



CAN APEC REINVENT ITSELF?

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Abstract

From its inception, APEC's primary focus on trade liberalisation always looked like a hard sell in East Asia, where state intervention and the preservation of sovereignty remain important. However, the forthcoming APEC Summit in Shenzhen offers an opportunity to rethink and expand APEC's role. When the Trump administration is increasingly seen as a source of chaos rather than stability, China has a chance to model responsible and creative state behaviour and even leadership. This paper details APEC's evolution, paying particular attention to the pivotal roles of Australia and Japan. If China can convince them and other middle powers that it can work constructively to tackle common economic, security and environmental problems, it could make APEC a focus of cooperation and policy coordination into the future.

Introduction

The inauguration of Asia Pacific Economic Cooperation (APEC) in 1989 coincided with the end of the Cold War and the peaceful dissolution of the Soviet Union. Francis Fukuyama claimed that history had ended and that countries everywhere would converge on the only credible option: capitalist, liberal democracies.[1] APEC seemed to be in the right place at the right time.

It's important to remember that APEC was first proposed by former Australian prime minister Bob Hawke, with some significant encouragement from Japan.[2] Japan was keeping a low diplomatic profile and 'leading from behind',[3] so Australia's possible leadership was welcome. Hawke was keen to develop closer ties with Australia's northern neighbours because its future was dependent on increasingly important economic relations with the region.[4]

The 'national interest' was important, but Hawke thought that "a world sunk in protectionism and economic autarky is a world much closer to war." [5] The relevance of this claim to the current moment seems clear, as does the potential importance of economic integration as a possible antidote to conflict and aggression.[6]

In different ways Australian and Japanese attitudes to, and expectations of, APEC have helped to define the organisation's institutional trajectory and explain why it has generally failed to make a major difference to regional economic or political relations. It remains to be seen whether China will be able to change this record of under-achievement, or whether it can help to create a more ambitious agenda that is appropriate for the perilous geoeconomic and geopolitical moment.

[1] Fukuyama, F. (1989). 'The end of the end of history', *The National Interest*, 16(Summer), 3-18.

[2] Funabashi, Y. (1995). *Asia Pacific Fusion: Japan's Role in APEC*. Washington: Institute for International Economics.

[3] Pascha, Werner. (2013) 'Japan's Role in APEC: Wavering or Leading from Behind?.' In *Asia-Pacific Economic Cooperation (APEC)*. (Routledge): 153-183.

[4] Garnaut, R. (1990). *Australia and the Northeast Ascendancy*. Canberra: A.G.P.S.

[5] Hawke, B. (1994). *The Hawke Memoirs*. Melbourne: William Heinemann Australia, p 233.

[6] Gartzke, E. (2007). 'The capitalist peace.' *American Journal of Political Science*, 51(1), 166-191.

APEC's adolescence

The old order APEC was initially part of is dying and it's not clear what will take its place. Even the notion of the 'Asia-Pacific', which APEC embodied, has been overtaken by the more narrowly focused and strategically-oriented 'Indo-Pacific'.^[7] But whatever we call the region, the early optimism that existed in 1989 has given way to growing pessimism about the future economic and especially strategic order of which APEC is a part.^[8]

Despite Australia's increasingly close ties with Japan during the 1970s and '80s, policymakers and economists seemed blind to the reality that the prospective Asian members of APEC had very different ideas about political and economic organisation, and that they might be reluctant reformers.

The 'developmental state' that Japan pioneered and which was emulated with varying degrees of success throughout East Asia meant that Asian states were not enthusiastic about adopting the essentially neoliberal economic model the Australians were championing.^[9] which was embedded in the 'Bretton Woods institutions' the Americans did so much to create following World War 2.^[10]

Even the World Bank eventually conceded that interventionist states had played a large part in guiding the 'miraculous' economic development that spread across East Asia.^[11] The People's Republic of China (PRC) also learned from and emulated some of Japan's state-led developmental strategies to great effect.^[12] State oversight and control of economic activity remains remain a fundamental and politically important feature of China's distinctive and highly successful developmental model; and a potential stumbling block to unity among APEC's still diverse membership.

However, APEC did make progress, although not without some controversy. On the one hand, in 1993 former President Bill Clinton upgraded APEC's annual meetings to include a 'Leader's Summit', which has proved to be perhaps its most noteworthy and consequential initiative. On the other hand, to atone for the expansion of NATO's borders, in 1997 Clinton supported Russia's admission to APEC, which another former Australian prime minister, Paul Keating, described as an act of "international vandalism."^[13]

Nevertheless, APEC continued to promote an ambitious free trade agenda. The Bogor Declaration famously called for the creation of free trade and investment area under the banner of 'open regionalism'. The hope that this goal might be achieved by 2020 always looked rather optimistic, especially as compliance by APEC members was non-binding. The reliance on voluntarism had been a necessary concession to gain the participation of the Southeast Asian states, who wanted to maintain both the Association of Southeast Asian Nations' (ASEAN) 'centrality', and the consensus-based, non-legalistic approach to regional cooperation.^[14]

[7] Beeson, M., & Lee-Brown, T. (2021). 'Regionalism for realists? The evolution of the Indo-Pacific.' *Chinese Political Science Review*, 6(2), 167-186.

[8] Mearsheimer, J. J. (2019). 'Bound to fail: The rise and fall of the liberal international order'. *International Security*, 43(4), 7-50.

[9] Narine, S. (2004). 'State sovereignty, political legitimacy and regional institutionalism in the Asia-Pacific.' *Pacific Review*, 17(3), 423-450.

[10] Steil, B. (2013). *The Battle of Bretton Woods*. Princeton: Princeton University Press.

[11] World Bank (1993). *The East Asian Miracle: Economic Growth and Public Policy*, Oxford University Press.

[12] Heilmann, S., & Melton, O. (2013). 'The reinvention of development planning in China, 1993-2012'. *Modern China*, 39(6), 580-628.

[13] Paul Keating, (1998) *The Perilous Moment: Indonesia, Australia and the Asian Crisis*, address to the Asia Society AustralAsia Centre, Sydney, 25 March.

[14] Dieter, H., & Higgott, R. (2003). 'Exploring alternative theories of economic regionalism: from trade to finance in Asian co-operation?' *Review of International Political Economy*, 10(3), 430-454.

While Australia and Japan both supported the Bogor agenda, Australia under Paul Keating's leadership was much more enthusiastic, seeing it as the culmination of the goal of 'Asian engagement'.^[15] Japan, by contrast, reflecting a more East Asian view, was more cautious and wary of mandatory trade liberalisation goals that might impact on important domestic political-economic actors. The existence of 'an electoral system that traditionally has overrepresented rural areas' loomed large in Japanese policymakers thinking.^[16]

Such obstacles to collective reform remain a problem. In the new millennium even APEC's most enthusiastic and uncritical supporters would have to concede that it has failed to fulfill the hopes of its architects. The ideal of a 'free and open Asia-Pacific' always looked like a difficult challenge, especially in sensitive areas of domestic political-economies. At a time when tariffs have been weaponised by the increasingly aggressive and unpredictable administration of Donald Trump, such an outcome looks even more unlikely.^[17]

Even before the outbreak of war in Ukraine and Trump's growing contempt for multilateralism, APEC's annual meetings had experienced major problems. For example, the 2018 Summit in Papua New Guinea was, for the first time in APEC history, unable to produce a joint statement of the sort expected from such meetings. The Chinese spokesman observed that "some of the trade issues were beyond the scope of APEC."^[18] They still are.

The principal cause of this lack of consensus was a disagreement between China and the US about the significance of trade protectionism and 'unfair' economic practices. And yet despite Trump's claims about China 'ripping off' America, the world economy remains deeply integrated and decoupling is easier said than done.^[19]

Indeed, both countries have been profoundly changed by 'globalisation': China has become a key part of a global capitalist economy, while America is developing East Asian-style industry policies.^[20] Old ideological divisions are one problem APEC doesn't have to deal with, at least, which may explain why Trump thinks relations with China 'will be better than ever before'.^[21] All of which may help the Shenzhen Summit to achieve consensus—if Trump turns up, of course.

Institutional innovation

APEC's quest for relevance is made more difficult by the existence of other institutions like ASEAN, the East Asia Summit (EAS), the Regional Comprehensive Economic Partnership (RCEP), the Shanghai Cooperation Organization (SCO), and most importantly perhaps, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

Paradoxically enough, East Asia has a plethora of institutions that are vying to deepen regional cooperation, but the sheer number of them means that none are as consequential as their architects might have hoped.

[15] Keating, P. (2000). *Engagement: Australia faces the Asia Pacific*. Sydney: Macmillan.

[16] Ravenhill, J. (2001). *APEC and the construction of Pacific Rim regionalism*. Cambridge University Press, p 125.

[17] Daalder, I., & Lindsay, J. (2025). 'The price of Trump's power politics', *Foreign Affairs*, January 30

[18] Dziedzic, S. and Whiting, N. (2018) 'APEC 2018: Regional meeting ends in disarray as leaders fail to reach consensus on communique', *ABC*, November 18.

[19] Hu, R. (2026). "Why US-China Decoupling Isn't Happening". *Project Syndicate*, April 2.

[20] Ju, J. et al (2026) 'The United States as an active industrial policy nation', *NBER Working Paper* 34744,

[21] Kowsmann, P. (2026) 'Trump says US-China relationship "will be better than ever before"', *Wall Street Journal*, May 13.

One enduring problem as far as some of East Asia's more fragile or authoritarian regimes are concerned is that they are generally nervous about any external intrusion into internal politics. Consequently, the more insecure members of any regime may be, 'the less intrusive are their regional institutions'.^[22] Unsurprisingly, therefore, the sort of sovereignty-pooling and 'deep' institutionalisation that has distinguished the European Union has been studiously avoided in East Asia where sovereignty is something to be protected rather than shared.^[23]

Nevertheless, the CPTPP is potentially the most important competing institution as far as APEC is concerned for two reasons. First, it has become the benchmark for regional economic agreements because it has very ambitious tariff elimination targets, rules that are designed to govern services and investment, as well as potentially binding labour and environmental standards. It also seeks to ensure fair competition with state-owned enterprises, which are such prominent parts of China's successful development model.^[24] As ever, it is far from clear that such ambitious goals will be realised.

The second reason that the CPTPP presents a challenge for APEC is that it is composed entirely of so-called middle powers.^[25] It is important to remember that the CPTPP was created following the first Trump administration's withdrawal from Trans-Pacific Partnership in 2017. No doubt the fact that Trump's predecessor Barack Obama had made realising the TPP a key goal of his administration influenced Trump's thinking, but it was clearly at odds with the America first agenda and his zero-sum view of international trade relations more generally.

Significantly, Australia and especially Japan once again led the charge to preserve the spirit and intention of the TPP,^[26] as both were keen to create a rules-based trading regime and strengthen cooperation in the 'Indo-Pacific', another geographical rebranding that both nations championed.

Equally noteworthy in retrospect was the complete absence of China from the TPP's group of institutional founders (Brunei, Chile, New Zealand and Singapore), nor the expanded grouping that existed before Trump's abrupt exit. The TPP's potentially intrusive rules limiting the role of state-owned enterprises and greater intellectual property protection may have proved difficult for China to accept and may have been designed to do so as part of the Obama administration's ambitious regional reform agenda.^[27]

However, in the absence of both China and the US, middle powers might be able to make something of the CPTPP that emerged after the collapse of the TPP. Significantly, both Australia and Japan are key parts of America's famous 'hub and spoke' strategic architecture in the Asia/Indo Pacific, ^[28] and yet they seem prepared to cooperate on economic issues when American leadership is absent.

Canadian prime minister Mark Carney's widely praised speech at Davos highlighted the potentially positive role middle powers might play in an increasingly disordered world.^[29] As Carney famously pointed out, "middle powers must act together, because if we're not at the table, we're on the menu."^[30]

The point to emphasise is that the revamped CPTPP and similar initiatives elsewhere suggest that there is a desire for middle power cooperation amongst states that have little capacity individually to shape international outcomes. Whether middle powers are motivated primarily by nervousness about global turmoil, or a desire to make long-term changes to the international order, the prospect of greater strength in numbers is clearly appealing.

[22] Acharya A, and Johnston AI. (2007) 'Conclusion: institutional features, cooperation effects, and the agenda for further research on comparative regionalism'. In: Acharya A, Johnston AI, eds. *Crafting Cooperation: Regional International Institutions in Comparative Perspective*. Cambridge University Press, p 262.

[23] Beeson, M., & Stone, D. (2013). 'The European Union model's influence in Asia after the Global Financial Crisis'. *European Journal of East Asian Studies*, 12, 167-190.

[24] Lee, H. L. (2020). 'The endangered Asian century: America, China, and the perils of confrontation', *Foreign Affairs*, (July/August), 10–12.

[25] Cooper, A. F., Higgott, R. A., & Nossal, K. R. (1993). *Relocating Middle Powers: Australia and Canada in a Changing World Order*. Carlton, Victoria: Melbourne University Press.

[26] Solís, Mireya, and Saori N. Katada. (2015) "Unlikely pivotal states in competitive free trade agreement diffusion: The effect of Japan's Trans-Pacific Partnership participation on Asia-Pacific regional integration." *New Political Economy* 20.2: 155-177.

[27] Ramasamy, B. (2016) 'Why China could never sign on to the Trans-Pacific Partnership', *The Conversation*, April 14.

[28] Cha, V. D. (2010). 'Powerplay: Origins of the U.S. alliance system in Asia'. *International Security*, 34(3), 158-196.

[29] Beeson, M. (2026) 'Mark Carney's middle-power masterclass', *Asia Times*, February 19.

[30] Carney, M. (2026) 'Special address by Mark Carney, Prime Minister of Canada', World Economic Forum, January 20.

Given that China is not a member of the CPTPP, there is consequently even more reason for it to try and make APEC work and contribute to a form of ‘institutional balancing’ that might help to stabilise the region.[31] Trump’s disastrous war with Iran and his destructive economic policies have presented China with a great opportunity to present itself as a force for strategic and economic stability.[32] The key question is whether China has the capacity or willingness to provide the sort of leadership some think essential,[33] and seize the opportunity to provide a more stable alternative to American-made strategic and economic chaos.

The forthcoming APEC Summit in Shenzhen provides a perfect opportunity for China to suggest what an alternative order might look like by modelling a form of principled and creative multilateralism. However, it is a measure of how difficult it is for many of America’s traditional allies like Japan and especially Australia to think differently and independently about security issues and relations with the US that even when America has become the most unpredictable and destructive force in the international order, change remains unthinkable.[34]

If leadership is an essential feature in the resolution of collective action problems, someone must provide it. And yet, as Robyn Eckersley points out, “leadership is legitimated, and what counts as consent by followers, depends on the collective problem that is addressed and the social and institutional context.”[35]

If so, China has an ideal opportunity to match actions with words and demonstrate where cooperation has worked in the past and could work in the future. Given that some American commentators think that liberalism rather than authoritarianism is the cause of many of America’s and the world’s current problems,[36] the political environment is never likely to be more conducive to China’s agenda.

China to the rescue?

There is a good deal of institutional and ideational inertia in alliance politics, but the strategic loyalty and path-dependence of countries like Australia and Japan is still remarkable,[37] especially at a time when China’s actions and words present a potentially more credible alternative.

But despite the fact that China is doing more to address the problem of climate change than any other country in the world, for example, and has developed a persuasive rhetoric around the importance of preserving and reinvigorating multilateralism, both Japan and Australia are moving to entrench their respective alliances with the US,[38] despite the latter’s increasingly erratic behaviour and impact on the international order.

All other things being equal, the possible advantages of closer, more constructive ties with China for major trade partners like Australia ought to be self-evident. And yet there is a legacy of mistrust and suspicion that makes cooperation difficult.[39] The APEC Summit offers a real chance to reset the regional order. As President Xi has suggested, APEC must “stay committed to multilateralism and an open economy, firmly

[31] He, K., & Feng, H. (2025). ‘The positive externalities of US–China institutional balancing in the Indo-Pacific’. *International Affairs*, 101(1), 35-52.

[32] Anonymous (2025) ‘China proved its strengths in 2025—and Donald Trump helped’, *The Economist*, December 18.

[33] Kindleberger, C. P. (1981). ‘Dominance and leadership in the international economy: Exploitation, public goods, and free rides’. *International Studies Quarterly*, 25(2), 242-254.

[34] Forrest, A. (2026). ‘Critics of US need to explain Australia’s place in a China-dominated region’, *The Strategist*, February 2.

[35] Eckersley, R. (2020). ‘Rethinking leadership: understanding the roles of the US and China in the negotiation of the Paris Agreement’. *European Journal of International Relations*, 26(4), p 1181.

[36] Mearsheimer, J. J. (2019). ‘Bound to fail: The rise and fall of the liberal international order’. *International Security*, 43(4), 7-50; Goddard, S. E., Krebs, R. R., Kreuder-Sonnen, C., & Rittberger, B. (2025). Liberalism doomed the liberal international order. *Foreign Affairs*, July 28.

[37] Behm, A. (2026). ‘Australia’s shameless support for the US attack on Iran makes us gullible, duplicitous, or both’. *The Guardian*, March 3; Anonymous. (2026). ‘Asian allies are doomed to hug Donald Trump close’. *The Economist*, June 16.

[38] M. (2025). ‘China: Australia’s new great and powerful friend?’ *Australian Journal of International Affairs*, 1-7.

[39] Curran, J. (2022). *Australia’s China Odyssey: From Euphoria to Fear*. Sydney: NewSouth.

uphold the multilateral trading system with the WTO at its core, and fully reactivate APEC's role as an incubator of global economic and trade rules.”[40] Ironically, China can present itself as the defender of the status quo and the very international order that America largely created and China benefitted from.

This may be easier said than done, however, as China has damaged its standing as a reliable economic partner and source of stability. Both Australia and Japan have been victims of Chinese economic coercion. In Australia's case, Scott Morrison's ill-advised decision to call for an investigation into the origins of the Covid virus unsurprisingly didn't go down well in Beijing. Australia was subjected to swingeing Chinese tariffs on some of its key agricultural and commodity exports, but not iron ore or natural gas, on which China remained dependent.[41]

This dispute occurred at the height of China's so-called 'wolf warrior' diplomacy and culminated in the airing of a more general series of grievances and demands about Australia's security posture, foreign policy, investment restrictions, hostile domestic media, and Australia's own tariff barriers.[42]

Significantly, economic and diplomatic relations returned to normal relatively quickly, despite Australia's increasing defence expenditure and integration into America's 'grand strategy', which is directed primarily at China.[43]

Japan, by contrast, has found cultivating friendlier ties with China more of a challenge, not least because of the enduring tensions that exist between the former foes. Strategic concerns were elevated because of still relatively new Japanese prime minister Sanae Takaichi's observation that any Chinese action against Taiwan would be regarded as a 'survival-threatening situation' for Japan.[44] While Takaichi may have one eye on relations with the Trump administration, China remains vulnerable to allegations of regional bullying and hegemonic ambition.[45]

Any hopes that Chinese policymakers may nurture about their ability to provide regional leadership will have to reckon with and overcome such deep-seated and long-lasting concerns about their strategic intentions. North Korean-style 'missile tests' are clearly not the best way of winning friends and influencing people, though.[46] There are, however, some possible areas of cooperation given the still significant levels of economic interdependency between China and Japan,[47] as well as similar ideas about the value of more 'comprehensive' views of security.[48]

Recognising that notions of security could, and perhaps should, encompass more than military power, but also include energy, resources, the natural environment and even the overall geopolitical context in which such factors are embedded, might offer a basis for dialogue, and safeguard the conditions in which APEC-style 'economic cooperation' is actually possible. All of this would be in line with Xi Jinping's suggestion that "development is the foundation of security, and security the precondition for development.”[49]

[40] Xi Jinping. (2024) *Address at the 31st APEC Economic Leaders' Meeting*. Lima, Peru, 16 November, State Council of the People's Republic of China.

[41] Laurenceson, J. (2020) 'There's no need to panic over China's trade threats', *The Conversation*, November 12.

[42] Grigg, A. (2020). 'Australia not blameless in China trade war.' *The Australian Financial Review*, May 13.

[43] Patrick, R. (2026). 'Hundreds of thousands of millions of dollars: Tallying Defence's toxic submarine waste'. *Crikey*, May 27.

[44] Katada, S. N., & Solis, M. (2026). 'China's economic coercion strengthens Takaichi's hand'. *East Asia Forum*. March 11.

[45] Fletcher, G. (2026). 'Yes, China does seek hegemony'. *The Interpreter*. July 8.

[46] Butler, J., & Jervis-Bardy, D. (2026). 'China tests long-range missile in South Pacific in move Australia condemns as "destabilising to region"'. *The Guardian*, July 6.

[47] Kosuke, T. (2026) 'China Reopens a Business Channel to Japan While Political Ties Remain Frozen', *The Diplomat*, June 24.

[48] Alagappa, M. (1998). 'Asian practice of security: Key features and explanations'. In M. Alagappa (Ed.), *Asian Security Practice: Material and Ideational Influences*. Stanford: Stanford University Press, pp 611-76.

[49] Xi, J. (2014). *New Asian Security Concept For New Progress in Security Cooperation*. Paper presented at the Remarks at the Fourth Summit of the Conference on Interaction and Confidence Building Measures in Asia, Shanghai Expo Center.

Conclusion

The Shenzhen Summit offers an opportunity to explicitly link economic *and* more traditional forms of security, usefully expanding APEC's narrow and increasingly unrealistic preoccupation with trade liberalisation. After all, economic activity does not occur in a vacuum: if large parts of the world are at war or strategically unstable, then the prospects for trade and economic integration are likely to remain bleak.

The challenge is to create an international environment in which states large and small can concentrate on geoeconomics rather than geopolitics; something China has a demonstrated capacity to achieve.[50] Forging a common sense of purpose with identifiable goals that revolve around the interlocking issues of economic and environmental security might be one way of developing a more tangible sense of regional security. It will require more persuasion than coercion, and more carrots than sticks, but China's rollout of the Belt and Road Initiative may provide a model for that process, too.[51]

It's not unprecedented either. On the contrary, the BRI looks rather like America's Marshall Plan,[52] which created the foundation for an unparalleled era of economic development and relative geopolitical stability. A stabilising influence is especially important when the US is either unwilling or incapable of acting as a force for collective development and stability.

Perhaps China should try. After all, constructive ideas and even leadership must come from somewhere if we are not all to descend into an unmanageable, potentially civilisation-ending 'polycrisis' that threatens humanity as a whole.[53]

The questions policymakers in the Asia-Pacific need to ask themselves are firstly, whether 'Chinese hegemony' could be any worse than the current American variety. Indeed, China might dispel fears of Chinese dominance by trying to promote a more inclusive form of regional leadership along the lines of the concert of powers that prevailed in nineteenth century Europe.[54]

Secondly, in the absence of American-style hegemonic dominance with its associated military alliances, could a coalition of non-aligned middle powers influence the actions of both China *and* the US in constructive ways? Perhaps "values-based realism" of the sort championed by Mark Carney and Alexander Stubb offers a basis for middle powers to recognise potential partners and "form calibrated alliances, integrating deeply with those countries that share our values, and remain open-eyed with those that do not." [55]

APEC could become an unlikely champion of such values if China is willing to cooperate with middle powers that are demonstrating a willingness and capacity to inject new and creative ideas into an international order that desperately needs them.

[50] Naughton, B. (2021). *The rise of China's industrial policy, 1978 to 2020*. México: Universidad Nacional Autónoma de México, Facultad de Economía.

[51] Lokea, B., & Guo, X. (2025). 'China's coalition-building in the Indo-Pacific: strategies of connectivity and association'. *Australian Journal of International Affairs*, 79(4), 552-569.

[52] Hogan, M. J. (1987). *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952*. Cambridge: Cambridge University Press.

[53] Tooze A. (2022) 'Welcome to the world of the polycrisis', *Financial Times*. October 28.

[54] Bell, C. (2005). *Living with Giants: Finding Australia's Place in a More Complex World*. Canberra: ASPI; Mitzen, J. (2013). *Power in Concert: The Nineteenth-century Origins of Global Governance*. University of Chicago Press.

[55] Carney, M., & Stubb, A. (2026) 'Prepare for a world of ad hoc coalitions'. *The Economist*, July 8.

Policy recommendations

FOR CHINA

- Match encouraging rhetoric to reality and find ways to play the sort of stabilising role the United States appears to have given up on.
- Send positive signals to Japan in particular to overcome strategic tensions and work cooperatively to develop 'comprehensive security', if only in the East Asian part of the Asia-Pacific.
- Reach out to Australia to develop common approaches to collective action problems like climate change and even arms control.
- Convince other APEC members that it doesn't represent a security threat by avoiding provocative and coercive actions.
- Cooperate with middle powers that are promoting potentially useful ways of addressing global collective action problems.
- Use the forthcoming APEC Summit to promote dialogue, the Leaders' Meeting, and the pacifying impact of economic cooperation.

FOR APEC'S MIDDLE POWERS

- Keep an open mind about China's intentions and signal that it will be judged by its actions. Encouraging China to take a more inclusive attitude to agenda-setting and identifying areas of common concern would be one way of realising a new approach.
- Recognise that meaningful, comprehensive security requires collective responses to common challenges that include the natural environment as well as the economic variety.
- Join with other middle powers to develop common approaches to common problems, especially how to deal with the Asia-Pacific's two great powers, China and the US.
- Follow Canada's and Finland's lead in rethinking old ideas and coordinating policy positions ahead of major international gatherings like the APEC Summit.



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