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“Why APECs Free Trade Agenda will Implode”

First can I pay my respects to the Gadigal people, thank you for the opportunity to be on their land and to those who have organised this events, which having just arrived several hours ago, it is the first that I have attended for Australia's anti-APEC activities. Having been involved in the New Zealand activities in 1999, I understand how much work is required of often a small group of activists so thank you for doing this on behalf of others of us and I hope that we can contribute in return.

I gave the subtext of my talk the title, 'Why APEC's free trade agenda will implode,' because I think we need to move away from the sense of being threatened and disempowered by entities like APEC and start to subject them to what we call the Dracula principle, that when Dracula is brought into the daylight it loses its potency.

First we need to understand a little about what APEC's free trade agenda involves. It was of course a creation of Australia in 1989, when there was a fear in the middle of the Uruguay round that the world would, excluding Africa because they didn't count, that the world would break into three axis, the Americas, Europe and the rest. And Australia, New Zealand were desperately concerned that they had no compromable vehicle to pursue their liberalization agenda. The US of course wanted to be a part and Japan also had its own interest in a regional entity.

I've been an APEC groupie since 1994, and it has been interesting to see how it has evolved. I am not going to talk about that in any depth, but reflecting back over more than 10 years of APEC watching it is interesting to see how the sense of almost fear amongst APEC members has increased and how it is emerging in its current Free Trade Agenda.

APEC always claimed to be about open regions with the primacy on the WTO. There is a sense of shock about the current paralysis and potential irrelevancy of the WTO among many of the leading voices today in APEC.

They also recognize that the objectives that they set for APEC in 1994 known as the Bogor goals to achieve free trade and investment amongst the richer economies of the region by 2010 and the rest by 2020 is not taken seriously. Indeed Prime Minister Mahateer in 1994, the recalcitrant that your Prime Minister

called him, insisted that APEC's commitment would all be voluntary and non-binding. They use various devices to try to achieve that goal. Each APEC member is required each year to table an individual action plan for their trade and investment liberalization towards 2010 or 2020, but that didn't really work.

In 1999 they tried to add momentum through what they call the early voluntary sector liberalization of picking a number of areas where they could have in trade speak 'an early harvest' and the sectors included, fishery, forestry, jewellery, toys and that coincided with the East Asian economic crisis and didn't go anywhere either. Then in 1999 when it became clear that there was going to be trouble at Seattle they started to broker a new strategy of bi-lateral free trade and investment agreements and we hear a lot of talking up of that option especially by the Australian and New Zealand government, but we can put the idea of a region wide APEC Free Trade Agreement into the category of flying pigs – sorry for translation.

Why, because there has always been a tension underpinning the agenda of APEC. That tension has been between the Anglo-American block who want access into the region and who have promoted a trade and investment liberalization agenda and the major investors who are already part of the region especially Japan who have promoted economic cooperation and facilitation.

What we are seeing now is that the geopolitics have become even more complicated, the US having secured what it could by way of Free Trade Agreements now is crippled with the loss of the fast track negotiating authority of the President, it also now has an overriding obsession with security as the driver of its trade policies. Its primary focus is now on the security and prosperity partnership for deeper integration between the US, Canada and Mexico.

The other aggressive liberalizers Australia, you have already signed your treaty of economic surrender to the US, you have energy which makes you attractive but you are also too demanding and aggressive.

New Zealand gave everything away a long time ago and is irrelevant, except for when we gang up with Australia to bully the Islands in the Pacific. The other traditional liberalizers, Singapore and Chile have also largely signed their deals. What we are seeing now though are increasingly important new hegemony in the region. Japan is just including three economic partnership agreements that have slipped largely under the radar with the Philippines, Indonesia and Thailand.

India and China are now emerging as more active players and we don't know exactly how that will play out, so whilst the liberalizers are concerned about what they call the spaghetti bowl of different incompatible agreements they should also be concerned about the new major power rivalries that are emerging in the region which will increase with the contest over energy resources and the militarization that accompanies that.

For that reason I think that this agenda has the potential to implode – it is also counter-productive for capitalism itself. These agreements are blunt instruments, capitalism requires a working infrastructure, it requires people with skills, it requires social and political stability, it requires working health and education systems and all of those are in danger of collapse. When we then look at the challenges in terms of the socio-political consequences of APEC's free trade agenda there are potential causes of implosion.

The new international division of labour that is created through the dispersion of production, global supply chains, trade liberalization and structural adjustment, all parts of APEC's agenda are creating instabilities that we see around us everyday. People will talk more about those shortly, I just want to refer briefly to the push and pull factors that are underpinning the crisis of labour and human rights that go beyond issues of poor labour standards or of International Human Rights instruments to the essence of peoples' lives and livelihoods.

The collapse of agriculture, is forcing people to urbanize, the collapse of urban industries is forcing people into impoverished slums, both of those are forcing people to migrate, migration for remittances is now a growing response to deepening poverty, the World Bank's figures in 2005, \$250 billion a year remitted by overseas workers to countries in the south – up 60% in just four years that is a response to domestic crises.

When we look around to the construction workers in Dubai, to the one third of workers in Singapore who are migrant workers to the maids all around the richer Asian countries to Australia and New Zealand as we suck out the nurses and the teachers from Asia and the Pacific, when we look at Fiji whose biggest income earner now is remittances from security workers in Iraq, we see the consequences in terms of Human Rights as well as labour issues. When we look at the implosion we can see different forms, in China we are seeing spontaneous responses creating instability. In Korea, we see vibrant militant national resistance; in Thailand we see a coup. In the Philippines we see mass mobilizations to defend the nationalist constitution against the abuses of the Aroyo regime. We see regionalized strategies and we see increasingly repression being used to suppress this dissent. As peak oil increases and US militarism increases we will see the use of anti-terrorism laws to police the economic and social consequences of this agenda also intensify.

So let me just conclude by saying we are also now seeing the break down of the There Is No Alternative (TINA) syndrome. It is no longer accepted that this is an omnipotent agenda that there are no alternatives the WTO's paralysis and the break down of this agenda in the region is creating skepticism even amongst governments. The Latin American developments are pivotal, the rejection of the FTAA, Venezuela's role in the WTO, in the region and in promoting alternatives

such as the Bolivarian alternative for Latin America and the Caribbean all show things are possible.

We need not to romanticize that but we need to recognize that the future is very uncertain and we now have a space into which we can inject our critique and our activism and our solidarity.