

John Ravenhill. *APEC and the Construction of Pacific Rim Regionalism*. Cambridge: Cambridge University Press, 2001. xii, 294 pp. Hardcover \$70.00, ISBN 0-521-66094-7. Paperback \$25.00, ISBN 0-521-66797-6.

APEC and the Construction of Pacific Rim Regionalism fills a gap in the international-relations literature on collaboration by offering an international-political-economy approach to the Asia-Pacific Economic Cooperation group (APEC) and the issue of “open regionalism.” APEC, formed in 1989, has evolved into a unique institution. It now comprises twenty-one members whose leaders meet once a year. It proposes to achieve free trade by 2010 for members that are developed countries and by 2020 for member countries that are less developed. It offers an open-regionalism approach in the sense that trade concessions will be extended to members outside the group.

In this five-chapter book, John Ravenhill addresses four sets of questions: why APEC succeeded when other initiatives did not, why APEC chose open regionalism over discriminatory trade practices, how APEC has shaped regional identity, and whether APEC has advanced other liberalization efforts.

In chapter 1 the author reviews the literature on regional governmental collaboration and identifies the factors that can influence a government’s decision to enter agreements such as APEC. He then discusses, in the second chapter, how the interaction of these factors played a role in the establishment of APEC. Ravenhill traces the historical and political roots of APEC back to 1965 when Japanese economist Kiyoshi Kojima proposed a Pacific Free Trade Area, thus underscoring Japan’s interest in Pacific regionalism from the outset. Other precursors to APEC include the Organization for Pacific Trade and Development and the Pacific Economic Cooperation Conference. APEC ultimately succeeded because of the changing systemic distribution of power at the end of the Cold War along with the growth of economic interdependence across the Pacific and the advent of new ideas and intellectual leadership that followed the economic crisis of the early 1980s.

Chapter 3 examines the evolution of APEC with an emphasis on the motivations of its member governments. This is the most fascinating chapter in the book, because as it reveals how the particular interests and motivations of governments have helped shape the APEC agenda over time it also sheds light on where APEC is today and where it is going. It was only with the Clinton administration that the United States embraced the idea of APEC as an instrument to further advance trade liberalization—at a time when the Uruguay Round had reached a stalemate—and to use as leverage in its trade disputes against the European Union. Japan, on the other hand, saw APEC essentially as an institution to facili-

tate trade and technical cooperation, where consensual decision making would take precedence over negotiation. For Japan, as for most other Asian governments with the notable exception of Singapore, trade liberalization was never a primary goal of APEC. These nations share the view that economic and technical cooperation should precede trade liberalization. In fact, according to Ravenhill, Japan's APEC policies have been defined largely by a desire to preserve good relations with the Association of Southeast Asian Nations (ASEAN) and to protect the interests of Japanese companies operating in those countries. An interesting case study is provided by China. China joined APEC in 1991 as a result of changing perspectives on belonging to regional economic organizations and in an effort to build ties with other Asian countries. At the same time that China was working to join the World Trade Organization it was also taking a very a proactive role in APEC to prevent trade and financial liberalization. Ambivalence also characterizes Australia's behavior when it comes to APEC. On one hand it consistently sides with East Asia in its trade disputes with the United States in an attempt to "draw closer to Asia," and yet it also strongly advocates trade liberalization.

Interesting also is the author's attempt to explain the different policy preferences and attitudes of these governments as an outgrowth of their economic and political systems, and to link them to the relevant literatures. Developed, large economies with low tariffs are more likely to be in favor of trade liberalization, Japan being the exception. Other factors that are discussed include the degree of transparency of decision making in a country, the prevalence of Non-Tariff Barriers, state-society and state-business relations, sovereignty sensitivities, and cultural factors. Given the multitude of factors and inherent contradictions, few generalizations that apply to APEC can actually be made. In addition to governments, the chapter also describes the roles played by the Eminent Persons Group (EPG) and the Secretariat. The EPG, an advisory committee created in 1992 under the leadership of Fred Bergsten, succeeded in providing leadership and making trade liberalization the most important issue on the APEC agenda—culminating with the 1994 Bogor Declaration—but it was disbanded soon afterwards. The Secretariat, on the other hand, has been rendered ineffective by the unwillingness of the member states to share power.

Chapter 4 addresses the question "Does APEC make a difference?" The author provides a detailed description of APEC's modus operandi and evaluates its rules and structures. In sharp contrast to the WTO trade-liberalization process, APEC is characterized by lack of clarity of obligations, voluntary commitment to goals, lack of assurance of reciprocity among member economies, and ambiguity on the application of the principle of "open regionalism." It is therefore no surprise that the two examples examined by the author—Non-Binding Investment Principles (NBIP) and Early Voluntary Sectoral Liberalization (EVSL)—un- equivocally illustrate APEC's inability to move forward.

Lastly, chapter 5 presents a record of achievements and implications for regionalism. The fact that APEC exists at all is regarded by some as an accomplishment in itself. Undoubtedly, APEC has helped popularize and shape the concept of an Asia-Pacific identity. It has also contributed, at least somewhat, to regional stability by bringing together, at least once a year in an institutionalized forum, the leaders of the twenty-one member countries. In the economic arena, it has facilitated trade—for example through the harmonization of standards and codes and the collection of databases—and it has sponsored many economic and technical cooperation projects. However, as far as trade liberalization is concerned the results are dismal. APEC has not only failed to move its free-trade agenda forward in compliance with the Bogor objectives, but more and more member countries are now choosing to negotiate bilateral agreements with one another. And here resides the ultimate irony: “open regionalism,” paramount to APEC—and this book—is a principle in search of application!

What lies ahead for APEC? It is clear that APEC has been much more about technical cooperation and trade facilitation than trade liberalization. The view fostered by Japan and most of ASEAN, more notably Malaysia, has won, at least for now. The enlargement of APEC to twenty-one members, particularly with the addition of Russia, has made the future prospects of trade liberalization very tenuous at best. The failure of APEC to deal effectively with the Asian financial crisis of 1997–1998 and its aftershocks has created a vacuum that is quickly being filled by “ASEAN Plus Three”—ASEAN plus China, Japan, and Korea.

In short, this is an important book for those interested in understanding the origins, evolution, accomplishments, and prospects for APEC. The writing is a bit repetitive and dense, especially due to the author’s preoccupation with trying to fit disparate observations, such as government attitudes and policies, into prevailing theoretical frameworks, often with only limited success. Generalizations are intrinsically difficult given the myriad factors and political objectives, and they often lead to more exceptions than rules. In addition, it would have been relevant to evaluate in more detail the “ASEAN Plus Three” alternative and discuss in which ways this can become a substitute for APEC, particularly in light of the fact that, as noted by the author, “regional identity” is being redefined to the detriment of APEC. Any forum that brings together the three largest economies in the world—the United States, Japan, and China—plus Korea and Taiwan cannot be dismissed, but such a forum may very well be all that APEC has to offer in the future.

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