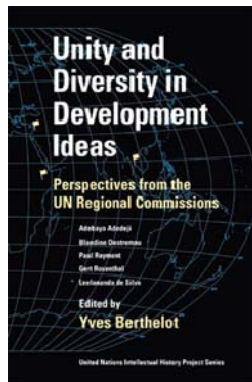




From ECAFE to ESCAP

ESCAP, the UN's regional Economic and Social Commission for Asia and the Pacific, includes sixty-two member or associate member countries, covering some 60 percent of the world's population. It was founded in 1947 as ECAFE, the Economic Commission for Asia and the Far East, with just nine members, of which six were developed countries and only three were countries from the region. This imbalance reflected the colonial status of most countries in the area at that time. The status of Japan as an occupied power (until 1952) was also unusual. Thus, at ECAFE's first session in Shanghai, only ten member countries were present, four from Asia (China, India, the Philippines, and Thailand) and six from outside (Australia, France, the Netherlands, the Soviet Union, the United Kingdom, and the United States). ECAFE's name was changed to ESCAP in 1974.

Leelananda de Silva's chapter, "From ECAFE to ESCAP: Pioneering a Regional Perspective,"



was published in the UNIHP volume *Unity and Diversity in Development Ideas: Perspectives from the UN Regional Commissions* (2004), edited by Yves Berthelot. As de Silva explains, ECAFE devoted its first decade to constructing regional systems and procedures. The Asian Development Bank (ADB), established in 1965, was

by far the most important of the new regional institutions. Other significant organizations included: the Asian Institute for Economic Development and Planning (AIDEP) (established in 1964); the Asian Statistical Institute (1970); the Asian Clearing Union (1973), the Bangkok Agreement on Trade (1976); and the Asian Re-Insurance Corporation (1979). In the area of commodities, several trade institutions were created, covering coconuts, natural rubber, pepper, grains, pulses, roots, and tubers. An Asian Rice Trade Fund was set up in 1973, but it failed to muster sufficient funds to ensure its operations.

The focus on institution building did not mean that the region's immediate operational

priorities were neglected. Postwar reconstruction and recovery were at the top of the agenda. Notwithstanding the immensity of its territory, lengthy decolonization process, cold war divisions, and the Korean War (1950–53), ECAFE's first executive-secretary, P. S. Lokanathan, had a profound sense of the region's unity. He identified a number of policy areas related to longer-term development: food and agriculture, industry, energy, transport, and monetary issues. Regional integration was seen as an essential part of national development.

There were, however, "some paths not taken"—for instance, the creation of an Asian Payments Union in 1972, proposals for which were drafted by Robert Triffin, the architect of the European Payments Union. In the 1990s, there were proposals for an Asian Reserve Bank, which also did not come to fruition.

ECAFE's and ESCAP's Four Tasks

Over its lifetime, the commission has concentrated on encouraging regional cooperation.

It has done so in four major ways:

- by preparing an annual regional survey;
- by publishing regional studies on diverse aspects of cooperation;
- by translating global agreed agendas and perspectives into the Asian context; and
- by providing assistance to member countries to develop common positions in relation to global issues.

In its early days, ECAFE did pioneering work in a number of important economic areas. From the 1950s to the mid-1970s, ECAFE promoted a *dirigiste* model of development, with the state as a central actor. The Indian model of planning heavily influenced policy, and regional integration and cooperation were included in such planning. After its name change in 1974, the commission worked closely with the UN Conference on Trade and Development, which



had a profound impact on its thinking and policies. This close institutional relationship meant that there was for a decade or two, in de Silva's terms, "a detectable bias against the prescriptions of the World Bank and the International Monetary Fund (IMF)" (149). In the 1990s, however, ESCAP adopted a more market-oriented approach to economic development, focusing on the private sector, foreign investment, and trade liberalization. The establishment of the World Trade Organization (WTO) in 1995 enhanced the commission's market emphasis, with ESCAP assisting member countries in exploiting trade opportunities and encouraging them to conform with WTO provisions. These changes set the stage, however, for the Asian financial and economic crisis of 1997–99.

Another important area of the commission's work has been population. In the 1950s, well over a decade before the establishment of the UN Fund for Population Activities (UNFPA, now the UN Population Fund), ECAFE worked on population issues and policy, holding seminars in Indonesia in 1955 and India in 1960. The 1963 Asian Population conference in New Delhi was one of the first occasions when population was discussed at an inter-country level. Since 1979, ESCAP has organized and distributed population information throughout the region and organized decennial Asian and Pacific Population Conferences. Though it is not possible to estimate the impact of these activities on population policies and growth rates, it should be noted that Asia has experienced the world's largest reductions in fertility rates—from 5.0 to 1.9 total births per mother over the period from 1970–75 to 2000–5 in East Asia and the Pacific and from 5.5 to 3.2 in South Asia.

In operational terms, as de Silva points out, "UN General Assembly resolution 32/197 of 1977 had a dramatic impact on ESCAP." The resolution "provided authority for the regional commissions to function as executing agencies for programs and projects funded by UN agencies and bilateral donors" (138). It also allowed ESCAP to mobilize extrabudgetary resources. By the late 1980s, as stated in the commission's own 40-year history, *ESCAP* (1987), its most important roles were as "a provider of technical assistance, an intergovernmental forum, a leading research facility and a development information source" (138).

One of the ESCAP's most important and successful activities was the establishment of the Mekong Committee to oversee the international management of water resources in the Mekong Basin. This initiative brought together the government representatives of the four countries involved—the Kymer Republic, Laos, Thailand, and Vietnam. Subsequently, the committee became the Mekong River Commission and was set up outside of the UN. Other early regional initiatives included those for the Trans Asian Railway, the Asian Telecommunications Network, and, in the late 1970s, the Indian-based Asian Pacific Centre for the Transfer of Technology. In 1974, the prime minister of Sri Lanka used ECAFE's annual forum to propose the creation of a world fertilizer fund—an idea that was subsequently agreed upon at the World Food Conference later that year. This fund continues today as the International Fertilizer Supply Fund, managed by the Food and Agriculture Organization (FAO).

In 1992, the overall structure of ESCAP's subsidiary bodies was changed. Five thematic committees emerged, which dealt with regional economic cooperation; socioeconomic measures to alleviate poverty; environment and natural resource development; transport, communications, tourism, and infrastructure; and statistics. Although this approach matched the priorities of the time, de Silva points out that this thematic structure "made it extremely difficult for the relevant government organization to be represented appropriately" (156).

Regional cooperation in international trade, industry, natural resources, transport, and communications have all been economic areas where ECAFE has taken initiatives. In 1966, ECAFE organized the first-ever Asia Pacific International Trade Fair jointly with the Thai government. A trade promotion center was created soon afterwards within ECAFE. The Council of Ministers has taken many initiatives for encouraging intraregional trade, including establishing an Asian Clearing Union in 1974 and exploring proposals for an Asian Reserve Bank. The Bangkok Agreement on trade was negotiated in the 1970s and is still important in matters of regional cooperation. However, as de Silva points out, since the establishment of the WTO, ESCAP's work has given primacy to the WTO in trade matters, especially in the shaping of national and regional trade policy. As he



argues, "ESCAP has not done any extensive analysis of the trade barriers within the region, which are an obstacle to a more dynamic pattern of intraregional trade" (161).

In industry and natural resources, ECAFE took important initiatives in its early years, encouraging the development of an iron and steel sector and harmonizing policies within the region for the development of water, minerals, and energy. In matters of flood control and hydrological data and legislation, ECAFE had "few rivals in the rest of the UN system" (162). As early as 1950, it developed a geological map of the region with a comprehensive review of its coal and steel resources. Electricity and power generation was another focal point, with EACFE encouraging the standardization of equipment and practices throughout the region.

In transport and communications, ECAFE was active from the beginning with the Asian Highway and the Asian Railway Network, designed to connect the region with standardized equipment and procedures. These projects were matched by technical assistance to member countries to upgrade their road and rail systems as well as ports and shipping. In 1992, as de Silva notes, "ESCAP endorsed a 'new vision' to develop an Asia-Europe transport system" and shifted its efforts toward promoting efficiency in the transport of goods.

Shortcomings

Although ESCAP has a wide-ranging agenda of policy and action, there are serious gaps. Leelananda de Silva points out that the commission has been little involved in agriculture and food security issues, often because of earlier turf disputes with FAO. Governance and human rights have also been neglected, even as these issues have gained increasing attention within the wider UN.

In spite of ECAFE's early achievements and the widespread development success of the region's countries, de Silva sums up the experience of ECAFE and ESCAP as one of initial rise and later decline. Up to the mid-1970s, he identifies ECAFE as "the major regional organization and...the only place where a broad range of economic issues could be discussed" (165). This was an impressive achievement, given that the Cold War was in full swing and major differences existed in the political

positions and alliances of China, India, and Japan. It was also the period when the United States and other western countries were bogged down in the Vietnam War. But gradually, after the mid-1970s, ESCAP's role diminished, as the Asian Development Bank emerged as "a rival that addressed issues of regional economic cooperation and development and had strong analytical capacities and the resources to back its prescriptions." ADB also "attracted the key constituency of senior financial officials of member countries" (165). Subregional organizations also became increasingly important and drew more attention.

Underlying the commission's achievements is a major puzzle: why has ESCAP done so little to study the distinctive Asian development experience? Economic performance in Asia far exceeds that of any other region. Most of the countries that have achieved record rates of economic growth since the 1960s have been Asian. These countries have generally followed strategies that have differed markedly from the neoliberal orthodoxies promoted by the World Bank and the IMF. Yet, according to de Silva, there has been "little, if any, extensive analysis of the comparative experience of countries, especially in relation to the numerous economic models in the region and their relative successes and failures" (158). Moreover, de Silva adds, the value of ESCAP's technical assistance activities in the region might have been greatly enhanced if such analytical work had been done and drawn upon. This is a surprising commentary on the work of the UN commission in the world's most successful region.

Richard Jolly