

Comment by Michael C H Jones

APEC 2011 opens in Honolulu, Hawaii USA, tomorrow. It is the principal trade body in the Asia Pacific and arguably next to the WTO the most important trade institution globally - certainly with the current near collapse of the EU.

In this context if we analyse the membership of the three recently established peak global institutions - APEC, G20, East Asia Summit (EAS) - a pattern is obvious. There exists the big 7 - USA, PRC, Japan, Russia, South Korea, Indonesia, Australia. Not India which was denied entrance to APEC, nor Canada and Mexico that are absent from the EAS. Brazil, Saudi Arabia, South Africa and Turkey are out of APEC as well as the EAS. Similarly with G20 members - UK, Germany, France and Italy.

Should Australia beat Finland and Luxemburg for membership of the UN Security Council it will be confirmation that this country is a Great Power of the second level - political clout, economic prosperity, social stability, and emerging multicultural leadership. Only the USA, and possibly China in the near future, could overwhelm Australia. Japan is a stagnant power, Russia internally weak, South Korea destabilised by the North, Indonesia several generations from looking externally. India has little structural coherence. The others in Europe are either too far away from the Indauspac Maritime regions or like Saudi Arabia lack diplomatic-military punch.

So whatever the US does with APEC is a plus for Australia. Leave it as a region-wide trade ideas incubator or stimulate it through a new Trans Pacific Partnership sub-grouping. Moreover the pressure will increasingly be on China - hold back from the dynamic Asia-Pacific Economies or meet their terms for domestic liberalisation and free trade in financial transactions, business services and intellectual properties. The BRICS Emerging Economies - Brazil, Russia, India, China, South Africa - are too disparate in their growth needs despite many political agreements to become a genuine and cohesive power bloc.

And Australia has now established leadership in the environmental business with its "carbon tax". This fits sweetly into the projected US "green growth initiative" that will inevitably be extended and deepened in future years.