration of the Labour party for coming back to power after twelve years; its self-believing proposition of correcting the country's policy towards the Asia-Pacific, as if whatever foreign policy options the Howard government had taken towards the region were detrimental to Australia's national interest.

The slew of measures – pulling out of QI, forbidding sale of uranium to India, and moderation in Australia's anti-China rhetoric – adopted by the Labour government, point in that direction. Moreover, the APC comes as a continuation of the Labour government's policy to position Australia within the geo-political framework of Asia, which is changing fast, growing in importance and influencing world politics.

Second, at the same time, Australia retains its politico-strategic priority of continued partnership with the US and facilitating its sustained presence in Asia, a point underscored by Kevin Rudd in his speech. The EAS represents ASEAN-10, China, Japan, South Korea, India, Australia and New Zealand. The only major Asia-Pacific player left out of the EAS framework is the US. This proposition brings us to the question - Is the APC an Australian effort to bring the US back into the politico-

strategic discourses in the eastern Asia to moderate the growing influence of China in the region?

Finally, Australia seeks to further its engagement with China, which has emerged as the most important player of Asia. The APC includes not only all the members of the Quadrilateral Initiative (QI) but also China, and therefore, can be an Australian effort to dilute the anti-China overtone of the QI by projecting an all-inclusive architecture with an important presence of China. By unilaterally pulling out of the yet-to-be-born Quadrilateral Initiative, Australia's labour party leadership has already made clear its intentions of not participating in any anti-China Asia-Pacific framework.

**India should welcome any new regional framework in the Asia-Pacific, which aims at broadening the geographical scope of integration efforts. Given the nature of strategic partnership with ASEAN, India's competition with China for strategic space in Asia and Africa, and its expanding relations with the US, India should support such proposal.**

### III INDIA'S POLICY OPTIONS

India's relationship with the multilateral cooperative frameworks in the Asia-Pacific has been a mixed baggage. India has not found entry into the APEC even after twenty years, and it is the same Labour government under the leadership of the then Prime Minister, Bob Hawke, which envisaged and gave shape to the APEC in 1989. India's membership of EAS received contestation from different quarters, and its contribution to the security discourses in the ARF has remained minimal. Ever since its inception, the EAS has been sidelined by the ASEAN+3 grouping, which incorporates ASEAN-10 and three East Asian countries – China, Japan and South Korea.

The larger effort towards economic integration in the Asia-Pacific has remained confined to the ASEAN+3 framework, rendering the participation of India, Australia and New Zealand under the EAS

merely symbolic in nature.

At the same time, India has been able to develop a long-term and wide-ranging cooperation with ASEAN, which now occupies an important place in India's politico-strategic calculations in the Asia-Pacific. In fact, ASEAN is the only multilateral platform, in which India has participated effectively, which, in turn, has facilitated India's representation in the ARF and EAS. Therefore, India's participation in any new multilateral framework should not be seen as diluting the strategic importance of ASEAN in the Asia-Pacific.

Therefore, India should welcome any new regional framework in the Asia-Pacific, which aims at broadening the geographical scope of integration efforts. Given the nature of strategic partnership with ASEAN, India's competition with China for strategic space in Asia and Africa, and its expanding relations with the US, India should support any such proposal which seeks continued presence of the US in the Asia Pacific and which does not adversely affect India's relationship with ASEAN. The proposed APC, in its current form, ensures both the strategic imperatives of India.

## V CONCLUSIONS

There are profound changes taking place in the Asia-Pacific, which have begun influencing global affairs and will continue to do so in the near future. In the coming years, the region will be able to exert greater influence over global politics, shifting the fulcrum of power towards Asia. Therefore, the region needs a new framework, which is all inclusive, efficient and best represents the region. The proposed APC does not offer anything exceptional and can be viewed as the EAS+USA. It is the same old framework, but the packaging is different. Whether it is the EAS+USA or a revised APEC+India, it is beneficial for India's strategic presence in the Asia-Pacific.

However, India should ensure that the gap between its strategic posturing and its actions on the ground remains minimal. The big power needs to act big as well, a characteristic not evident in two of its deliberations – the East Asia Summit and the ARF. India needs to adopt a pro-active approach and shed its inhibitions while participating in the EAS deliberations. The peacock-type self-indulgence is not going to serve India's interests in the long run.

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