

KIEP Working Paper No. 90-01

August 1990

**REGIONAL ECONOMIC COOPERATION BODIES
IN THE ASIA-PACIFIC:
WORKING MECHANISM AND LINKAGES**

by

Chungsoo Kim



**KOREA INSTITUTE FOR
INTERNATIONAL ECONOMIC POLICY**

**REGIONAL ECONOMIC COOPERATION
BODIES IN THE ASIA-PACIFIC:
WORKING MECHANISM AND LINKAGES**

by
Chungsoo Kim

August 1990

* Presented at the International Seminar on Asia-Pacific Economic Cooperation, held in Seoul under the auspices of Korea Institute for International Economic Policy (KIEP), on June 21-22, 1990.

Table of Contents

Introduction	1
I. Initiatives of Asia-Pacific Economic Cooperation	3
1. The APEC Initiatives : the Initial Stage	3
2. Institutions for Asia-Pacific Economic Cooperation	7
II. The APEC Mechanism: the APEC Ministerial-level Meeting	12
1. Economic Background of the APEC Mechanism	12
2. Needs of an Inter-Governmental Mechanism for APEC	16
3. The Australian Initiatives	20
4. The First Ministerial-level Meeting on Asia-Pacific Economic Cooperation	24
5. The APEC Mechanism	30
III. Enhancement of the APEC Mechanism	35
1. New External Challenges	35
2. Institutional Reinforcements	38
IV. Summary and Conclusions	45
References	48

Introduction

Ministers from the twelve Asia-Pacific countries held the Asia-Pacific Economic Cooperation Ministerial-level Meeting in Canberra on November 3-4, 1989. Although stated as an informal forum, it nevertheless marked the first official gathering of major economies of the Asia-Pacific region, with the mandate to exchange views on issues and formulate the mechanisms for economic cooperation.

In a region represented by economic circumstances as diverse as the vast width of the Pacific Ocean would suggest, such an official regional channel of consultation was not easy to come by, and just as unexpected. Of the many reasons, the high growth and interdependence among the Asia-Pacific economies under the deteriorating international economic environment of the recent years could alone explain the emergence of such a consultation mechanism : the Asia-Pacific economies owe much of their trade-based economic development to the multilateral trading system founded upon the principles of liberalism and non-discrimination. A further impetus for a regional consultative mechanism has stemmed from the rapid integration of the European economies, such as the Single Market, and the economic reforms of East Europe. The question of whether or not the emerging European Economic Space would be protectionist remains to be answered.

This paper will investigate whether or not the present mechanisms for Asia-Pacific economic cooperation are appropriate. In particular, it examines the channels of consultations, official and private, on matters of economic cooperation among Asia-Pacific countries, with a specific reference to the recent changes in the constellation of economic power structures and economic exchanges among countries, as well as the long-term structural characteristics of the Asia-Pacific economy.

The first chapter provides an overview on how the initiatives for Asia-Pacific

economic cooperation have evolved over time, spanning the period from the 1950s following the Second World War to the late 1980s. It then summarizes the background and main thrusts of the three major mechanisms for Asia-Pacific economic cooperation; the Pacific Basin Economic Council (PBEC), the Association of South East Asian Nations (ASEAN), and the Pacific Economic Cooperation Conference (PECC).

The second chapter first examines the economic factors that led to the proliferation of initiatives and proposals for Asia-Pacific economic cooperation in the late 1980s, which were centered around the question of how the need for an inter-governmental consultative body among the Asia-Pacific countries should be facilitated. The latter part of the chapter provides a detailed account of the economic and geo-political background of the first Asia-Pacific Economic Cooperation Ministerial-level Meeting in Canberra. It also examines the so-called APEC Mechanism, which emerged from the ministerial meeting, and which consists of annual ministerial meetings backed by senior-officials meetings and ongoing projects on specific issues of economic cooperation.

The concluding chapter begins by pointing out new developments in the world economy which calls for strengthening the APEC Mechanism beyond its present form and modality. In particular, it examines the institutional implications of such changes, such as in an intensification of global integration or a potential aggressive posture of the EC toward Asia-Pacific economies. Those implications are followed by suggestions for the institutional framework of the present APEC Mechanism. They pay specific attention to the question of the political mandate of the ministerial meeting, and institutionalization, as well as the question of expansion, such as the participation of China.

I. Initiatives of Asia-Pacific Economic Cooperation

There have been numerous initiatives for Asia-Pacific economic cooperation (APEC), each reflecting the political and economic circumstances of the time. The initiatives, inspired by visions of individuals and evolved over the years through the course of historical development, have resulted in unique institutional frameworks and mechanisms for APEC.

1. The APEC Initiatives: the Initial Stage

To enumerate the initiatives for APEC, one should begin with the Greater East Asia Co-Prosperity Sphere of Japan before World War II. Even starting in the post-WW II period, it would readily become apparent that the legacy of APEC initiatives was quite lengthy, starting with the 1947 establishment of ECAFE that commenced research on APEC and introduced the Colombo Plan in 1950. (The latter was concerned with economic cooperation among the Commonwealth countries).

The first ministerial-level meetings for Asian economic cooperation convened under the auspices of ECAFE in 1963 and proposed the establishment of the Asian Development Bank (which came into being in 1966) and the Asian Clearing Union to facilitate the expansion of trade among member countries.

The economic cooperation between South-East Asian countries commenced with the Treaty for Friendship and Economic Cooperation between the Philippines and Malaysia in 1959. This was the basis for the 1961 establishment of the Association of Southeast Asia, which evolved into the Association of South East Asian Nations (ASEAN) by 1967.

(There were also two more organizations, SEATO and ASPAC, now defunct, which were established in 1954 and 1966, respectively. Although the two organizations pursued the goal of furthering the economic welfare of Asia Pacific countries as a part of their agenda, the momentum for APEC was lost when

the fundamental Cold War structure changed in the early 1970s.)

The early initiatives for APEC had much to do with the establishment of EEC (European Economic Community) of 1958. Out of the many initiatives for APEC from Japan (much of which could be accounted for by its long tradition of academic research on APEC), the first was that of Professor Kojima, who proposed in 1965 to establish a Pacific Free Trade Area (PAFTA) of the EC type. With the benefit of hindsight, it is clear that PAFTA proposal was too early for its time. However, the basic concepts that produced this proposal were not totally wasted. When two APEC organizations, the Pacific Basin Economic Council (PBEC) and the Pacific Trade and Development Conference (PAFTAD), were established in later years, Professor Kojima's visions of integration were present in varying degrees. Another impetus behind the establishment of PBEC was the emphasis Australia and Japan placed on the significance of economic exchanges among the Asia-Pacific countries. In addition, Australia's keen interests in championing the causes of APEC were, in part, aroused by its relatively declining traditional relations with the Commonwealth countries. As a result, the Committee for Japan-Australia Economic Cooperation, consisting of business leaders from the two countries, was established in 1962 and later developed into PBEC in 1967. In later years, PBEC became to symbolize the beginning of the lasting, bilateral cooperation between Australia and Japan in promoting economic cooperation of the Asia-Pacific region.

At the proposal of Professor Kojima and the support of then Foreign Minister Miki, PAFTAD had its first meeting in 1968. A gathering of academia, PAFTAD has promoted over the years the concept of APEC through academic conferences, that are characteristically along the line of OECD-type. These conferences proved to be the forum where the ideas of PAFTA and the Organization for Pacific Trade and Development (OPTAD) were scrutinized. The late 1970s saw a resurgence of initiatives for APEC, including the 1978 proposal of OPTAD by Professors Drysdale and Patrick at the research request of Senator Glenn and the 1979 Pacific Basin Cooperation Study Group, headed by Mr. Okita (with

the support of Prime Minister Ohira). Mr. Okita latter presented the Pacific Basin Cooperation Concept in 1980.

Of the APEC initiatives made until the late 1970s, the most ambitious one was PAFTA, which proposed to install an APEC-size Free Trade Area (FTA) by dismantling intra-regional trade tariff barriers. Even for the developed countries, a proposal of FTA in 1965 was considered too immature. In addition, PAFTA envisaged an EC-type inter-governmental institution among only the five Asia-Pacific developed countries—the U.S., Japan, Canada, Australia and New Zealand. Thus, even at the stage of inception, PAFTA proved limited in its scope, excluding the fast growing developing countries.

OPTAD was also meant to be an inter-governmental body for economic cooperation among APEC countries, “a more secure framework of economic alliances among the countries of Asia and the Pacific” <<Kaneko,1988,p. 70>>. However, that was where the similarity between OPTAD and PAFTA ended. OPTAD pursued a functional integration rather than an institutional integration among APEC countries. Second, it foresaw a working mechanism that centered around task forces, that were assigned with specific issues of economic cooperation, as has become a standard modality of Asia-Pacific cooperation. Third, it was not meant to be of an EC type, but more of an inter-governmental body for consultation like the Organization for Economic Cooperation and Development (OECD), pursuing a forum rather than an institution. Fourth, inasmuch as PAFTA was a reaction to the emergence of the European Community, OPTAD was a reaction to the increasing interdependence among the fast growing Asia-Pacific economies. Fifth, OPTAD envisioned not only the developed countries of Asia-Pacific participating but also the developing countries. In consideration of the strong skepticism about multilateral institutions such as GATT concerning their capability to sustain world economic order, OPTAD could be criticized as reinforcing the tendency of regionalism, weakening globalism which is perceived as one of the “pillar” principles of the world economic system since World War II.

The Pacific Basin Cooperation Concept as put forward by the Pacific Basin Cooperation Study Group, also pursued functional integration like OPTAD, but it did not attempt to form an inter-governmental body as ORTAD did, but instead simply a mechanism for cooperation among private individuals. Although it also foresaw community-like relations among the Asia-Pacific countries, it was seen only as the ultimate, not as the intermediate, form of institutional development for APEC. On the exterior, it was nothing more than a composite plan consisting of individual projects for APEC. As a result, it had features of socio-economic cooperation rather than economic cooperation, and as has been found in later years, it reflected the Japanese tradition of pursuing Asia-Pacific economic cooperation by carrying out individual projects rather than by forming new institutions.

In late 1970's these shared interests in APEC rekindled traditional cooperative relations between Japan and Australia resulting in a concerted effort between Prime Ministers Ohira and Fraser. This effort led to the opening of the Pacific Community Seminar in September 1980, which paved the way for the Canberra Process through the eventual establishment of the Pacific Economic Cooperation Conference (PECC). (Short separate descriptions of PBEC, ASEAN and PBEC follow.) Besides ASEAN and PECC, there have been other regional organizations and institutions ; however, this paper does not discuss them as APEC institutions, for their organizations or activities have been constrained significantly as bodies for economic cooperation of the APEC region. For example, for the economic and social development of the APEC region, active role of the Economic and Social Commission for Asia and the Pacific (ESCAP) cannot be neglected. Established in 1947 as ECAFE and renamed in 1974, ESCAP boasts of 43 Asia and Pacific countries and five non-regional advanced countries as participants. However, since it encompasses social development in addition to economic cooperation as its mandates and includes the South and West Asia under its geographical coverage, its interest in Asia-Pacific specific topics is understandably limited.

Similar constraints limit the potential contributions that the Asian Development Bank (ADB) can make. ADB was founded in 1965 with the support of the U.S., ECAFE, and Japan. Besides its main activities in development loans and technical assistance, its expertise in economic research, particularly in economic projections for the APEC area, is well documented. However, as an APEC institution, ADB is constrained not only by its entity as a bank but also by the fact that more than one third of the participating countries are Southwest Asian countries.

2. Institutions for Asia-Pacific Economic Cooperation.

a. PBEC (Pacific Basin Economic Council)

The Japan-Australia Business Cooperation Committee, founded in 1962, became PBEC in 1967. Since the first General Meeting was held among business leaders from five developed countries (the Founding Member Countries: FMC) of APEC region, General Meetings have been held annually. Twenty countries, make up its membership making it the largest international body of the region dealing with APEC issues.

PBEC now consists of seven Member Committees (national committees of U.S., Japan, Australia, New Zealand, Canada, Taiwan, and Korea) and one Regional Member Committee, the latter of which covers nine other countries of the APEC region. Besides the annual General Meeting, there is the Steering Committee, which supervises the work progress of Special Committees. The latter functions similarly to the task forces of PECC. For example, there is a Special Committee on Industrial Policy & Barriers to Trade and Investment and another on Market Access Needs of LDCs & NICs as of now, both of them responsible for identifying pertinent issues.

PBEC espouses the belief that “as the economic dynamism of the Pacific region has been based largely on the development of strong private sectors, active input and participation from the business community is essential to any economic co-operative process for the region.” <<PBEC, 1989>> It pursues

mutually beneficial economic cooperation and social development of the Asia-Pacific countries and the expansion of international trade and investment of the region. It formulates a consensus on the major economic issues of the region, relaying this consensus to national governments and relevant international organizations, and through discussions and consultations, it constantly promotes awareness in international community of the importance of APEC.

To promote APEC, the idea of the Pacific Economic Community, first suggested by Mr. Koto in 1979, has been extensively promoted by PBEC since 1980. As part of the campaign, an OECD-type cooperative body for the Asia-Pacific region has been proposed. In addition, the Pacific Information Network System proposed at the 1980 General Meeting has been developed over the years.

In the context of institutional networking, PBEC has been cooperating closely with PECC. For example, the national representatives of PBEC attend PECC meetings in the capacity of PECC's business representatives, which is reciprocated by the participation of a representative of PBEC at the Standing Committee of PECC since 1985.

b. ASEAN (the Association of South East Asian Nations)

Every year, ASEAN hosts the Post-Ministerial Conference (PMC) with the Dialogue Countries (five developed countries from the Asia-Pacific region and EC). At PMC the issues concerning APEC are dealt with in a separate meeting attended only by ASEAN and the five Asia-Pacific developed countries, with EC excluded. This PMC process has evolved from ASEAN's bilateral dialogues with major economies since 1972. In fact, the European Community became the first designatee as a bilateral Dialogue Partner of ASEAN in 1972. Since then, there had been a succession of bilateral Dialogue Partners, starting from Japan and Australia, Canada and New Zealand, and the U.S. By 1977, the present composition of PMC members was established. In 1989, Korea was designated as a Sectoral Dialogue Partner of ASEAN.

The PMC meeting convenes immediately after the annual ASEAN Ministerial Conference (AMC) and is followed by bilateral dialogues of ASEAN with individual developed countries participating in the PMC meeting. Though PMC does not have a permanent secretariat or organization, it has turned out to be the first inter-governmental mechanism for the matters of Asia-Pacific economic cooperation.

At PMC, ministers discuss issues of economic cooperation, but for practical purposes, they often discuss projects of economic cooperation as raised by ASEAN. The issue which has been most actively discussed has been support mechanisms and projects for human resources development, particularly since 1984. Although the results have been disappointing considering the initial expectations, there still exist great expectations for PMC to contribute to furthering the causes of APEC. In this respect, one could reinforce the PMC process: first, expanding partnership of dialogue, realistically including all Asian NIEs and perhaps China as well; second, strengthening the secretariat and research capabilities; and third, seeking more active participation of ASEAN economic ministers. These measures could permit the PMC process of ASEAN to become better oriented towards APEC's regional agenda rather than the issues of just ASEAN interests.

c. PECC: The Conceptualization Stage of APEC Initiatives

Since the first meeting in Canberra in 1980, PECC has remained as the most comprehensive, "opinion-leader" organization for the APEC region. The development of PECC, or the Canberra Process as it is often called, has not always proceeded smoothly. Initially, there had been concerns that this new APEC process would dilute the solidarity of ASEAN or that it might be dominated by the developed countries. Although this concern has been more or less dissipated by the subsequent developments (i.e., the rapid growth of ASEAN economies, the PMC dialogues, and the deepening interdependence of ASEAN with other APEC economies), similar concerns have been expressed from time to time.

PECC is a non-official consultative body, with the tripartite participation of government officials, business leaders (often PBEC members), and academics (often PAFTAD members), in private capacities. Its tripartite nature allows a comprehensive representation of opinions of the Asia-Pacific region while private-capacity participation encourages freer consultations regarding policy issues. To maintain its original objectives, PECC concentrates more on identification, research and consensus-building through consultations on issues of economic cooperation among Asia-Pacific countries than on attempting to build an institutional framework for resolution of regional issues. It employs a consensus method for decision-making.

Fifteen national and regional committees for Pacific Economic Cooperation have been established. PECC's mandate, as endowed by the annual General Meeting, is carried out by the Standing Committee, which consists of members from national committees and representatives from PBEC and PAFTAD. Most of PECC's actual research activities and expert discussions are handled by the Task Forces, whose activities, in turn, are supervised by the Coordinating Committee.

In the beginning, there were four task forces to cover issues of international trade, investment, energy, and natural resources. At the moment, there are nine task forces in existence, covering economic outlook, trade policy, agriculture, fisheries, minerals and energy, Pacific islands, science and technology, the three Ts (telecommunications, tourism and transportation), and tropical forests. To strengthen institutional organization for coping more effectively with the new situation in which a mechanism for the APEC ministerial consultation has been introduced (to which PECC has significantly contributed), it recently set up a permanent secretariat in Singapore, the site of the Second APEC Ministerial-level Meeting.

To facilitate close consultations with other APEC organizations, PECC allows the participation of representatives from PBEC and PAFTAD in both the General Meeting and the Standing Committee, along with observers from other interna-

tional organizations such as ESCAP or ADB.

The most significant contribution PECC has made to the APEC has been its consistent effort towards research on, and promotion of, the ideas of APEC throughout the years. PECC has always taken pride in its tripartite composition. This unique structure has been said to “facilitate free and constructive debates,” which are “both desirable and necessary to deal with the diversity and dynamism that exists in the Pacific.” <<PECC, 1989>> There have been varied opinions expressed regarding this. For example, some criticize that institutions such as PECC are inadequately equipped to handle tasks on regional cooperation.

“Simple reliance on ‘consultation’ as a cure-all for failures of cooperation is not enough, and consultation without the involvement of governments is even less likely to succeed...The participation of government representatives in their private capacities is in many ways the worst of both worlds: constraining the agenda of the PECC within fairly narrow bounds while avoiding government commitment.” <<Kahler, 1989, pp. 29- 30>>

In recent months, while institutional arrangements for APEC have been seriously discussed, PECC has simultaneously been under pressure to come up with a measure that would accommodate this renewed interest in institutional reinforcement of APEC mechanisms. Even without such external factors, PECC itself saw a need to improve its institutional arrangements. Through months-long deliberations, it came to realize that it was necessary to “strengthen the national member committees, in particular enhancing their links with governments and the business communities.” It is of a view that “given its tripartite structure and its vast information network, PECC can make a useful contribution to APEC.” For this purpose, it is willing to “coordinate information, analysis, and proposals which can be forwarded to APEC as well as helping to identify proposals for agenda items and policy initiatives,” while retaining its own independence. <<PECC, 1989, pp.1-3>> Already, it has provided invaluable assistance to the preparation of the APEC Ministerial-level Meeting at Canberra, a fact which has been duly noted by the APEC ministers.

II. The APEC Mechanism:the APEC Ministerial-level Meeting(APEC-M)

1. Economic Background of the APEC Mechanism

a. Regional Interdependence with Friction

Around 65% of the total trade of the APEC countries (the twelve countries that attended the First APEC Ministerial-level Meeting) is carried out within the region. Even when excluding the trade of the APEC countries with the U.S., the largest single trader, the share of intra-regional trade in the total trade of the APEC countries reaches 46%. Nowhere in the world and at no other time in history has there been such a region where the external activities of its countries are so interdependent. Such high interdependence among the APEC countries can be seen not only in the area of international trade but also in other areas of economic cooperation such as foreign investment and technology transfer.

The course of the intra-regional economic cooperation of the APEC region has not been very smooth. In fact, the APEC region is not only a highly interdependent region but also a region where economic frictions occur the most often. One has but to observe the proliferation of protectionism in the region. One could argue, of course, that protectionism since the late 1970s is not unique to the region, but then, one has to admit that the region also is under the most severe pressures to resort to protectionism.

The intra-regional economic frictions of the APEC region are attributed to disequilibriums in the balance of payments, particularly of the major players in the region. While most of the regional countries heavily depend on the U.S. market for their exports, they depend on other regional countries for import supplies of intermediate goods (Japan) or natural resources (other regional countries). Whether or not it is only a reflection of the difference in the stages of economic development or endowments of natural resources, such a skewed pattern of

trade among the APEC countries has structurally burdened the regional economies with economic frictions. Whether or not the intra-regional economic frictions can be explained, whether they are cyclical or structural, one recognizes a need for a cohesive mechanism that can responsibly accommodate intra-regional consultations.

b. Global Restructuring

The global economy is undergoing fundamental restructuring in its economic geography and industrial structure. The restructuring of the European continent is the most rapid and profound. The swift integration of Western European economies, particularly through the implementation of the European Single Market Act, the additional removal of barriers of economic exchanges between the European Community and EFTA, the integration of the Western and Eastern European economies which will be accelerated when the latter complete their current economic reforms—all these major restructurings are proceeding at very high speed. It is impossible for both those in the middle of such changes and those of third parties to grasp the ramifications of the turmoils of change with any degree of certainty.

Besides the European restructuring, there are also strong under-currents of regionalism. It is evident in various bilateral arrangements that, on the surface, abide by the multilateral rules of economic integrations (for example, by Article XXV of GATT). Of these, the one that is most relevant to the Asia-Pacific region is the “apparent regional bloc-making” such as the U.S.-Canada Free Trade Agreement. Although both countries have strongly voiced that the bilateral FTA agreement is not intended to jeopardize but rather to strengthen the process of multilateral rule-making such as the Uruguay Round, others in the Asia-Pacific region cannot easily dispel their concern that this could turn into an economic bloc. Whether the latter concern is unfounded or not remains to be seen. But, it is still necessary for the Asia-Pacific countries to have a common understanding of these restructurings in economic geography.

c. Industrial Restructuring

The world economy has been continuously going through industrial restructuring. But, the restructuring that has been taking place ever since the mid 1970s is fundamentally different from those that preceded it. The difference lies in that the recent industrial restructuring is the first one that the world economy could not successfully accommodate. The period has observed a rapid surge of industrializing countries which were once considered developing countries. All this has happened in a short span of one and a half decades.

These developing countries, the so-called NICs, used to supply the world markets with only low-quality, labor-intensive or natural resource-intensive commodities. However, they are now able to offer a wide range of commodities, ranging from those traditional products such as textiles and clothing to such technology-or skill-intensive products as consumer electronics and automobiles. The industrialized countries felt threatened enough by the speed and scope of these developments, particularly in the “traditional” areas of international competitiveness. This industrial structuring has been occurring so rapidly and with such wide berth that the world economy, whose pattern of economic exchanges has been determined by the now industrialized countries in the past years, has not been able to smoothly cope with it. This is reflected, among other things, in the introduction of new trade barriers that are increasingly concentrated on export goods from these rapidly growing developing countries.

The Asia-Pacific region has a vital interest in a smooth industrial restructuring: the developing countries who have shown the most rapid economic growth and development have been those of the APEC region and the developed countries who have been under the most severe pressures of industrial restructuring also have been those of the APEC region. Therefore, serious regional consultations between the developed countries and NIC countries on the future of, and the ways to accommodate, the APEC industrial restructuring are needed.

d. Uncertainties in World Economic Environments

The world economic system is under heavy strain because the fragile system of multilateral economic exchanges has been under the threat of protectionism. Particularly, since the late 1970s, the world's economic powers, who had been nurturing the multilateral trading system since WW II, have become disenchanted by their performances in the world economy. Rather than utilizing the normal channel of negotiations to expand the realm of free trade, the major economies have recently been busy setting up bilateral trade arrangements or implementing unilateral trade actions which are often more trade-restricting than trade-creating. In recent years, countries have not hesitated much to implement a variety of administrative restrictions and other non-tariff measures. This practice is common among both developed and developing countries.

The world economy of today offers another choice for the future world trading system. The multilateral trading negotiations at the Uruguay Round are shaping the future of the world trading system. Whether world trade will be nurtured under a freer and fairer trading environment or not crucially depends on the successful conclusion of the Uruguay Round. It deals with not only such traditional trade matters as trade in textiles and clothing and agricultural products but also new matters like trade in services and trade-related investment measures.

These fundamental changes in the world economic order should also be of prime interest for the APEC countries, for they are more open and interdependent with the world economy than any other region in the world. However, discussions have so far been sporadic at best, rarely carried out at a regional level.

e. Preservation and Harmonization of Asia-Pacific Potentials of Economic Growth and Development

The Asia-Pacific regional economies are at widely different stages of development (though the gaps are narrowing over time). They range from such countries as the U.S., Canada, Australia, New Zealand and ASEAN, which are richly

endowed with natural resources, to such countries as Japan and Korea, which are poorly endowed. There are countries like the U.S. and Japan which have accumulated immense stocks of human and physical capitals, but there are those who have not been so lucky with capital accumulation. It has been precisely this diversity that has been fueling the dynamism of the Asia-Pacific economy. At present, the APEC region has to meet the grand challenge of preserving its vitality: it could either strengthen the free and fair system of exchanges among the regional economies or weaken it; or it could come up with a regional device to utilize all the scarce resources in the most efficient and equitable way or continue to put them to inefficient uses.

2. Needs of an Inter-Governmental Mechanism for APEC

The Asia-Pacific region has always recognized the significance and need of Asia-Pacific economic cooperation. However, when it comes to the issues, the players and the mechanism of APEC, there has not been any agreement or a consorted commitment in the region. Instead, it has been repeatedly noted that the diversity of economic environments in the regional countries precludes any coordination at the regional level. The Asia-Pacific region encompasses both ends of the spectra of political ideologies, stages of economic developments and endowments of resources (both human and non-human resources), among other things. Furthermore, countries differ from each other in terms of the size of the economy and the degree of outward orientation of international economic policies. In the name of the differences in socio-economic aspects, the opportunities provided by these diversities of regional countries, which under normal circumstances could have been utilized to mutual benefits, have been wasted over the years.

If there had been any consensus at all concerning Asia-Pacific cooperation, it had been mainly in the nature of negativism, or passivism at best; the regional countries have only been able to agree on what an APEC arrangement should

not be, rather than on what it should be. For example, the APEC countries could always agree that any future Asia-Pacific relations should not have anything to do with the security concerns of the region, that they should not ignore the interests of developing countries and NICs of the region, or that the diversity of the region compels a 'gradualism' in the pursuit of APEC.

a. No Clear Threat

One of the first reasons why the cause of APEC has not been actively fostered at the government level has been that there have not been many compelling needs for a new inter-governmental organization for the Asia-Pacific region. <<Kahler, 1987>> First, as the Cold War confrontations more or less subsided since the mid 1970s and particularly as the Indo-China problem took its natural course, the concern over external security threats became considerably reduced. Otherwise it could have exercised a cohesive power on the regional governments.

Second, there was not a compelling reason for a regional organization for economic cooperation, particularly if the organization were to be wholly non-discriminatory and open, and thus, another ineffective international organization. On the other hand, a discriminatory organization contradicts the commitments of major economies to the existing international economic order. In particular, the mood was not ripe enough to allow a new economic organization specially when some doubts persisted that it might be in competition with the existing international organizations. Third, there was no economic crisis, which could have provided an impetus for a new inter-governmental mechanism for the region. In fact, the period since the late 1970s have witnessed growths, higher than any other region of the world.

b. Lack of a Political Mandate

The problem with private initiatives is that initiatives remain to be just that, void of any official mandate. Kahler, for example, points out three weaknesses

of private endeavors such as PECC. First, it has failed to “enlist any powerful national bureaucracies in the cause...most bureaucracies have ties to existing international organizations that could be threatened by new institutional demands.” Second, not many corporations exist that could “view their organizational interests and strategy in Pacific terms,” and third, although academics have championed the cause of APEC, their interests have been weakened by the then-prevalent “skepticism about the value of international organization” and the belief that “regionalism itself has also declined in academic esteem since the early 1960s.” <<Kahler, 1987, pp.14-16>>

c. No Front-runner for APEC: Progress at ASEAN Pace

Another element that had been missing in furthering the causes of APEC has been that there has not been a clear leadership that could have persistently nurtured the APEC initiatives. (Perhaps Japan was an exception. Then again, Japan has historically maintained a low profile in this matter.) This may have been true for the period when the APEC initiatives coincided with the period when there was a profound restructuring in the global economic geography. More specifically speaking, this period was when the economic power of the U.S., relating to Japan, began to decline. Thus, one could not expect any leadership from the U.S., and its external economic relations became oriented more toward the Atlantic than the Pacific until the early 1980s. Furthermore, one could not expect bold leadership from Japan, either, for it has always been subject to scrutinies for its “real” intentions.

There have been doubts expressed about “whether any degree of institutionalization can be accomplished with such leadership” <<Kahler, 1987, p.11>> although there have been other views that suggest some kind of collective leadership as an alternative <<Krause and Sekiguchi, 1980, p.244>>. ASEAN nations were “far less enthusiastic, and their skepticism was a major determinant of the slow and informal trajectory of Pacific economic cooperation...” and it was “clear from Canberra onward that any intensified institutionalization of Pacific

economic cooperation would move only as quickly as ASEAN permits.” <<Kahler, 1987, pp.13-14>>

In comparison with other economies in the region, ASEAN tends to maintain a slightly negative stance concerning those regional initiatives whose coverages are greater than that of ASEAN. ASEAN tends to have strong views against any initiatives that hint at an institutionalized APEC mechanism. Reasons abound: first, such initiatives could permanently institutionalize dominance by the developed countries of Asia-Pacific such as the U.S. or Japan; second, while no specific economic benefits may be expected from such APEC initiatives, they could still weaken the solidarity of ASEAN; or third, there does not exist any imminent reason to establish new institutionalized relations with the regional developed countries because ASEAN already has a mechanism put in place, i.e. the PMC consultation process with the APEC developed countries. <<Kim, 1987>>

ASEAN tends to pay attention to specifics (the players, the benefits and cost involved) of any initiatives before making commitments, while other developed countries in the region tend to have an approach that is more institution-trigger happy, with detailed elaborations left for subsequent discussions. ASEAN tends to search for a fine coordination of APEC initiatives with other international commitments or organizations such as North-South cooperation, the non-alliance principle and existing relations with international organization while others in the region appear to be less conscious of this aspect.

Such an ASEAN stance has often been publicized. For example, the message of ASEAN revealed through the 1981 publication of the so-called five principles of Asia-Pacific Economic Cooperation by Mr. Sophee was unmistakable: first, ASEAN should neither be weakened, nor should its development be threatened by APEC initiatives; second, the benefits from participation of ASEAN in any regional arrangement should be more than the related costs; third, APEC initiatives should not be a neo-colonialism in disguise but pursue a restructuring of the present international division of labor; fourth, initiatives should not con-

tradict the ASEAN line of non-alliance; and fifth, the participation of ASEAN should be on a voluntary basis. <<Sopiee, 1981>> ASEAN's stance along similar lines was repeated at the second PECC meeting in 1982.

Since then, there have been some adjustments made in the ASEAN views on APEC initiatives, enabling the 1984 ASEAN Ministers Conference to agree upon the APEC ideas. It did so, however, only on the conditions that first, members of a new APEC process should include only the six ASEAN countries and the five Asia-Pacific developed countries; second, its coverage should be confined to economic and cultural cooperations; third, the first area of economic cooperation should be human resource development; and fourth, the new APEC mechanism should utilize the ASEAN Secretariat. Lastly, for implementation of these ideas, ASEAN and the five regional developed countries should hold regular meetings among themselves, i.e., the PMC Meeting.

In consideration of the previous position of ASEAN on APEC initiatives, the above was an improvement. However, the slow developments of events since then, leading up to the eventual APEC Ministerial-level Meeting in Canberra, have proven that there have not been many fundamental changes in ASEAN's perspectives concerning initiatives on APEC. Even with the Canberra Meeting at hand, the ASEAN countries collectively have not enhanced or reinforced the APEC Process in a fundamental sense, taking only nominal steps forward from the 1984 ASEAN position.

3. The Australian Initiatives

APEC reached a turning point in 1988, which saw a resurgence of APEC-oriented proposals and initiatives. They were different from those of the past in several important ways. First, most of them were from people who were closely linked with governments, ranging from senior government officials to former statesmen or even regional organizations. Second, most of the APEC initiatives of the time were less concerned with the necessity of APEC (which had been

dealt with too exhaustively, perhaps) than with the institutional arrangement of APEC. As a result, discussions on them were not short-lived but were done more seriously than at any other time in APEC history. After a year and a half, the discussions found their culmination at the APEC Minister-level Meeting in Canberra in November 1989. To provide a short recount of the recent APEC proposals and initiatives:

In March 1988, Prime Minister Nakasone proposed a “Pacific Forum for Economic And Cultural Cooperation.” By calling it a forum, he wisely sidestepped the ever thorny issue of whether one supports or opposes an inter-governmental institution for APEC. This forum was to evolve into a Pacific OECD, but he did not specify participant countries.

Secretary Schultz proposed a similar forum in July. He was more specific about his support for an inter-governmental body for APEC (characterwise something between OECD and G-7) consisting of all ‘like-minded’ countries, i.e. all market economies of the Asia-Pacific region.

In December 1988, Senator Bradley proposed what he called a Pacific Coalition, which would have been similar to G-7. The Coalition was to include the important GATT Contracting Parties of the region, preferably with an equal number of participants from developed countries and developing ones, possibly a Pacific Asia Conference (PAC - 8) consisting of the U.S., Japan, Canada, Australia, Mexico, Korea, Indonesia and Thailand. The main issues to be dealt with were how to strengthen the multilateral trading system and how to remove the obstacles to growth potentials of developing countries, such as foreign debt.

The first 1989 proposal for APEC was made by Prime Minister Hawke in January. On his official trip around Pacific countries, he proposed both a ministerial-level APEC meeting and setting up of an OECD-type mechanism for APEC. There had been initial suspicions on the part of other APEC countries, but he successfully dispelled them by two major clarifications: first, any future APEC organ would not weaken existing regional organizations such as ASEAN;

and second, the U.S. and Canada would be included as participants in the future APEC mechanism. It is important to note, however, that, at least at this stage, the participation of China, Taiwan and Hong Kong were not seriously disputed.

In April, Senator Cranston presented another APEC proposal, a Pacific Basin Forum. This forum, formulated after a summit-type meeting, would deal with not only economic issues but also other regional issues such as security. Therefore, the forum envisaged as participants not only the Asia-Pacific market economies such as the U.S., Japan, Korea, Indonesia, Philippines, Thailand, Malaysia, Australia and New Zealand but also other socialist countries such as China and the U.S.S.R..

Moreover, in April, Prime Minister Takeshita declared that the Japanese APEC initiatives would respect the ASEAN mechanism and promote multi-faceted and steadfast cooperation. By doing so, he made it clear that Japan did not want any institution ASEAN did not want (or more correctly, Japan would agree to whatever ASEAN agrees). His statement revealed again that Japan would maintain its traditional approach of pursuing APEC through projects rather than through institutionalization.

In the same month, PECC had an important deliberation. While examining the institutional aspects of its activities and organization, it came up with an idea that it should sponsor a consultative forum among APEC's high-level officials. Although it was not clear whether or not the forum would be at the ministerial level, PECC maintained its interest in such a forum. Now that it is almost certain that the APEC Ministerial-level meeting would become a continuous process, PECC is organizing the Fourth Pacific Economic Cooperation Conference (PECC) Trade Policy Forum in August this year, to which all the APEC ministers who will have participated in the Second APEC Ministerial Meeting at the end of July will be invited.

In June, Secretary Baker proposed to establish an 'organization' for Pacific economic cooperation. The coverage was intended to be wider than the APEC initiatives thus far proposed. But, the real significance of his proposal lay in that

the U.S. suggested, for the first time, that it could consider an organization, not just a forum, for APEC.

With all the APEC initiatives in the past, what had de facto set the stage for the November APEC Ministerial Meeting in Canberra was the July discussion (at the ASEAN Ministerial Meeting: AMM) and the September decision (at the ASEAN Economic Ministers Meeting: AEM) of ASEAN to participate in the Canberra meeting. ASEAN decided to join the APEC Ministerial Meeting, however, only on two conditions. The first condition enumerated the six principles of APEC:"

- .. Pacific economic cooperation should be based on independence, mutual respect and equality;

- .. it should complement ASEAN's regional activities and roles in the Pacific, and should strengthen the multilateral mechanism for cooperation, particularly the GATT;

- .. it should not lead to the creation of an economic bloc or an exclusive trading arrangement;

- .. it should be developed in a gradual fashion and be properly planned;

- .. its objective should be to increase the welfare of the people in the Pacific region and to reduce the gaps between the developed countries and the developing countries in the region; and

- .. it should contribute to the creation and maintenance of a stable and open trading system regionally and globally and a regional environment which is conducive to the promotion of mutual interests, including the ability to resolve regional conflicts peacefully." <<PECC, 1989, p.24>>

The second condition was the ASEAN offer that the ASEAN mechanism should be used as the basis for Pacific inter-governmental consultations. With this long-awaited decision, the major roadblock was removed and the organizational process for the APEC Ministerial Meeting was set to move at full speed. At the July PMC meeting, agreement was struck that the participants would be confined to the five Asia-Pacific developed countries, the six ASEAN countries and

Korea, a hybrid between PECC (minus the Chinas) and ASEAN 6+6 setting. In this way, the APEC Twelve were determined.

4. The First Ministerial-level Meeting on Asia-Pacific Economic Cooperation (APEC)

On November 6th and 7th, 1989, twenty three ministers from 12 Asia-Pacific countries (the APEC Twelve: Australia, Brunei, Canada, Indonesia, Japan, Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand and the United States) attended the First APEC Ministerial-level Meeting in Canberra; the host was the Australian Government.

The APEC Ministers had four major issues at hand: world and regional economic developments; global trade liberalization—the role of the Asia Pacific region; opportunities for regional cooperation in specific areas; and future steps for Asia-Pacific economic cooperation.

a. World and Regional Economic Development

The first session on the world and regional economic development reviewed the “growing economic linkages and interdependence in the Asia Pacific region and policies and prospects for continued growth and dynamism; the common economic interests of the Asia Pacific region and its role in promoting sustained world economic growth; and the role and the spirit of outward looking regional cooperation in enhancing international trade and investment flows.” <<APEC, Notes, 1989>>

In this session, the APEC Ministers agreed to have a ‘liaison’ relationship with PECC on the ‘Pacific Economic Outlook.’”

b. Global Trade Liberalization—the Role of the Asia and Pacific Region

At the second session, the Ministers reviewed the growth and patterns of regional trade and the role and interests of the region in achieving global trade

liberalization. In particular, the Ministers considered the region's role in improving the multilateral trading system through timely and successful completion of the Uruguay Round negotiations.

It was in the second session that the Ministers shared a common understanding on the key theme of the First APEC Ministerial-level Meeting: 'the continuing economic success of the region depends on preserving and improving the multilateral trading system through progressive enhancement of, and adherence to, the GATT framework.' <<APEC, 1989, p.2>> Thus, they made it clear that the APEC Meeting is not a pre-text for a creation of a trading bloc for the APEC region.

The Ministers' inclinations against regional exclusivism stemmed not only from the concern that the potential inward-looking policy stances of the APEC region would seriously damage the open environment within which the APEC economies thrived in the past, but also from the concern that such a tendency in the APEC region, would trigger chain-reaction between the APEC region and the European Community.

At any rate, such determinations of the APEC Ministers have been reflected in their decision to have two special APEC ministerial meetings in 1990 in order to support the successful conclusion of the Uruguay Round—the first one in Vancouver in September and the second one in Brussels in December.

The second session on trade also reviewed trade developments in the region and the adequacy of existing data on regional trade flows and trade policy. This review in combination with the proposal on trade promotion (as one of the 'other areas' for cooperation in the third session) provided the bases for establishing two working groups: one on the review of trade and investment data and the other on the trade promotion (its programmes and mechanisms for cooperation).

c. Opportunities for Regional Cooperation in Specific Areas

The third session reviewed specific issues and areas with potentials for regional cooperation. The Ministers first discussed issues related to investment and

technology transfer and related aspects of human resource development. Two work projects emerged from the discussion: one on the expansion of investment and technology in the Asia-Pacific region and the other on the Asia-Pacific multilateral human resource development.

The third session also dealt with sectoral issues of economic infrastructure such as telecommunications, resource management, tourism, etc., and came up with three work projects: one on the establishment of an expert group on telecommunications, one on regional energy cooperation and the other on marine resources conservation.

d. Future Steps for Asia and Pacific Economic Cooperation

The most sensitive issues of the First APEC Meeting were discussed at the fourth session which reviewed the principles and modalities for economic cooperation in the Asia and Pacific region; this was where the institutional basis for the APEC Ministerial-level Meeting was to be founded and where the thorny issue of the participation of the 'three Chinas' was discussed.

Four participating countries had views expressed on the institutional questions and basic principles for APEC. According to ASEAN <<ALATAS, 1989, pp.6-7>>, the basic principles for APEC should be:

1. In any enhanced Asia Pacific economic cooperation, ASEAN's identity and cohesion should be preserved and its cooperative relations with its dialogue partners and with other third countries should not be diluted.

2. Enhanced Asia Pacific economic cooperation should be based on the principles of equality, equity and mutual benefit, taking fully into account the differences in stages of economic development and in socio-political systems among the countries of the region.

3. Enhanced Asia Pacific economic cooperation should not be directed towards the formation of an inward-looking economic or trading bloc; on the contrary, it should strengthen the open, multilateral economic and trading systems in the world.

4. Enhanced Asia Pacific economic cooperation should provide a forum for consultation and constructive discussions on economic issues and should not lead to the adoption of mandatory directives for any participant to undertake or implement.

5. Enhanced Asia Pacific economic cooperation should be aimed at strengthening the individual and collective capacity of participants for economic analysis and at facilitating more effective, mutual consultations so as to enable participants to identify more clearly and to promote their common interests and to project more vigorously those interests in the larger multilateral forums.

6. Implementation of enhanced Asia Pacific cooperation should proceed gradually and pragmatically, especially in its institutionalization or institutional development, without inhibiting further elaboration and future expansion.

Along with these six basic principles, ASEAN did not forget to point out again that its “preference is to start with and to utilize the existing ASEAN mechanism, of course, appropriately modified, expanded and adapted to the agreed requirements and objectives.” To this, Thailand added that the APEC agenda should be realistic in scope and that the APEC cooperation should be utilized as a means to reduce trade and economic tensions. <<Pinkayan, 1989, p.3>>

The Canadian delegation expressed the views <<Crosbie, Lead Speech, 1989; Notes, 1989>> that:

1. The Principles of APEC should include the primacy of multilateralism in approaching most of the issues.

2. They should include recognition of the continuing diversity of the APEC region.

3. They should encompass the need to avoid duplication with other fora, within the region and in the global arena.

4. There is no need to rush to “institutionalize” the process. An informal consultative approach should be maintained, leaving the tasks of negotiation and decision-making to multilateral fora.

5. For analytical support, the APEC should build on existing bodies, multilateral and regional. Within Asia Pacific, tasking PECC for research would be attractive as a way of using resources effectively.

In turn, Japan <<Matsunaga, 1989, pp.2-3; MITI, 1988, pp.3-4>> maintained that:

1. It is foremost important to secure openness for economic cooperation. The APEC should serve as a stimulus for progress in multilateral free trade negotiations of GATT and openness should be secured.

2. APEC should strive to promote cooperation, recognizing and respecting diverse views of the region. It is also important to ensure that equitable participation commensurates with economic capacity.

3. Multifaceted cooperation should be carried out gradually. Therefore, APEC should start gradually by gaining a consensus which reflects the common interest of the countries in the region.

4. In order to foster mutual understanding and to strengthen interdependence, a “soft cooperation network” should be formed. The differences among the APEC regional countries makes it difficult to immediately realize a cooperative structure such as that of the EC or the OECD.

The final outcome of the fourth session on the basic principles of APEC <<APEC, 1989. pp.5-6>> was:

1. The objective of enhanced Asia Pacific Economic Cooperation (APEC) is to sustain the growth and development of the region, and in this way, to contribute to the growth and development of the world economy;

2. Cooperation should recognize the diversity of the region, including differing social and economic systems and current levels of development [Canada(C), ASEAN(A) and Japan(J) had already expressed views along similar lines];

3. Cooperation should involve a commitment to open dialogue and consensus, with equal respect for the views of all participants [A ; J];

4. Cooperation should be based on non-formal consultative exchanges of

views among Asia Pacific economies [A ; C ; J];

5. Cooperation should focus on those economic areas where there is scope to advance common interests and achieve mutual benefits [A];

6. Consistent with the interests of Asia Pacific economies, cooperation should be directed at strengthening the open multilateral trading system: it should not involve the formation of a trading bloc [A; C; J];

7. Cooperation should aim to strengthen the gains from interdependence, both for the region and the world economy, by encouraging the flow of goods, services, capital and technology; and

8. Cooperation should complement and draw upon, rather than detract from, existing organizations in the region, including formal intergovernmental bodies such as ASEAN and less formal consultative bodies like the Pacific Economic Cooperation Conference (PECC) [A; C].

It could not be easily overlooked that extensive consultations had been successfully made by the Australian delegation prior to the Canberra Meeting and that much effort had been directed to accommodate the ASEAN perceptions of APEC, thereby dispelling the latter's concerns over the solidarity of ASEAN.

The Ministers also agreed that the Second APEC Ministerial-level Meeting be held in Singapore in mid-1990 (the end of July, as it turned out) and the third one in Seoul in 1991 and that it would be "appropriate, in the case of any future such meetings, for at least every other such meeting to be held in an ASEAN member country." <<APEC, 1989, p.7>> For all practical purposes, the facts that there will be a third APEC Ministerial-level Meeting outside ASEAN and that the Meeting will be held alternately between ASEAN and non-ASEAN countries have established the APEC Ministerial-level Meeting as a regular, inter-governmental institution.

Although it was one of the two most thorny issues of the First APEC Meeting, the participation issue, i.e. the China Question, was not extensively discussed. The only explicit comments on it were made by the Canadian delegation. It ex-

pressed the views that it wishes “to see the process expanded to include Hong-Kong, China and Taiwan. They are major economic players in the region. Without them, the process of economic cooperation will be less meaningful.” <<Crosbie, Notes, 1989>>

As for the pre-condition for participation, the general view was that a participating country should be one who is “already profoundly involved in the Asia Pacific economy and whose economic and trade policies reflect a substantial market orientation— or at least a trend in that direction.” <<Crosbie, Lead Speech, 1989, p.5>>

Little discussion as there was, the Ministers could not agree on anything specific on such matters as Chinese participation, leaving it for future discussions. They came up only with a statement in the Chairman’s Summary:

“Participation by Asia Pacific economies should be assessed in light of the strength of economic linkages in the region, and may be extended in the future on the basis of consensus on the part of all participants.” <<APEC, 1989, p.6>>

5. The APEC Mechanism

The APEC Mechanism, as it was conceived at the Canberra Meeting, has double-tier inter-governmental meetings, one among ministers and the other among senior officials. With their mandate, a number of working groups and special projects are carried out with responsibilities falling sometimes on the officials but other times on private research organizations or expert groups.

a. Ministerial-level Meeting

As it has been determined, the twelve Asia-Pacific nations would dispatch ministers, with each delegation led by either a foreign or economic minister. Most often, the head of delegation is the foreign minister or he is accompanied by the economic minister. A country is rarely represented at the APEC Meeting solely by an economic minister.

This arrangement, which sometimes produces awkward situations at the meeting, came about because the ASEAN ministers of foreign affairs have had, for some years now, the responsibility of handling matters of regional cooperation, be they economic or security-related matters. They have been doing so among themselves within the context of the ASEAN Ministers Meeting (AMM) since the 1960s, and with the foreign ministers from the six developed countries, within the framework of the Post-ASEAN Ministerial Conference (PMC) since 1984. Thus, when the issue of an inter-governmental institution came up in recent years, it was mainly the foreign ministers of ASEAN who were put in charge (particularly when ASEAN was concerned about a new institution's ramifications on the solidarity of ASEAN). In addition, when the APEC Meeting was emerging as "the issue" of the Pacific Era, foreign ministers, be they ASEAN ministers or those of non-ASEAN countries, did not feel any immediate need to change the "rider in the middle of the race." Confusion over the participation of ministers, i.e. the issue of who should be put in charge for these clearly economic matters, still lingers not only in the ASEAN countries but also in other APEC countries. (Perhaps because of the importance it attached to the APEC Meeting, the U.S. dispatched three ministers, the Secretary of State, the Secretary of Commerce and the Trade Representative, to the Canberra Meeting.)

The Ministers of the APEC Twelve meet regularly once a year, for consultations and discussions of issues that concern not only the region but also the world economy. Even during the First APEC Meeting, there were concerns over whether this APEC Process would continue or not. However, ASEAN's positive reception of the idea of the APEC Mechanism as expressed with its volunteering to host the Second APEC Meeting, and Korea's invitation of the Third APEC Meeting, have paved the way to make the APEC Meetings a regular event.

After an introductory review on world and regional economic developments (in practice, in the Pacific Economic Outlook as prepared by PECC) and global trade liberalization (the subject of 1990 is the Uruguay Round, of course), the Ministerial-level Meeting reviews the progress made by various APEC working

groups on work projects. They may sometimes have additional consultations among themselves if the situation calls for them; for example, this year the APEC Ministers will gather for consultations on the Uruguay Round twice, in September and December, in addition to the regular APEC Ministerial-level Meeting in July.

b. Senior Officials Meeting (APEC-SOM)

The Senior Officials Meeting is held twice a year, one shortly after, and the other around two months before, the APEC Ministerial-level Meeting. The first one reviews what has been agreed upon by the APEC Ministers and formulates ways to carry out the related work programs or projects. The second one reviews the progress of the work programs and projects and decides the agenda for the coming APEC Meeting. In 1990, for example, there have been SOMs in March and May, whereby the First SOM determined the working groups and research work as suggested by the APEC Meeting in November 1989 and the Second SOM reviewed the activities of working groups and discussed the agenda for the 1990 APEC Ministerial-level Meeting in July.

c. Work Projects

The 1989 Canberra Meeting and the First SOM in March, 1990, created six working groups that are to handle APEC work projects. How a working group proceeds with a given work project after it is collectively scrutinized at the initial stage is left with the 'Shepherds', i.e. the APEC countries who are assigned to be responsible for management. <<APEC-SOM, 1990 March>> To enumerate the 1990 work projects and the shepherds:

a. Review of Trade and Investment Data:

U.S., Japan and Singapore

b. Trade Promotion: Program and Mechanisms for Cooperation:

Korea, Malaysia

c. The Expansion of Investment and Technology Transfer in the Asia-Pacific Region:

Philippines, Japan and Indonesia

d. The Asia-Pacific Multilateral Human Resource Development Initiative:

Japan, Thailand, Indonesia, Korea,
Malaysia, Canada

e. Regional Energy Cooperation:

Australia

f. Marine Resources Conservation:

Canada, Indonesia and New Zealand

g. Telecommunications:

U.S. and Thailand

For the implementation of a APEC work project, the Second SOM in May, 1990, agreed that "a) APEC participants may participate in any work project and should be informed of the meetings of work projects well in advance, b) APEC participants, the ASEAN Secretariat, PECC and SPF (the South Pacific Forum) should be kept fully informed by the APEC shepherds as to the progress of their respective work projects, c) wherever possible, the APEC process should make use of existing cooperation mechanism to avoid duplications of efforts and d) focal points in all APEC countries should be clearly identified in order to facilitate communication relating to APEC matters." <<APEC-SOM, 1990 May, p. 7>>

d. Linkages: Liaisons, Observers and Special (Commissioned) Works

One of the advantages of having an inter-governmental organization is that it can mobilize resources with a political mandate. In terms of mobilization of resources, PECC is perhaps the organization that has accumulated experience in research activities on APEC most extensively. However, its activities have been limited in scope as PECC participation is done in private capacity. With the APEC process at hand the Asia-Pacific mechanisms for economic cooperation have been significantly strengthened. In this respect, the APEC Ministerial-

level Meeting has already seen the value in maintaining close cooperative relations with existing bodies of APEC such as ASEAN or PECC.

The First APEC Meeting was attended by the ASEAN Secretariat, the Chairman of the PECC Standing Committee and the Secretary General of the South Pacific Forum as observers. In fact, these three APEC organizations have also attended the two SOMs as observers. The APEC Meeting heavily depends on the contributions forwarded by PECC for their expertise in research on APEC issues. For example, the APEC Process has already established a 'liaison' relationship with PECC on the Pacific Economic Outlook and one work project is exclusively handled by PECC as the expert organization responsible for the research on fishery-resources management, in collaboration with New Zealand. Such working relationships with existing organizations conform to the common understanding of the APEC Meeting that APEC "should draw on existing resources for analysis in the Asia Pacific region, including the work of PECC task forces." <<APEC, 1989, p.9.>>

III. Enhancement of the APEC Mechanism

1. New External Challenges

The APEC Ministerial-level Meeting has achieved what all the previous initiatives for Asia-Pacific economic cooperation has attempted to achieve: an inter-governmental institution for APEC. For the first time, ministers of the APEC countries gathered at a forum where issues of APEC were discussed from the perspective of “the Asia-Pacific region”.

Since the November APEC Meeting (or even before the Meeting), there have been new developments which were not of serious concern to the APEC governments at the time of the Meeting but whose challenges cannot be met by disorganized counter-measures of the individual countries. In particular, since late 1989, the drastic and profound changes in the world’s economic geography, such as the German Reunification and the reforms of Eastern Europe, call for nothing less than a regional response from the Asia-Pacific.

The new challenges of the 1990s are expected to irreversibly change not only the industrial structures of individual countries but also the geography of the world economy. However, no serious attempts have yet been made to find a consensus on the type and extent of effects such changes are likely to have, particularly on the APEC region.

a. World Integration

Outside of the Asia-Pacific region, there are strong movements toward regional integrations. It is not uncommon anymore to observe formerly segregated economies rapidly being integrated through institutional “wall-breaking”. The already close Western European economies are becoming literally a single economy through the European Single Market reforms; and, the negotiations between the European Community and EFTA are fast reaching the stage of mak-

ing final decisions on an accord to dismantle the few remaining barriers between the two.

That is not all. Western and Eastern Europe are being integrated through economic reforms that are rapidly being deployed in Eastern Europe after its recent decision to adopt a 'market democracy'. Furthermore, the bonds between the two parts of the 'divided' Europe should be further strengthened when the current process of the reunification of West and East Germany is completed within the next six months or so.

One typical response to these changes, which shall have more profound implications than any other changes in economic geography in the past, has been that the changes have been so drastic and overwhelming that one cannot possibly have a clear understanding of them, let alone any systemized response or policy, at the moment. This is not an exception to the APEC economies either. Asia-Pacific economies which have repeatedly been said to be extremely integrated not only with the world economy in general but particularly with other Asia-Pacific economies, have not systematically attempted to formulate a common understanding or views, or even to exchange views on these changes at the regional level. They simply have been trying to individually grope their ways out of these new changes in the environment, even when their decisions or understanding affect those of the other players in the APEC economies. It is high time to have a mechanism that would allow timely and consorted understanding on global changes such as the European restructurings.

b. Diversion of Resources away from the Asia-Pacific Region

Perhaps the more pressing challenge of the current European Restructuring is that there is a new strong tendency in major economies to turn their attention to the European continent. Western Europe, the U.S. and Japan are no exceptions to this. Compared with 1989, even many of the Asia-Pacific countries have had diversions in their policy attention. Even if all the economic reforms proceeded smoothly in Eastern Europe, the world economy would be, for some

years, under strain during the course of adjustment, and if the adjustments are not easily carried out, the prospects for the world economy would be dismal. The trouble with European Restructuring on part of the Asia-Pacific economies is that during this period of adjustment, it is likely that there will be an ebb of attention away from the Asia-Pacific region to the European continent. Not only policy attention, but the dear resources of finance, technology, human resources, etc., will also be diversified. There are already signs that indicate such undercurrents, as the following passage by Murkowski illustrates:

“We look down from the top of the world and see everything around us, the Great Pacific Basin, the opportunities in Europe, and the opportunities in the Pacific ASEAN countries. And, as we look at emerging opportunities in Asia, I think to a degree we have been carried away with enthusiasm for the Pacific. But we must also realize that, on the Atlantic side, we are faced with the reality of EC 1992 on January 1st of 1993, the realization of economic integration in the European Economic Community. We are in the middle of these dynamic changes in Europe and Asia...” <<Murkowski, 1989, pp.22-23>>

The time left for the APEC region to collectively formulate ways to preserve its own dynamism does not appear to be sufficient. And thus, for timely and effective regional coordination, a more viable mechanism for APEC should be constructed.

c. EC's Potential Aggressive Stance

If the original APEC initiatives had come about as a natural response to the formation of the European Community, and if one of the reasons that has slowed the APEC process has been a lack of external threat, then we would now have a reason for an institutionally reinforced inter-governmental body for APEC. This is so because the process of integration of the European economies through the European Single Market Act has been rapidly proceeding without sufficient consultations with the APEC region.

The APEC Ministers have repeatedly declared that the APEC Process will

not be creating an economic bloc. However, the developments in the European continent compels the APEC region to be more specific about its position. The latter should be reinforced in its structure so that while it would “inform the West European nations of the APEC discussions, assuring them that APEC will not become a protectionist economic bloc that will keep out European investment and exports”, it would also “warn that attempts by the European Community to become a protectionist trading bloc will be watched closely by all APEC members.” If the APEC countries “show a united front in negotiations over market access in Europe, the EC will be forced to moderate protectionist tendencies.” <<Timmons, 1990, pp.3-4>>

2. Institutional Reinforcements

To maintain the dynamism of the APEC economy, it is essential to maintain and strengthen its private initiatives, which is best served by a mechanism that allows free flows of not only all resources and production factors such as natural resources, capital and labor, but also goods and services. To best utilize the growth and development potentials of the Asia-Pacific economy, the region should maintain a competitive environment and take full advantage of the regional economies of scale.

Toward these ends, it is imperative to mobilize regional efforts to remove barriers, and to remove uncertainties in the environments for regional economic exchanges. Therefore, commitments to continuously liberalize markets of the regional countries and to minimize the economic frictions among them are prerequisites. Without a clear consultative body or mechanism, these cannot be effectively pursued.

One should be reminded of the fact that the APEC Process, as it emerged from the Canberra Meeting, can be characterized as a multi-faceted, loose, non-exclusive forum, and its underlying philosophies have been liberalism, globalism and incrementalism. Thus, from the outset, it was designed to preclude any

potential elements of exclusivism, regionalism or institutionalism.

a. Political Mandate

In consideration of today's external economic relations characterized by rapid and fundamental changes, governmental relations through simple 'consultations' are hardly adequate. "Conflict is presumably caused by government policies, and consultation may not produce the adjustment in policies necessary to resolve the conflict." <<Kahler, 1987>> In consideration of the fact that with high interdependence among the APEC economies, this region is frequented with intense economic conflicts among themselves, a mechanism that promises committed consultations is in order. Furthermore, when there exist imbalances in the negotiation powers, as there are among the APEC countries, simple consultations often yield unfair results, disadvantageous to the smaller economies.

One of the reasons for the APEC Mechanism to commence with a loosely set forum was that it would provide a conducive atmosphere for active and free discussions. But, it is precisely this structure that might constrain further enhancement of APEC causes in later days. The APEC Process in its present form lacks a vital mandate, official or non-official. (Perhaps it has already become complacent with its achievement of establishing the long-awaited APEC process ?)

Without a clearer, collective mandate, the APEC Process may fall into the danger of turning itself into a simple forum, not a place to consult or coordinate (let alone, negotiate on) issues. With properly expressed political will to advance APEC causes, the APEC issues could be systematically better pursued.

The lack of a political mandate would also bring about too much speculation concerning APEC affairs. For example, there is no guarantee on whether or not, and how many years, the work projects will continue, who in each country will be put in charge of individual projects, or whether or not the present 'Shepherds' will remain until the projects are completed, etc. Thus, an appropriate political mandate would also improve continuity and certainty, which are necessary to maintain consistency in the APEC Process.

b. Organization

Because of concerns over the potential of the APEC Process to become another bureaucracy, most of the field work is handled by working groups while organizational chores (such as communications among member countries, preparation of the APEC Ministerial-level Meeting, etc.) are left to the host country. This type of compartmentalization, however, may lead to disengagement of issues while it precludes adaptation to new issues or coordination (or priority-setting) among issues.

The scope of the APEC mechanism could be expanded considerably so that a 'grand' coordination of issues and policies could be possible. At present, it maintains a piecemeal approach, which tends to exclude coordination or linkages among issues. The APEC Process should not be allowed to establish a tradition in which it deals with only the least controversial.

At present, the relevance of the APEC Process is widely different among countries: to ASEAN, it is one of the vehicles in which to pursue human resource development; to the U.S., it is a forum to seek greater 'new' market access of the region for American products; to Korea or Japan, it is one of the mechanisms that ensures certainties in the international environments for economic cooperation and exchanges; or to Australia or New Zealand, it is a forum to push forward the liberalization of agricultural trade. Without coordination, the APEC issues can be easily turned into a collection of issues which may be a simple, arithmetic aggregation of all the areas of interests to individual countries. Instead, the APEC Process should be a forum where with coordination, 'country interests' can be harmonized into 'regional issues'.

c. A Networking with More Formal Linkages

It is true that the existing linkages among institutions for APEC have contributed significantly to effective coordination of the activities of the APEC Mechanism and that they have been instrumental to the successful launching of the APEC

Ministerial-level Meeting. However, it is also true that the APEC Mechanism is constrained by the fact that the linkages have often been formulated on ad hoc bases or formed in a rush, just for the purpose of responding to new developments.

The issues of the relations of APEC Mechanism with existing APEC institutions have been overshadowed by the question of the institutional design. The main institutional question has been how it should be designed so that it would not be in competition or conflict (i.e. how not to 'step on somebody else's foot'), but complements the existing APEC institutions. To declare that the APEC Mechanism is not intended to weaken the solidarity of, or to replace the proper workings of, say, ASEAN or PECC, is not enough.

In light of the need that a network comprised of the APEC Ministerial-level Meeting and other existing institutions of economic cooperation be strengthened and updated, one could envisage more formal linkages among PBEC, PECC, and APEC than in the past.

At the present stage of institutional development of the APEC Mechanism, one may have to take into consideration the option of having some 'confidence-building' efforts exercised to dispel some of the passivism that exists among some APEC countries concerning institutional initiatives. This could be done through prioritizing among individual issues. For example, the APEC Mechanism could be programmed in such a way that those projects which are most enthusiastically supported by the developing countries of the APEC region are carried out before embarking on other projects on a regional scale, the latter being undertaken *only after visible progress with the former is made.*

d. The APEC Mechanism as a Representative Body for the APEC Region

The APEC Mechanism in the present form is a forum at best, without its own voice. As repeatedly stated, this has resulted mostly from its own doing. The APEC mechanism has been concerned mostly with the issues of intra-regional cooperation, not much with those of inter-regional cooperation or global issues,

e.g., the role of the Asia-Pacific economy in the world economy. Furthermore, the APEC Mechanism has admittedly not developed enough to be able to discuss its function as a regional body, particularly when there still exists a lack of a 'community'-like sense. Furthermore, as stated before, issues and stances of the APEC countries have been disorganized and uncoordinated.

With the present 'non-form' of organization, the APEC Mechanism is not able to have any formal or informal channels of communication with other extra-regional organizations such as the European Community. Thus, if there emerged a challenge or a simple need to communicate ideas of the APEC region to others (e.g. the impacts of the developments of the European economies on the APEC regional economies and vice versa), there would not be any means available for the APEC Mechanism to carry out such tasks. In this respect, the APEC region should pursue a formal cooperative link with other international bodies for economic cooperation such as OECD or EC. For example, one could envision a relationship between APEC and EC similar to that between PBEC and PECC, which would significantly contribute to dissipating the still remaining 'misconceptions' about each other.

e. The China Question

The APEC Ministers have expressed a favorable view concerning the participation of China, Hong Kong and Taiwan at the occasion of the First APEC Meeting. Thus, "recognizing that APEC is a non-formal forum for consultations among high-level representatives of significant economies in the Asia Pacific region", they have agreed that it "would be desirable to consider further the involvement of these three economies in the process of Asia Pacific Economic Cooperation." <<APEC, 1989, p. 9-10>> But, they avoided making decisions on whether or not, and on what conditions, they should invite the three economies to the APEC Meetings. These issues were left for further deliberations by SOM.

The First SOM in March, under pressure to proceed with launching work projects as suggested by the APEC Ministers at the Canberra Meeting, did not put

much emphasis on the participation issue. In fact, it appeared that the participation of the three economies became even more difficult than before: while the senior officials again referred consultations back to the Ministers, they considered it to be “necessary to proceed by consensus.” (Note that with or without the China issue, all the decision-making related with the APEC Meeting have always been on a consensus basis. Thus, the above statement about consensus should be interpreted as a move to reinforce the roadblock against the participation of the three economies.) At any rate, the First SOM agreed that at the Second SOM, senior officials should be “prepared to discuss the form of participation by the three economies, the question of timing and modalities.” <<APEC-SOM , 1990 March, p.16>>

No significant advancements were made at the Second SOM, either. Participants reiterated that the participation of the three economies in the APEC process was desirable. There was no ‘consensus’ on the timing and modalities for the participation process. The only agreement that came out of the Second SOM on this issue was that the three economies should be admitted into the APEC process at the same time. The issue was almost ignored at the July APEC Meeting.

The political questions of China aside, there has always been a consensus in the region that the three economies should participate in any forum of Asia Pacific Economic Cooperation. For example, in a statement relayed at the occasion of the First APEC Meeting, PBEC noted that it believes that “as the ministerial process begun in Canberra matures, participation should be open to governments such as Taiwan, Hong Kong, the People’s Republic of China..” <<PBEC, 1989>>

In relation, it might be useful to review some of the requirements of APEC-related organizations. For example, PECC explicitly expressed in its 1986 Vancouver Statement, “Participants in the Pacific Economic Cooperation Conference (PECC) ...believe that realization of the full potential of the Pacific Basin depends on enhanced economic cooperation based on free and open economic ex-

changes and in a spirit of partnership, fairness and mutual respect,” and “participants, who have extensive economic activities in the Pacific, will seek to achieve increased regional economic cooperation and interaction...”
<<Kaneko,1988,p.77>>

In connection with the present issue of APEC memberships for the three economies, it is important to note that although it happened when membership extensions were viewed critically because of the potential weakening of the existing PECC process, the participation of China in PECC was received favorably. China was admitted to PECC not because China then was considered to be a sufficiently ‘free and open’ economy. Rather, China was admitted to PECC because China is an unmistakably Asia-Pacific economy; its “extensive economic activities in the Pacific” prevailed over concerns over organizational solidarity. Furthermore, if the degree of market orientation in China were problematic to some members of APEC, one should envisage the possibility, which is not so remote, that the admission of China in the APEC ministerial process might drastically expedite China’s integration with market economies.

IV. Summary and Conclusions

With the Asia-Pacific Economic Cooperation Ministerial-level Meeting, the region now has at hand an inter-governmental mechanism for economic cooperation. Still at an early stage as an international institution, it is also a due reflection of all the previous efforts since the 1950s for such a regional mechanism.

In view of the diversity of the Asia-Pacific economies in areas such as the stage of economic development, resource endowment, etc., the establishment of the APEC Ministerial-level Meeting is by itself a feat worth celebrating. However, the dynamism of the Asia-Pacific economy, and the increasing interdependence—th two most commonly shared characteristics of the regional economies—are sufficient reasons for governments to call for a channel of inter-governmental consultation. The ministers have gathered together because they recognized the fact that with mounting uncertainties, old and new, in the world economic environment and challenges to the multilateral trading system, there is a standing need for them to exchange views and formulate ways and means to preserve and foster the dynamism of the Asia-Pacific economy. The Asia-Pacific economy has been thriving over the years within an open, non-discriminatory multilateral system of economic exchanges among countries.

The APEC Mechanism, as it has emerged from the Canberra Meeting, consists of inter-governmental consultations on economic cooperation on three levels: the APEC Ministerial-level Meeting, the Senior-officials Meeting and the Work Projects. Inasmuch as the APEC Mechanism is a result of the evolution of the initiatives that have persisted for over four decades, there remain intrinsic aspects of the Meeting that need to be improved. Reflecting the diversity of the Asia-Pacific economies, the APEC Mechanism is intended to be a multi-faceted, loosely organized, non-exclusive forum. Consequently, its underlying philosophies had to be liberalism, globalism and incrementalism. The examination of this paper strongly suggests that they have served their purpose as the

guiding principles at the initial stage of the APEC Process, but that they should be substituted with philosophies which would be more conducive for the region to continue to preserve its dynamism into the future.

The paper has recognized three major trends for the future that would irreversibly transform not only industrial structures of countries but also the geo-economic structure of the world economy: the global integration that encompasses not only big and small market economies (e.g. through rapid development of technologies) but also the formerly socialist countries extending from Eastern Europe to the Far East (e.g. through economic reforms on a world scale); the diversion of resources away from the Asia-Pacific region as a result of the rapid restructuring on the European continent, thus, threatening the dynamism of the region; and the potentially aggressive stance of the European Community against the non-member countries.

The paper suggests the following with respect to the institutional aspects of the APEC Process:

- Political Mandate: with it the APEC Mechanism will serve the purpose of inter-governmental consultation more effectively;
- Coordination of Issues: the issues of Asia-Pacific economic cooperation that are more often than not inter-related should be subject to coordinated, consorted solutions, rather than the present discordant, separate resolutions;
- Formalization of the APEC Mechanism: to best utilize the existing mechanisms for an Asia-Pacific economic cooperation, the APEC Mechanism should be reinforced in such a way that would establish more on-going cooperative links with existing bodies such as PBEC, ASEAN and PECC;
- Establishment of the APEC Mechanism as the Official Regional Mechanism: to efficiently cope with extra-regional changes, the Mechanism should establish formal channels of communication with other regional bodies such as the European Community; and

- Participation of China, Taiwan and Hong Kong: to maintain an open stance with respect to participation and to promote Asia-Pacific dynamism, the three Chinas should be encouraged to participate in the APEC Mechanism.

References

- Alatas, Ali, Statement by H.E. Mr. Ali Alatas, Minister for Foreign Affairs, Republic of Indonesia, the First APEC Ministerial-level Meeting, APEC I/1/11, Canberra, November 6-7, 1989.
- ASEAN, Modalities for Asia Pacific Economic Cooperation, Paper submitted by ASEAN, the First APEC Ministerial-level Meeting, APEC I/4/5, Canberra, November 6-7, 1989.
- Asia Pacific Economic Cooperation (APEC), Summary Statement by Chairman, Canberra, November 7, 1989.
- _____, Notes on Agenda, Canberra, November 7, 1989.
- _____, Summary Conclusion of the First Asia-Pacific Economic Cooperation Senior Officials' Meeting (APEC-SOM), Singapore, March 7-8, 1990.
- _____, Summary Conclusion of the Second Asia-Pacific Economic Cooperation Senior Officials' Meeting (APEC-SOM), Singapore, May 21-22, 1990.
- Crosbie, John C., Lead Speech of Canadian Minister for International Trade, Future Steps for Asia Pacific Economic Cooperation, the First APEC Ministerial-level Meeting, Canberra, November 7, 1989.
- _____, Notes from an Intervention by the Hon. John C. Crosbie, Minister for International Trade for Canada, the First APEC Ministerial-level Meeting, Canberra, November 6, 1989.
- Economic Planning Board (EPB) of Japan, The Pacific Economy in the 1990s: the Birth of the Bush Administration and the Issues of the Pacific Economy, the Report of the Projection Group of the Pacific Regional Economies, April, 1989, pp. 102-110.
- Han, Seung-joo, The Political Economy of the Asia-Pacific Cooperation, The Korean Initiatives of Economic Diplomacy Toward ASEAN, Pacific Cooperation Task Force, Ministry of Foreign Affairs, Korea, April, 1985, pp. 150-176.
- Kahler, Miles, Organizing the Pacific, the Second Quadrilateral Economic Workshop, Ulsan, Korea, August 3-5, 1987.
- Kaneko, Kumao, A New Pacific Initiative: Strengthening the PECC Process, Japan Review of International Affairs, Spring/Summer 1988, pp. 67-90.
- Kim, Cae-Won, The Initiatives of Pacific Cooperation Mechanism and ASEAN, The Asia-Pacific Economic Cooperation, Pacific Cooperation Task Force, Ministry of Foreign Affairs, July, 1987, pp. 1- 42.

- Korea Institute for Socio-Economic Affairs (KISEA), *the Role of Korea in the Pacific Era: the Current Status and Perspectives of the Asia-Pacific Economic Cooperation*, the KISEA Forum, April, 1990.
- Krause, Lawrence; Sekiguchi, Suelo, (Eds.) *Economic Interaction in Pacific Basin*, Brookings Institution, 1980.
- Matsunaga, Hiraku, Statement, Minister of International Trade and Industry of Japan at the Ministerial Meeting on Asia-Pacific Economic Cooperation, Canberra, November 6, 1989.
- Ministry of International Trade and Industry (MITI), *Interim Summary by Study Group for Asian Pacific Trade and Development*, June 13, 1988.
- Murkowski, Frank; et al., *Facing Asian Challenges in 1990s: Perspectives of U.S. Policy Makers*, in Roger A. Brooks (ed.), *U.S. Policy in Asia: The Challenges for 1990s*, The Heritage Foundation, 1989, pp. 22-27.
- Okita, Saburo, *Pacific Cooperation: Past, Present and Future*, Report of the Seventh Pacific Economic Cooperation Conference, Auckland, November 12-15, 1989, pp. 13-16.
- Pacific Basin Economic Council (PBEC), *Economic Co-operation in the Pacific; Perspectives from PBEC, The First APEC Ministerial-level Meeting, APEC I/NG/2*, November, 1989.
- _____, *A Guide to Pacific Economic Cooperation*, Seoul, 1986.
- Pacific Economic Cooperation Conference (PECC), *Summary of the Conference, Report of the Seventh Pacific Economic Conference*, Auckland, November 12-15, 1989, pp. 1-4.
- _____, *Summary of the Conference, Report of the Sixth Pacific Economic Cooperation Conference*, Osaka, May 17-20, 1988.
- Pinkayan, Subin, *Statement on behalf of the ASEAN Economic Ministers, the First APEC Ministerial-level Meeting*, Canberra, November 6, 1989.
- Shim, Seungjin; Lee, Kunwoo, *The Initiatives of Inter-Governmental Consultation Mechanism of the Asia-Pacific Region*, Korea Institute for Economics and Technology, Research Report No. 175, August, 1989.
- Sopiee, Noordin, *ASEAN and the Pacific Basin Concept: Four Questions and Five Imperatives: Day After Tomorrow in the Pacific Region*, Asia Society, 1981.
- Timmons, Thomas J., *America's Role in Promoting Pacific Economic Cooperation*, Background, Asian Studies Center, the Heritage Foundation, Washington, D.C., March 15, 1990.
- Wanandi, Jusuf, *The Role of PECC in the 1990's and Pacific Institutions*, Report of the Seventh Pacific Economic Cooperation Conference, Auckland, November 12-15, 1989, pp.21-28.