

## CHAPTER 3

### PECC's Formative Years: **Institutionalization of a Process**

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## PECC'S FORMATIVE YEARS: INSTITUTIONALIZATION OF A PROCESS

### Introduction<sup>1</sup>

The Pacific Community Seminar held in Canberra from 15 to 17 September 1980 had sought to create a process to promote Pacific regional cooperation – a process that was expected to involve governments. Participants in the Seminar recommended that a standing committee, called the Pacific Co-operation Committee (PCC), be established to coordinate an expansion of information exchange within the region. The PCC was to be unofficial, private and informal; it was to consist of about 25 members representing business, academic, professional and government groups. Its prime responsibility would be to establish task forces in agreed areas to explore substantive issues for regional economic cooperation, to review the task force reports and to transmit the reports to governments. The PCC was also to explore the possibility of establishing a permanent institutional structure for Pacific cooperation.

The Seminar also recommended that its chair, Sir John Crawford, should advise interested governments on arrangements necessary to establish the PCC and its secretariat; on questions of funding; and on the need to consult with non-governmental groups (Crawford and Seow 1981).

The PCC was intended to be unofficial, private and informal, but its establishment and operation were made conditional upon the consent,

endorsement and commitment of regional governments.<sup>2</sup> Obtaining such consent proved to be difficult as some governments did not respond to the proposal, or did not respond positively. It soon became apparent that the PCC could not be realized immediately.

However, this unfortunate situation led to various activities to examine new approaches to the promotion of Pacific economic cooperation and to explore feasible ways of achieving them (Soesastro 1983b). As ASEAN governments were amongst those that were reluctant to endorse the recommendations of the Canberra Seminar, in early 1981 several scholars from five ASEAN countries (Indonesia, Malaysia, the Philippines, Singapore and Thailand) formed a Study Group on “ASEAN and the Pacific Community” under the auspices of the Center for Strategic and International Studies (CSIS).<sup>3</sup> The study group’s report recommended the creation of an ASEAN Pacific Co-operation Committee (ASEAN-PCC) to propagate the Pacific Community idea to a wider audience; to promote the study and research of Pacific issues relating to economic, environmental, social and cultural matters; to coordinate the interests and activities of various groups interested in the Pacific Community concept; and to channel appropriate reports to ASEAN and other governments (CSIS 1981).

In April 1981, Narongchai Akrasanee, who was at the United Nations Economic and Social

<sup>1</sup> The author wishes to thank Dr Mark Borthwick and Dr Andrew Elek for their valuable comments on the draft of this chapter.

<sup>2</sup> Han, Sung-joo, “Institutional issues”, Statement made at the Pacific Economic Co-operation Meeting, Bangkok, 3–5 June 1982.

<sup>3</sup> The group consisted of Narongchai Akrasanee (Thailand), Mohamed Ariff (Malaysia), Jesus P. Estanislao (Philippines), Pang Eng Fong (Singapore), Hadi Soesastro (Indonesia), Augustine H.H. Tan (Singapore) and Jusuf Wanandi (Indonesia).

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Commission for Asia and the Pacific (ESCAP) in Bangkok, managed to mobilize funding from the Government of Japan to launch a project on “ASEAN and Pacific economic co-operation”. The project, which involved 11 researchers, examined various aspects of cooperation.<sup>4</sup> On 1–2 June 1982, an expert group reviewed the research papers produced by the project; the major findings were presented to the Pacific Economic Co-operation Meeting held in Bangkok on 3–5 June 1982. The Bangkok meeting was organized by the newly established Thailand Pacific Economic Cooperation Committee, with the support of ESCAP, and successfully resurrected the process that came to a halt after the Canberra Seminar. Participants agreed to rename the

meeting the Pacific Economic Cooperation Conference (PECC). The next meeting was held in Bali in November 1983. It was called the Third Pacific Economic Cooperation Conference, the implication being that the Pacific Community Seminar in Canberra in 1980 was the first and the Bangkok conference the second in a series of conferences to be developed as the main vehicle for promoting the Pacific economic cooperation process.

In the remainder of this chapter, I describe the evolution of the PECC process and suggest some issues to be resolved if PECC is not to lose its relevance. Table 3.1 provides a chronology of the main meetings from 1982 to 1986. Table 3.2 lists some of the key participants in early meetings.

**Table 3.1 Chronology of PECC meetings between 1982 and 1986**

Year	Date	Place	Type of meeting
1980	15–17 September	Canberra	Pacific Community Seminar <b>(PECC I)</b>
1982	3–5 June	Bangkok	Pacific Economic Co-operation Meeting <b>(PECC II)</b>
1982	1–2 November	Hong Kong	Meeting of task force coordinators
1983	23–24 March	Bangkok	First SC meeting
1983	24–26 September	Seoul	Meeting of task force coordinators
1983	21–23 November	Bali	<b>PECC III</b> , pre- and post-conference SC meetings
1984	2–3 March	Bangkok	SC and CG meetings
1984	20–21 October	Tokyo	CG meeting
1985	26–27 January	Tokyo	SC and CG meetings
1985	29 April – 1 May	Seoul	<b>PECC IV</b> , pre- and post-SC and CG meetings
1985	30–31 August	Tokyo	SC and CG meetings
1986	21–22 August	San Francisco	SC and CG meetings
1986	16–19 November	Vancouver	<b>PECC V</b> , pre-and post-SC and CG meetings

CG = Coordinating Group; SC = Standing Committee

<sup>4</sup> Of the 11 papers, three were prepared by the ESCAP Secretariat with the direct involvement of Narongchai Akrasanee (on industrialization, foreign direct investment, and technology transfer); others were prepared by Rachain Chintayarangsang (primary commodity exports), Greg Fook-Hin Seow (trade in services), Sahathavan Meyanathan (energy and minerals security), Rodney Tyers (food security), Bernardo M. Villegas (marine and forest resources), Yen Kyung Wang (monetary interdependence), Hadi Soesastro (institutional aspects), and Masahiko Ebashi (role of China). See ESCAP (1983) for the complete set of research papers.

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**Table 3.2 Some frequent participants in early PECC conferences**

Name of attendee	Country represented	PECC Conference No.				
		I	II	III	IV	V
Narongchai Akrasanee	Thailand	✓	✓	✓	✓	✓
Mark Borthwick	United States		✓ <sup>a</sup>	✓	✓	✓
John Bruk	Canada			✓	✓	✓
Sir John Crawford	Australia	✓	✓	✓		
Peter Drysdale	Australia	✓	✓ <sup>a</sup>	✓	✓	✓
Mark Earle	United States	✓ <sup>a</sup>	✓	✓	✓	✓
H.E. English	Canada	✓	✓	✓	✓	✓
Han Sung-joo	Korea	✓	✓	✓	✓	
Stuart Harris	Australia	✓		✓	✓	✓
Thanat Khoman	Thailand	✓	✓	✓	✓	✓
Kim Kihwan	Korea		✓	✓	✓	
Kiyoshi Kojima	Japan	✓ <sup>a</sup>		✓	✓	✓
Koo Chen Fu	Chinese Taipei			✓ <sup>a</sup>	✓ <sup>a</sup>	✓
Nam Duck-Woo	Korea			✓	✓	✓
Saburo Okita	Japan	✓	✓	✓	✓	✓
Hugh Patrick	United States			✓	✓	✓
Guy Pauker	United States			✓ <sup>a</sup>	✓ <sup>a</sup>	✓ <sup>a</sup>
Seizaburo Sato	Japan	✓	✓	✓	✓	✓
Hadi Soesastro	Indonesia	✓	✓	✓	✓	✓
Soogil Young	Korea			✓	✓	✓
David SyCip	Philippines	✓	✓	✓	✓	✓
Tai-Ying Liu	Chinese Taipei			✓ <sup>a</sup>	✓	✓
Brian Talboys	New Zealand			✓	✓	✓
Eric Trigg	Canada	✓	✓	✓	✓	✓
Somsak Xuto	Thailand		✓		✓	✓

Notes: <sup>a</sup> Attended as an observer.

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### The PECC Process

At the expert group meeting in Bangkok on 1–2 June 1982, Han<sup>5</sup> discussed four options for promoting Pacific economic cooperation. In declining order of organizational rigidity they were:

- establishment of an OPTAD-type intergovernmental consultative organization;<sup>6</sup>
- establishment of the PCC as recommended by the Canberra Seminar;
- establishment of a process called the Pacific Co-operation Conference; or
- no agreement on institutional arrangements.

As noted by Han, the problem with the first option, namely an intergovernmental organization (IGO), was the lack of interest and support by many governments in the region. The second option bypassed the need for the establishment of an IGO, but it required active endorsement and support by governments. When reporting to the Pacific Economic Co-operation Meeting on behalf of the expert group, Han<sup>7</sup> proposed the third option, namely the organization of Pacific cooperation conferences. He suggested that the conferences would be held at two-

year intervals, and that further studies would be conducted in the intervening periods. He said:

The conference would receive and discuss findings and policy recommendations of several task forces which would be assigned to identify and study major areas of regional cooperation, and make specific recommendations based upon a careful cost–benefit analysis of specific forms of cooperation.

...the task forces, which are to be organized by [the] conference and monitored by a steering committee designated by it, will be sponsored and funded by the various countries and their research institutions. The host country of the next scheduled conference may provide secretariat services for the steering committee, which is to act as an over-all coordination body. The committee may consist of one member from each of all the participating countries and selected regional organizations.

At the Bangkok meeting in June 1982, which became known as PECC II, an agreement emerged that Pacific economic cooperation “should take the form of a series of tripartite<sup>8</sup> consultative meetings to review matters of common concern to the Pacific Basin countries, and to pass on recommendations

<sup>5</sup> Han, Sung-joo, “Institutional issues”, Comment presented at the Expert Group Meeting on ASEAN and Pacific Economic Co-operation, ESCAP, Bangkok, 1–2 June 1982.

<sup>6</sup> OPTAD stands for Organization for Pacific Trade and Development, and was first proposed by Hugh Patrick and Peter Drysdale in a paper written for the Congressional Research Service of the Library of Congress (Patrick and Drysdale 1979). Soesastro (1983a, 1983b) discusses the proposal at length.

<sup>7</sup> Han, Sung-joo, “Institutional issues”, Statement made at the Pacific Economic Co-operation Meeting, Bangkok, 3–5 June 1982.

<sup>8</sup> In this sense, “tripartite” refers to government officials in a private capacity, researchers and business people.

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to the respective governments and relevant organizations".<sup>9</sup> The conference made the following recommendations:

- A Standing Committee would be established consisting of Thanat Khoman (Thailand), Ali Moertopo (Indonesia), Sir John Crawford (Australia), Saburo Okita (Japan), Eric Trigg (Canada), David SyCip (Philippines), Nam Duck-Woo (Korea), and Richard Sneider (United States).
- The Secretariat of the Standing Committee would be located at CSIS in Indonesia, which would host the next conference in 1983.
- Four task forces would be established,<sup>10</sup> with reports of the task forces fully reflecting tripartite views.

Representatives from 12 countries were present at the Bangkok meeting (three persons from each country), but only eight countries nominated a member for the Standing Committee. Malaysia, New Zealand and Singapore did not do so because they felt that they needed to find a person of high standing, and Chile was not regarded as a participant.<sup>11</sup>

On 1–2 November 1982, task force coordinators met in Hong Kong to consult on their work plans. On 23–24 May 1983, the first meeting of the Standing Committee was held in

Bangkok to review the work of the task forces. The meeting also discussed the preparations for the third PECC meeting in Indonesia.

Task force workshops were held in June and July 1983. On 24–26 September 1983 task force coordinators held a workshop in Seoul to produce an "integrative" report from the reports of the four task forces. The workshop also adopted a report on "Suggested Institutional Arrangements for the Future" prepared by a small group led by Sung-joo Han.<sup>12</sup>

As early as June 1982, Soesastro (1983a, 1983b) had presented a study at PECC II pointing to the importance of establishing national committees. The suggestion was that regional consensus building could not be pursued through international seminars alone but needed sufficient national support from within the respective participating countries. At that stage a number of countries had already established a national focal point of sorts. Thailand had established the Pacific Economic Cooperation Committee of Thailand. The Pan-Pacific Community Association (PPCA) had been established in the United States in 1980 to increase the American public's awareness and appreciation of the interdependence of Pacific nations.<sup>13</sup> In Japan, a Special Committee on Pacific Cooperation (SCPC) was established

<sup>9</sup> See "Report of the Pacific Economic Cooperation Conference, Bangkok, Thailand, June 1982", p. 142 in PECC (1984).

<sup>10</sup> The Task Force on Trade in Manufactures (organized by the Korea Development Institute); the Task Force on Trade in Agricultural Products (organized by the Pacific Economic Cooperation Committee of Thailand); the Task Force on Trade in Minerals (organized by the Australian National University); and the Task Force on Investment and Technology (organized by the Japan Special Committee for Pacific Cooperation).

<sup>11</sup> The Canberra Seminar had also been attended by representatives from 12 countries (three persons from each). The countries were the same as at the Bangkok meeting except that representatives from the South Pacific were included and Chile was not.

<sup>12</sup> See "Report on Institutional Aspects", pp. 34–37 of PECC (1984).

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in 1981 under the chairmanship of Saburo Okita as a working group within the Japan Institute of International Affairs (JIIA).<sup>14</sup> Korea was also amongst the first group of countries to set up a national body focusing on the Pacific: in June 1981, it set up the Korea Committee for Pacific Cooperation, with the Korean Development Institute (KDI) acting as its secretariat. And in Canada, at the suggestion of the private sector and the universities, the Asia-Pacific Foundation of Canada was established with the support of the government. This foundation became the institutional base for the Canada Committee for PECC.

The Han Report endorsed at PECC III<sup>15</sup> concluded that the three-tier format (a conference, a standing committee and four task forces) had served PECC effectively thus far. Han proposed a modification of the format through the addition of two new components: the Coordinating Group and national committees. On the Coordinating Group, the report stated:

... the coordinators of the Task Forces have functioned as a de facto working group which coordinated the PRCC activities on behalf of the Standing Committee. The Standing Committee may formalize this arrangement by appointing a Coordinating Committee whose main function is to plan overall PECC activities and coordinate work

among the Task Forces on behalf of the Standing Committee. The Coordinating Group will be chaired by a representative of the next PECC host country which will also provide its secretariat services. The Coordinating Group will place particular emphasis on the integration of Task Forces findings and the development of an action program to advance the interests of Pacific economic cooperation.

On the national committees, it stated:

PECC and the Task Forces will be assisted and supported in their activities by “national committees,” which are to be established in the respective participating countries. National Pacific Cooperation Committees are organized on a tripartite basis and to serve as a focal point within each country pertaining to the activities of the PECC. They will seek the support of the government and to involve as wide a range of participation as possible. They are expected to nominate the country’s Standing Committee member as well as participants to the PEC Conference.

As agreed at PECC II, the country providing the “Secretariat” services for the Standing Committee and the Coordinating Group as well as the next PECC meeting was to be the host country of the next PECC meeting. The Han

<sup>13</sup> In February 1981, the PPCA held a planning meeting at the East-West Center in Honolulu to formulate new initiatives for the development of the Pacific Community concept. It published the *Pacific Community Newsletter* in spring 1981 and subsequent years, though this has been long discontinued. The PPCA was later reorganized into the US National Committee for PECC.

<sup>14</sup> In March 1982 and subsequent years the SCPC published the *Pacific Cooperation Newsletter*, though, like the newsletter produced in Honolulu, this has been discontinued. The SCPC later became the Japan National Committee for PECC, with JIIA as its secretariat.

<sup>15</sup> See “Report on Institutional Aspects”, pp. 34–37 of PECC (1984).

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Report did not propose the establishment of an “international” secretariat.<sup>16</sup>

As a result of some lobbying by the host (CSIS), the Rt. Hon. Brian E. Talboys, former Foreign Minister of New Zealand, agreed to attend PECC III as a member of the PECC Standing Committee representing New Zealand. CSIS had also asked individuals in Malaysia and Singapore to join, but they did not attend until after PECC III. In addition, CSIS introduced PECC to Mexican officials and scholars, leading to Omar Martinez Legoretta from El Colegio de Mexico attending PECC III. PECC had not formally opened up to Latin America at that time, but PECC III was also attended by representatives from Chile (also present at PECC II) and Peru. Representatives from Taipei<sup>17</sup> were present at PECC III. Informally they expressed an interest in becoming full participants in the PECC process. At its post-

conference meeting the Standing Committee agreed to invite individuals from Taipei to participate in task forces in a personal capacity.

The Standing Committee gave serious attention to the work of task forces. Table 3.3 shows the task forces and coordinators for the next cycle, between PECC III and PECC IV.

Dr Ahn Seung-chul, President of KDI, was appointed as chair of the Coordinating Group. The Standing Committee endorsed the proposal to bring in advisors to provide expert assistance in the integration of task force findings and development of an action program to advance Pacific economic cooperation. Advisors were to be invited by the chair of the Coordinating Group in consultation with task force coordinators.

The next Standing Committee and Coordinating Group meetings were held on 2–3 March 1984

**Table 3.3 PECC task forces in the period between PECC III and PECC IV**

Task Force	Primary Coordinating Country	Primary Coordinating Institute	Coordinator
Agricultural and renewable resource goods	Canada		Prof. H. English
Minerals and energy	Australia	ANU	Prof. S. Harris
Manufactured goods	Korea	KDI	Dr Soogil Young
Direct investment and technology transfer	United States		Dr Mark Borthwick
Capital flows	Indonesia	CSIS	Dr Hadi Soesastro
ANU = Australian National University; CSIS = Center for Strategic and International Studies; KDI = Korean Development Institute.			

<sup>16</sup> The need for such a secretariat emerged only later.

<sup>17</sup> In PECC minutes and other documents this was initially noted as Taiwan. After it joined PECC, it was officially referred to as Chinese Taipei.

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in Bangkok. In addition to Standing Committee and Coordinating Group members, a total of eight advisors were present.<sup>18</sup> Task forces were instructed to pursue regional issues and interests, rather than national interests, and were told that their recommendations should be precise and conclusive, and should include specific policy proposals.

The Standing Committee noted that in most member countries (Australia, Indonesia, Japan, Korea, New Zealand, and the United States) the results of the Bali meeting had been reported to appropriate officials and met with supportive responses. The recommendation to establish national committees was also taken up seriously. National committees were formally established in Australia, Indonesia, New Zealand and the United States, and existing national committees in Canada, Japan, Korea and Thailand were strengthened.

The March 1984 Bangkok meeting provided the opportunity for serious discussions about the direction PECC should take. The following points made it into the minutes:

- PECC would pursue “non-military” cooperation based on “open regionalism”.
- PECC should be an institution concerned with the long-term objective of creating an atmosphere for cooperation rather than just being a source for a few specific, occasional, policy recommendations.
- The regional cooperation that PECC pursued

could be defined essentially as a regional effort to solve global problems.

- The future development of PECC would crucially depend on the attitudes regional governments took towards PECC.

PECC IV was held in Seoul from 29 April to 1 May 1985. There was no longer a summary (integrative) report of the findings of the task forces. Instead, some members of the Standing Committee and National Committee, and individual experts, submitted comments on task force reports. In his general comments, David SyCip, Filipino member of the Standing Committee, raised the issue of why PECC had yet to come forth with a goal statement that clearly related to *regional* economic cooperation. He questioned statements about economic cooperation that was not exclusive to the Pacific region, and argued that such statements were giving “the impression that although being initiated by some Pacific region countries, the goal is to achieve ad-hoc economic cooperation multilaterally, and in a global rather than a regional arena”. He further stated (PECC 1985: 166):

...until the PECC can – or is willing to – define the goal of regional economic cooperation in terms that are translatable into tangible regional economic cooperation ... ASEAN would seem to have no reason to take a leading role in promoting “Pacific Economic Cooperation”.

David SyCip was suggesting that PECC

<sup>18</sup> They were Narongchai Akrasanee (Thailand), Somsak Xuto (Thailand), Mak Joon Nam (Malaysia), John Wong (Singapore), Jesus Estanislao (Philippines), Peter Drysdale (Australia), Brian Talboys (New Zealand, also as Standing Committee member), and Seizaburo Sato (Japan).

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consider developing something similar to the Caribbean Basin Initiative of the United States – a free trade arrangement with ASEAN – even though it would involve some reciprocity (PECC 1985: 167).

At the Standing Committee meeting during PECC IV, Thanat Khoman proposed the development of a “Pacific Declaration”, a declaration of principles and objectives. His draft, as improved by Richard Fairbanks, the US member of the Standing Committee, was submitted to the Standing Committee, which decided to discuss it at a later meeting.

New Standing Committee members from Malaysia (Noordin Sopiee) and Singapore (Lim Chong-Yah) attended PECC IV. The Standing Committee discussed the informal application for PECC membership submitted by the observer delegations from Taipei and Chile. Since the issue was a delicate one, it was decided to address it at length at the next Standing Committee meeting. Saburo Okita,

and the new PECC chair, Eric Trigg, agreed to raise the question of Taipei’s membership informally with representatives of the People’s Republic of China (PRC). There was a strong feeling among Standing Committee members that a decision about Taipei should be coupled with a decision about the PRC.

For the next cycle, leading to PECC V, the Standing Committee endorsed the task forces and coordinators shown in Table 3.4.

A report on institutional development, prepared by the Coordinating Group for PECC V, proposed that, in addition to task forces, forums and study groups should be established. A forum was to be a relatively formal and semi-permanent consultative group with specific responsibilities for the development and dissemination of public information and discussion of practical policy options. It would be based on an existing institution, which would serve as its secretariat, and be guided by a small working group to develop its work programs and organize technical studies.<sup>19</sup> Study groups would

**Table 3.4 PECC task forces in the period between PECC IV and PECC V**

<b>Task Force/Study Group</b>	<b>Countries/agencies with Prime Responsibility</b>	<b>Coordinator</b>
Fisheries development and development	<i>Canada</i> and South Pacific Forum Fisheries Agency	Prof. Gordon Munro
Minerals and energy	<i>Australia</i> , Indonesia and Korea	Mr Ben Smith
Trade	<i>Korea</i> , United States, Japan, Thailand	KDI
Foreign investment	<i>United States</i> , Japan, Thailand	Dr Mark Borthwick
Livestock and feed grains (study group)	New Zealand	Dr Alan N. Rae
Note: KDI = Korean Development Institute; italics indicate the country responsible for managing the task force.		

<sup>19</sup> The small working group was later transformed into the International Advisory Group of forums as well as task forces.

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undertake explorative studies and operate in the same manner as task forces but would be smaller and organized on a more informal basis.

The Coordinating Group also made the important suggestion that PECC should begin to review funding arrangements for the work undertaken through its task forces.

The next meetings of the Standing Committee and Coordinating Group were held in Tokyo on 30–31 August 1985. The issue of membership was raised, as C.F. Koo from Taipei had formally written to the new PECC chair. The Standing Committee authorized the chair to pursue the matter subject to the sensitivities of all national committees. The US member of the Standing Committee expressed the view that PECC should not accept new members from Latin America because it was still in the formative stage. This comment led to a general discussion of membership criteria. It was stressed that, as in the past, host national committees should be granted permission to invite participants from any country to participate in task force programs.

The first PECC Forum, the Pacific Trade Policy Forum, coordinated by KDI, was held in San Francisco on 20–22 March 1986. On the subject of “regional initiatives for trade liberalization”, participants in the forum noted that several countries in the region had liberalized trade on a unilateral basis. PECC (n.d.:71) noted: “This act has promoted their own economic welfare and that of their trading partners”. It was also noted that trade liberalization was being promoted by bilateral agreements (for example, the Closer Economic Relations Agreement between Australia and New Zealand and the US–Canada Free Trade Agreement). The forum further noted that there were opportunities for promoting trade through regional initiatives for the benefit of not only countries in the Pacific

region but also countries outside the region, thus promoting global welfare. PECC (n.d.: 71) noted: “It is possible to promote trade within the region with actions that are fully consistent with GATT obligations.” The forum further suggested (PECC n.d.: 67–77):

... measures to promote regionalism without discrimination might include creating mechanisms in each country to avoid unintended protection through the application of regulations ... [and] an Office of Pacific Trade Ombudsman could be established in each country to investigate instances when discrimination is in question... An even more ambitious effort could provide for surveillance of trade measures within the region.

During the cycle leading to PECC V, meetings of the Standing Committee and Coordinating Group were held in San Francisco on 21–22 August 1986. On membership, the PECC chair reported on the progress of his discussions with representatives of both the PRC and Taipei. On the issue of the Soviet Union’s interest in attending PECC V, Standing Committee members recognized that the Canada committee had some discretion over this but were of the view that resolution of the membership of the PRC and Taipei should take priority. The Standing Committee asked the chair to develop criteria for PECC membership.

Although Standing Committee members had not agreed on the criteria for PECC membership, both the PRC and Chinese Taipei were admitted as PECC members at the PECC V meeting in Vancouver on 16–19 November 1986. Brunei Darussalam, being a member of ASEAN, was automatically a member of PECC. The Pacific island nations, having been reserved a seat at PECC from the beginning, were also designated as a participant. At PECC V, Chile officially

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submitted a letter of application. After some discussion, the Standing Committee asked the chair to communicate its view that there should be a “standstill” on the membership issue until the 1988 PECC. The view was that PECC should consolidate rather than expand.

every member should contribute in some degree to the funding of PECC activities.

PECC V endorsed the Statement on Pacific Economic Cooperation, initially proposed and drafted by Thanat Khoman at PECC IV. At the

**Table 3.5 PECC Work Program in the period between PECC V and PECC VI**

<b>Activity</b>	<b>Coordinator</b>	<b>(Co-coordinator)</b>
<i>Task Forces</i>		
Fisheries development and cooperation	Canada	Philippines
<i>Forums</i>		
Minerals and energy	Australia	Korea
Trade	Canada	Singapore, Taipei
<i>Working Groups</i>		
Investment	United States /Thailand	
Livestock and grains	New Zealand	
Economic outlook	Japan	
<i>Study Groups</i>		
Funding	PECC Standing Committee	

At PECC V the Standing Committee agreed on a more varied work program than had previously been the case, as shown in Table 3.5.

When it was introduced at PECC V, there was as yet no clear definition of what a working group was. However, the understanding was that a working group could either be an activity still at an initial stage and/or involve a limited number of experts. The Standing Committee formed a study group to examine the issue of funding previously proposed by the Coordinating Group. It was felt that membership of the study group should be limited, but that all member committees would provide input to the chairman and that, as a general principle,

suggestion of Thanat Khoman, the statement was renamed the Vancouver Statement on Pacific Economic Cooperation. When introducing the statement that had been signed by the 14 members of PECC on 16 November 1986, Eric Trigg announced that the statement was finally endorsed at the Standing Committee meeting in August 1986 in San Francisco, “fifteen months and five drafts later”. At the session at PECC V to introduce the statement, Stuart Harris from Australia (Secretary to the Department of Foreign Affairs) asked why the wording enunciating the principle of the “open and non-exclusive nature” of PECC had been dropped during the drafting. Eric Trigg

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responded that this was a matter of drafting, not of intent, and that the concept of openness and non-exclusivity remained within the text of the document.

In his comments, Thanat Khoman noted that it had taken a long time to finalize the draft of the statement and that the final touch had been made by Eric Trigg, the PECC chair. He mentioned that, with this statement, PECC now had a very firm and sure sense of direction. In his words, “now we can be sure that PECC will stay on, will survive, and will go through all the trials and tribulations of our modern life” (PECC n.d.: 57).

### Concluding Note

In this chapter, I take the view that the formative years of PECC ended with the signing of the Vancouver Statement. With the codification of its principles, the PECC process had matured. The Vancouver Statement became the basis for the PECC Charter, which was drafted a few years later. PECC developed a mechanism for funding its activities and set up the PECC Central Fund. In 1990, it created the International Secretariat, located in Singapore. It expanded its membership to include Russia, Vietnam, Mexico, Chile, Peru, Ecuador and Columbia. It has active associate members such as the French South Pacific Territories.

However, following the 20th anniversary of PECC in 2000, it is time to ask whether the time has come for PECC to reform itself. A committee to study this has been created.

This has led to some changes in the way some PECC activities are managed.

Looking back at PECC's formative years, there was a lot of coherence in what it did. The purpose of the conferences was clearly defined. The task forces that produced substantive analysis and recommendations for deliberations at the conference were organized to undertake a “task”. The Standing Committee consisted of individuals with high standing who could readily talk to governments at the highest level. The Coordinating Group made a lot of effort to “integrate” the findings of task forces so that the work program fed into the formulation of strategic directions for PECC. The National Committee members were tripartite and active. But above all, PECC was a movement. It had a spirit. PECC is now in great danger of losing its spirit. It may also be losing its relevance. How has this come about?<sup>20</sup>

PECC has gone a long way in promoting ideas about the region and in developing networks of individuals, groups and institutions that have an interest in regional community building. It has given birth to APEC. However, APEC's establishment seems to have diluted PECC as some governments have withdrawn or weakened their support for PECC. In fact, some PECC member committees cannot operate well without the full support of their government. In the effort to maintain its relevance in the eyes of governments, PECC has allowed its agenda to become too focused on or obsessed with its relations with APEC. Strengthening PECC's relations and cooperation with APEC is important, but this should not

<sup>20</sup> The following discussion has been taken from Soesastro (2000).

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mean that PECC becomes subservient to APEC and that PECC's agenda is dictated by APEC's agenda. PECC should not be seen – and should not see itself – as a subcontractor of APEC.

PECC's areas of activities have multiplied. It had a variety of task forces for some time, even before APEC was established. However, with APEC's establishment it has not rationalized the activities of its task forces. Rather, it has tried to mirror APEC's activities. With some of these activities, PECC no longer has a comparative advantage as the activities would be better suited to APEC. But PECC has had difficulties in terminating activities. The architects of PECC specifically introduced the concept of "task forces" as the core structure of PECC's activity. The understanding was that in each PECC cycle of activity a set of tasks would be clearly defined and task forces would be set up to undertake those tasks. When the task was completed, the task force would be terminated. In practice, too many tasks have been kept beyond the point of their usefulness.

PECC's past success has led to the rapid expansion of its membership. The organization has become a big one, but it has not successfully adjusted to the expansion. With many more members, it has become more difficult to move the organization, especially because members in the larger organization no longer have a clear idea about their common pursuit. PECC has failed to renew members' understanding of what the organization is about. And it has no mechanism to force a member to withdraw when it lacks the interest to take part in a common pursuit.

PECC must make a serious effort to renew itself. It should rediscover its spirit.

The region – in fact the world as a whole – is at an important crossroads. There is much anxiety about the ever-widening and deepening effects of globalization on individuals, communities, societies, economies and political entities, and on relations amongst them, including at the regional and global levels. Regional organizations provide a forum for their participants to share their common concerns and, beyond that, jointly develop approaches and ways to deal with and overcome challenges.

In the Asia Pacific region, PECC has been at the forefront in promoting a spirit of cooperation, in sharing experiences, and in formulating joint approaches. In other words, it has been at the forefront in developing a genuine regional community. It has done this by providing intellectual leadership. PECC must redirect its activities: it must move from dealing with the "trees" by returning to the "forest"; it must move from sectoral issues to the big strategic issues of how the region can effectively deal with the new global challenges.

A key to this renewal is the renewal of member committees. PECC should again take the form of a movement of individuals who are interested in pursuing a common objective. In view of the new global and regional challenges, the objective should be to successfully ride the wave of globalization. The movement should be one to prevent a "closing in" of economies, to fight against a mentality of isolation and insulation and to maintain the momentum of "openness" on the basis of the spirit of open regionalism.

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