

**INTERNATIONAL TRADE UNION CONFEDERATION / ASIA  
PACIFIC LABOUR NETWORK (ITUC/APLN)**

**FIFTEENTH CONFERENCE OF  
THE ASIA PACIFIC LABOUR NETWORK (APLN)**

**Singapore, 27-28 October 2009**

**Background Document**

## Background Document – Table of Contents

### Executive Summary and Main Conclusions

### **A. A Summarised History of APEC: Purpose, Key Events and Organisation**

#### **Purpose and Goals**

1. Purpose and Goals..... par. 9-11
2. Annual Meetings of APEC over 1989-2007..... par.12
3. Organisation, Ways of Working and Scope of Activities..... par.13-17
4. Mid-term Stocktaking of the Bogor Goals in 2005.....par.18-23

### **B. APEC in 2008 - 2009**

- APEC in 2008: Summary and Assessment of Leaders' and Ministers' and Working Groups Meetings in 2008..... par.24

1. Working Groups, Committees and Ministerial Meetings in 2008... par.25-30
2. ABAC: Business Priorities in 2008..... par.31-41
3. Results of the 2008 APEC Leaders' Meeting..... par. 42- 63

- APEC in 2009: Summary and Assessment of Working Group Meetings and Current Activities in 2009..... par.64-73

### **C. APEC's social agenda: Human Resources and Gender**

1. Human Resources Development.....par.74-92
2. Gender Focal Point Network..... par.93-96

### **D. The ITUC/APLN's Actions within APEC..... par. 97-103**

ANNEX I - The New Zealand proposals for Trade Union Participation in APEC

ANNEX II - Establishment of APEC Labour Forum

ANNEX III - Active Labour Market Policies (ALMPs) and Social Safety Nets (SSNs) in APEC Economies

**FIFTEENTH CONFERENCE OF  
THE INTERNATIONAL TRADE UNION CONFEDERATION / ASIA  
PACIFIC LABOUR NETWORK (ITUC/APLN)**

**Singapore, 27-28 October 2009**

**Background Document**

**Introduction**

1. This document gives a broad introduction to the Asia-Pacific Economic Cooperation (APEC) forum, summaries and assesses the decisions made by APEC leaders and ministers in the past, focusing on the areas of greatest interest to the ITUC Asia Pacific Labour Network (ITUC/APLN), and looks at trade union activities with regard to APEC. In the first part of this background document, an executive summary and a series of main conclusions set out the ITUC/APLN's key concerns regarding APEC.

**Executive Summary and Main Conclusions**

2. APEC is now more than half way towards the deadline set in 1994 for full realisation of the Bogor goals of free and open trade and investment by 2020 for developing APEC members (and noting that the deadline of 2010 for developed member economies is fast approaching). Whilst scepticism about reaching those deadlines is running high, APEC continues to express its commitment towards achieving these goals by cutting tariffs, removing non-tariff measures, easing mobility of business people, and enhancing trade facilitation. At a time when multilateral negotiations through the WTO are moving slowly, APEC is increasingly looking at Free Trade Agreements and Regional Trade Agreements (FTAs/RTAs) and is looking into the prospects for a Free Trade Area of the Asia-Pacific (FTAAP).

3. In spite of its relatively low public visibility, APEC constitutes an economic forum where many important actors in the global economy, including all the non-EU G8 countries (i.e. Canada, Japan, Russia and the US) and China, can have comprehensive discussions on various subjects ranging from 'core' economic issues such as trade and investment to human resources development. APEC has increased its attention to human security, particularly terrorism, health and disaster concerns, as well as climate change over recent years. Following the 2009 APEC Leaders' Meeting in Singapore, the forthcoming hosts of APEC will be Japan (2010), the US (2011) and Russia (2012).

4. In 2006, APEC also looked somewhat at socio-economic disparities in the region. This could be seen as a sign of recognition that the regular APEC agenda is

imbalanced and risks lacking support among the populations of its member economies. This was not, however, substantially followed-up subsequently, and APEC remains dominated by a business-driven effort to enlarge trade and investment opportunities. In 2008, climate change gained more space in the agenda and new issues such as corporate social responsibility were introduced. With a special statement the Leaders addressed the then-beginning financial crisis which is expected to predominate in the agenda in the 2009 Leaders' Meeting. APEC has maintained its work programme on certain social aspects such as social security, human resource development, gender equality and food security although Ministers responsible for Human Resources Development (HRD), most often Labour Ministers, have not met since 2001. However, this year APEC members welcomed the initiative of China to host the 5th APEC HRD Ministerial Meeting in 2010 (probably in September).

5. Questions of employment, workers' rights and labour standards are absent from APEC's main discussions. But the need for an APEC Labour Forum as a counterweight to the APEC Business Advisory Council (ABAC) is as prominent as ever. As APEC can be expected to increase its efforts to liberalise trade and investment, in view of the imminent deadlines for meeting the Bogor Goals, and as APEC's activities have major implications for social and labour issues, the involvement of organised labour is crucial.

6. After experiencing little progress in getting workers' voices heard in the APEC process and obtaining recognition from APEC governments for many years, mainly due to the continuing opposition of one or more APEC governments, 2004 brought new results in this effort. Though the reactions to the proposals on trade union participation in APEC put forward by the New Zealand government at the Santiago Leaders' Meeting that year were mixed, they marked an important step in the right direction and indicated the need for the ITUC/APLN to maintain its efforts to achieve participation in relevant Working Groups and for the convening of a standing APEC Labour Forum along the lines proposed by the ITUC/APLN. In recent years, ITUC/APLN's recognition by APEC has remained at the level attained in 1994, and consisted of meetings with the leadership of the host government and the APEC Secretariat. However next year's resumption of HRD Ministerial Meetings after a nine-year hiatus should deliver new opportunities for the ITUC/APLN.

## **A. A Summarised History of APEC: Purpose, Key Events and Organisation**

7. The Asia-Pacific Economic Cooperation (APEC) forum aims to be the premier agent for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region. It considers itself the only intergovernmental grouping in the world operating on the basis of non-binding commitments, open dialogue and equal respect for the views of all participants. Unlike the WTO or other multilateral trade bodies, APEC has no treaty obligations required of its participants. Decisions made within APEC are reached by consensus and commitments are undertaken on a voluntary basis.

8. APEC comprises 21 member economies that account for 40.5% of the world's population, approximately 54.2% of world GDP and about 43.7%<sup>1</sup> of world trade. According to the APEC Secretariat, its Member Economies accounted cumulatively for nearly 70% of global economic growth in APEC's first 10 years. APEC's 21 member economies are Australia, Brunei Darussalam, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, the Philippines, the Russian Federation, Singapore, Chinese Taipei, Thailand, the United States of America and Vietnam. India, Mongolia, Pakistan, Laos, Bangladesh, Colombia and Ecuador are all seeking to become members of APEC, but there is a moratorium on new membership until 2010 at the earliest.

### **Purpose and Goals**

9. APEC was established in 1989 with the stated objective of enhancing economic growth and prosperity for the region and strengthening the Asia-Pacific community. Since its inception, APEC has sought to reduce tariffs and other trade barriers across the Asia-Pacific region and has devised proposals to create efficient domestic economies and increase exports. Key to achieving these objectives are the *Bogor Goals* (adopted at the 1994 Leaders' Meeting in Bogor, Indonesia) of achieving free and open trade and investment in the Asia-Pacific. These were to be achieved, in theory, by industrialised economies in 2010 and by developing economies in 2020.

10. APEC was founded to promote the basic premise that free and open trade and investment helps economies grow and creates jobs. Trade liberalisation, in its various forms, is therefore its main objective. APEC aims to create an environment for safe and efficient movement of goods, services and people across borders in the region. This is done through policy alignment and economic and technical cooperation.

11. APEC operates as a cooperative forum and works in three broad areas corresponding to its goals of promoting trade and investment liberalisation:

- Trade and Investment Liberalisation focuses on reducing, and eventually eliminating, tariff and non-tariff barriers.
- Business Facilitation helps importers and exporters in Asia Pacific meet and conduct business more efficiently, with the aim of reducing costs of production and increasing trade.
- Economic and Technical Cooperation (ECOTECH) provides training and cooperation to build capacities at institutional and personal levels to help APEC Member Economies and their people gain the necessary skills to take advantage of global trade and the New Economy.

### **Annual Meetings of APEC over 1989-2007**

---

<sup>1</sup> The APEC Region Trade and Investment 2008

12. APEC Economic Leaders' Meetings are held once a year in the APEC host economy. Singapore is to host the meeting in 2009. This is where the forum's main decisions are taken and the policy agenda for APEC is set. The following are highlights of the Leaders' Meetings held so far.

**1989, Canberra, Australia:** APEC began, as an informal ministerial-level dialogue group with 12 members.

**1993, Blake Island, United States:** APEC economic leaders met for the first time and outlined APEC's vision: *Stability, security and prosperity for our peoples.*

**1994, Bogor, Indonesia:** APEC set the Bogor Goals of *free and open trade and investment in the Asia-Pacific by 2010 for industrialised economies and 2020 for developing economies.*

**1995, Osaka, Japan:** APEC adopted the Osaka Action Agenda (OAA) which provided a framework for meeting the Bogor Goals through trade and investment liberalisation, business facilitation and sectoral activities, underpinned by policy dialogues, as well as economic and technical cooperation.

**1996, Manila, Philippines:** The Manila Action Plan for APEC (MAPA) was adopted, outlining trade and investment liberalisation and facilitation measures to reach the Bogor Goals. The first Collective and Individual Action Plans were compiled, outlining how economies would achieve the free trade goals.

**1997, Vancouver, Canada:** APEC endorsed a proposal for early voluntary sectoral liberalisation (EVSL) in 15 sectors and decided that Individual Action Plans should be updated annually.

**1998, Kuala Lumpur, Malaysia:** APEC agreed on the first nine sectors for EVSL and sought an EVSL agreement with non-APEC members at the World Trade Organisation.

**1999, Auckland, New Zealand:** APEC said it would achieve paperless trading by 2005 in developed economies and 2010 in developing economies. The APEC Business Travel Card scheme was approved and a Mutual Recognition Arrangement on Electrical Equipment and a Framework for the Integration of Women in APEC was endorsed.

**2000, Bandar Seri Begawan, Brunei Darussalam:** APEC established an electronic Individual Action Plan (e-IAP) system, providing IAPs online and made a commitment to the Action Plan for the New Economy, which, amongst other objectives, aimed to substantially increase Internet access throughout the APEC region by 2005.

**2001, Shanghai, People's Republic of China:** APEC adopted the Shanghai Accord, which focused on Broadening the APEC Vision, Clarifying the Roadmap to Bogor and Strengthening the Implementation Mechanism. The e-APEC Strategy was adopted, setting out an agenda to strengthen market structures and institutions, facilitate infrastructure investment and technology for on-line transactions and promote entrepreneurship and human capacity building.

**2002, Los Cabos, Mexico:** APEC adopted a series of measures to accelerate progress towards the Bogor Goals including a Trade Facilitation Action Plan, policies on Trade and the Digital Economy, and Transparency Standards. APEC launched the Secure Trade in the APEC Region (STAR) initiative.

**2003, Bangkok, Thailand:** APEC Leaders stated an intention to re-energise the WTO Doha Development Agenda negotiations and stressed the complementary aims of bilateral and regional trade agreements, the Bogor Goals and the multilateral trading system under the WTO. APEC Leaders committed themselves to improving the security of the peoples of the Asia-Pacific region. Members signed up to the APEC Action Plan on SARS and the Health Security Initiative to further protect personal security. APEC strengthened its efforts to build knowledge-based economies, promote sound and efficient financial systems and accelerate regional structural reform.

**2004, Santiago, Chile:** APEC issued a strong statement of support for progress in the WTO Doha Development Agenda and sets a target date for achieving a breakthrough in negotiations: December 2005, the 6<sup>th</sup> WTO Ministerial Conference. APEC adopts Best Practices for RTAs and FTAs, the Santiago Initiative for Expanded Trade and a Data Privacy Framework. APEC makes a political commitment to fight corruption and ensure transparency, and endorses a specific Course of Action towards this end.

**2005, Busan, Korea:** APEC adopts the Busan Roadmap, completes the Mid-Term Stocktaking which has found that APEC is well on its way to meeting the Bogor Goals, and the APEC Privacy Framework. Leaders issue a stand-alone statement in support of a successful conclusion to the WTO's 6th Ministerial Conference in Hong Kong, China and agree to confront pandemic health threats and continue to fight against terrorism which could cause deep economic insecurity for the region.

**2006, Ha Noi, Vietnam:** APEC economic leaders endorsed the Ha Noi Action Plan which identified specific actions and milestones to implement the Bogor Goals and support capacity-building measures to help APEC economies. On APEC's core issues – free trade and investment – it was significant to see the emphasis on the importance of Regional Trade Agreements and other Free Trade Agreements. The Leaders stressed that APEC should ensure the spread of RTAs and FTAs as well as help with capacity building within the area. They also issued a statement on the WTO Doha Development Agenda calling for so-called ambitious and balanced outcomes. In its own words, “to prioritise its agenda”, APEC started a process of reforming its working groups and strengthening its Secretariat. Issues relating to labour, workers and employment were hardly mentioned at all by either Leaders or in the Ministerial Statement. Human Resources Development and gender were only referred to by the Ministers, not the Leaders.

**2007, Sydney, Australia:** The APEC Economic Leaders' Meeting in Australia, in September 2007, was held under the heading "*Strengthening our Community, Building a Sustainable Future*". It addressed topics such as climate change and energy security. The sub-themes were: Strengthening the Multilateral Trading System, Economic Reform and Cooperation, Human Security, Energy Security, Health and Emergency Preparedness, APEC Reform, APEC and the WTO, and Regional Trade Agreements and Free Trade Agreements. The final declaration expressed the leaders' unequivocal support for the primacy of the multilateral trading system, at the same time as the conclusion of regional and bilateral trade agreements. The economic leaders committed to strengthening APEC and decided to establish a new APEC Policy Support Unit. They also decided to promote economic integration in the region, by accelerating efforts aimed at: further reducing barriers to trade and investment.

### **Organisation, Ways of Working and Scope of Activities**

13. APEC progresses its agenda through a network of meetings and fora at policy and working levels. At the policy level there are four major inputs:

- Economic Leaders' Meetings are held once a year in the APEC host economy. Declarations from these meetings set the policy agenda for APEC.
- Annual APEC Ministerial Meetings of foreign and economic/trade ministers are held immediately prior to Economic Leaders' Meetings. Ministers take stock of the year's activities and provide recommendations for economic leaders' consideration.
- Sectoral Ministerial Meetings are held, regularly in some areas, covering themes such as education, energy, environment and sustainable development, finance, health, human resource development, regional science and technology cooperation, small and medium enterprises, telecommunications and information industry, tourism, trade, transportation and women's affairs.
- The APEC Business Advisory Council (ABAC) was established by the APEC economic leaders in 1995 as a way of prioritising the role of business and to get business advice on key issues. This private sector body offers recommendations to APEC Leaders in an annual dialogue and advises APEC officials on business sector priorities and concerns. ABAC comprises up to three senior business people from each APEC economy, representing a diverse range of sectors and small as well as large enterprises. The business people are appointed directly by Leaders to serve on ABAC. The annual report contains recommendations to improve the business and investment environment in the APEC region. ABAC meets four times a year and a representative attends Ministerial Meetings.

14. APEC's working level activities and projects are guided by the Senior Officials from the 21 APEC Member Economies and carried out by four high-level committees:

- The Committee on Trade and Investment (CTI) coordinates APEC's work on the liberalisation and facilitation of trade and investment. CTI also works to reduce impediments to business activity through its subcommittees and experts' groups.



- The Committee on Economic and Technical Cooperation (ESC) assists APEC Senior Officials in coordinating and managing APEC's economic and technical cooperation (ECOTECH) agenda, as well as identifying value-added initiatives for cooperative action.

- The Economic Committee (EC) conducts research on economic trends and issues in the APEC region in support of the trade and investment liberalisation, facilitation and ECOTECH agendas. It also serves as a forum for members to exchange information and views.

- The Budget and Management Committee (BMC) advises the SOM on budgetary, administrative and managerial issues. It monitors and evaluates project management aspects of the operations of APEC fora and makes recommendations to SOM for improved efficiency and effectiveness.

15. The work of the committees is guided by the Senior Officials' Meeting (SOM). Senior Officials develop recommendations for Ministers and economic leaders. SOM meetings are held three to four times a year with the Chair coming from the host economy.

16. Working Groups carry out APEC's work in specific sectors as directed by Leaders, Ministers, Sectoral Ministers and Senior Officials. Of greatest interest to the ITUC/APLN is the working group on Human Resources Development. The others are: the Agricultural Technical Cooperation Working Group, Energy Working Group, Fisheries Working Group, Health Working Group, Industrial Science and Technology Working Group, Marine Resource Conservation Working Group, Small and Medium Enterprises Working Group, Telecommunications and Information Working Group, Tourism Working Group, and the Transportation Working Group.

17. The Senior Officials' Meeting has set up Special Task Groups to identify relevant issues and make recommendations about important tasks for APEC's consideration. Those Task Groups are; the Anti-Corruption and Transparency Experts Task Force, Counter Terrorism Task Force, Gender Focal Point Network, Mining Task Force, and the Task Force for Emergency Preparedness. Of greatest interest to the ITUC/APLN is the Gender Focal Point Network.

### **Mid-term Stocktaking of the Bogor Goals in 2005**

18. The year 2005 marked the midpoint between the creation of the APEC forum in 1989 and the deadline for all economies to meet the Bogor Goals of free and open trade by 2020. APEC officials undertook a midterm stock-take to pinpoint where APEC was in its progress towards meeting the Bogor Goals.

19. In order to meet APEC's Bogor Goals for free and open trade and investment in Asia-Pacific, APEC Member Economies are meant to follow a strategic road map as agreed by APEC economic leaders in Osaka, Japan in 1995. This road map is known as the Osaka Action Agenda. APEC Member Economies report progress towards achieving free and open trade and investment goals through Individual Action

Plans (IAPs) and Collective Action Plans (CAPs), submitted to APEC on an annual basis.

20. The Osaka Action Agenda provides a framework for meeting the Goals through trade and investment liberalisation, business facilitation and sectoral activities, underpinned by policy dialogues and economic and technical cooperation. As part of this framework, General Principles have been defined for Member Economies as they proceed through the APEC liberalisation and facilitation process.

21. The following general principles are provided in the Osaka Action Agenda and are applied to the entire APEC liberalisation and facilitation process:

- *Comprehensiveness*: addressing all impediments to achieving the long-term goal of free and open trade.
- *WTO-consistency*: measures undertaken in the context of the APEC Action Agenda are to be consistent with the principles of the World Trade Organisation (WTO).
- *Comparability*: APEC Member Economies endeavour to have comparable trade and investment liberalisation and facilitation, taking into account the general levels achieved by each APEC economy.
- *Non-discrimination*: reductions in barriers to trade achieved through APEC are available to all APEC Member Economies and non-APEC economies.
- *Transparency*: the laws, regulations and administrative procedures in all APEC Member Economies which affect the flow of goods, services and capital among APEC Member Economies are transparent.
- *Standstill*: APEC Member Economies do not take measures which have the effect of increasing levels of protection.
- *Simultaneous start, continuous process and differentiated timetables*: APEC Member Economies began simultaneously the process of liberalisation, facilitation and cooperation and now should continuously contribute to the long-term goal of free and open trade and investment.
- *Flexibility*: APEC Member Economies deal with the liberalisation and facilitation process in a flexible manner, taking into account differing levels of economic development.
- *Cooperation*: Economic and technical cooperation contributing to liberalisation and facilitation is actively pursued.

22. As mentioned before, every Member Economy submits annually an Individual Action Plan (IAP). This is a record of actions taken to meet APEC's stated goals of free and open trade and investment. APEC Member Economies set their own timelines and goals, and undertake these actions on a voluntary and non-binding basis. Reporting is based on 15 issue areas: tariffs, non-tariff measures, services, investment, standards and conformance, customs procedures, intellectual property, competition policy, government procurement, deregulation/regulatory review, WTO obligations, dispute mediation and mobility of business people, as well as information gathering and analysis.

23. Collective Action Plans (CAPs) detail the collective actions of all APEC Member Economies in the 15 issue areas outlined in the Osaka Action Agenda. The 15 issue areas mirror the IAPs. CAPs are used by APEC to outline actions and objectives to meet the free trade and investment goals, as well as to monitor and report on progress.

## **B. APEC in 2008 - 2009**

### **APEC in 2008: Summary and Assessment of Leaders' and Ministers' and Working Groups Meetings in 2008**

24. Peru has been a member of APEC since 1998 and is the only member of the Andean Community in APEC. The theme chosen was "A New Commitment to Asia-Pacific Development". The Peruvian hosts advocated expanding participation in the APEC process to other actors, through the promotion of partnerships between public and private sectors, the inclusion of civil society representatives and with the international financial institutions. Peru decided to focus on human and economic development, taking an integral approach to the issues affecting the region, such as energy security, human security, climate change and sustainable economic growth.

#### **Working Groups, Committees and Ministerial Meetings in 2008**

25. APEC Senior Officials met in Lima at the beginning of March 2008 to agree on APEC's work agenda for 2008. During the meeting, they reiterated their unswerving commitment to a successful conclusion of the WTO Doha Round. It should be noted that the Doha negotiations were broken off at the end of July 2008. The Senior Officials agreed on a plan to implement the recommendations of a report on regional economic integration endorsed by APEC Economic Leaders in 2007, including practical steps towards exploring the possibility of a Free Trade Area of the Asia-Pacific. It was also agreed that APEC should play a key role in the work on Corporate Social Responsibility (CSR) in the region. To this end, CSR was to be incorporated into APEC's agenda to improve the investment climate in the Asia-Pacific region.

26. The APEC Committee on Trade and Investment focused its work programme for 2008 on the Regional Economic Integration report that was endorsed by APEC Leaders in September 2007. At its first meeting in Lima in February 2008, the committee adopted work plans in three key areas: regional trade agreements and free trade agreements, trade facilitation and the digital economy. During a second meeting, the committee agreed on measures in other areas related to free trade agreements, such as competition policy, the environment, and the temporary entry of business people. It developed an Investment Facilitation Action Plan for 2008-2010. The committee continued with its work on the trade and investment liberalisation agenda, preparing the texts of model measures for trade in services, investment, anti-dumping, subsidies and safeguards.

27. The Market Access Group met at the end of May in Arequipa with the aim of determining what constitutes environmental goods and services and exploring ways of

increasing trade in this area. The group held discussions with experts from the field. A number of ideas were proposed, such as creating a voluntary database of environmental goods and services. The group also addressed the rising cost of food and placed special attention on non-tariff barriers to trade in food. The group members met again in August 2008.

28. The Committee on Economic and Technical Cooperation focused its work programme for 2008 on enhancing APEC's cooperation with other international organisations, strengthening its policy role within APEC and exploring new capacity building opportunities.

29. The APEC ministers responsible for trade met in Arequipa at the beginning of June 2008. The ministers stressed the importance of a multilateral trading system and the need to bring the DDA negotiations to a successful conclusion. However, the negotiations in this Round collapsed in Geneva at the end of July 2008.

30. The Economic Committee organised a range of activities in 2008, including a Senior Officials' Meeting policy dialogue on structural reform, two round tables on regulatory reform and public sector governance, and a number of workshops. A workshop on corporate governance was held in Lima in August. A Structural Reform Ministerial Meeting was also held, with particular emphasis on competition and regulatory reform.

#### **ABAC: Business Priorities in 2008**

31. For ABAC, the suspension of the Doha Round was a "deep disappointment" for the business community which, however, presented an opportunity for APEC to focus on regional integration. ABAC developed model chapters for high quality RTAs/FTAs, in order to identify the cornerstones of regional integration, and produced a study on rules of origin. ABAC argued that the FTAAP represented a practical means to achieve convergence among RTAs/FTAs and achieve the Bogor Goals.

32. Regarding the second Trade Facilitation and Action Plan (TFAP II), ABAC recommended the use of Key Performance Indicators (KPIs) for measuring savings in time and costs resulting from actions taken under the Plan. ABAC supported a "Single Window" approach which envisages a single-entry for all regulatory documents and data-sharing that would help constrain costs. Moreover ABAC stressed the importance of the proliferation of trade security schemes, business mobility and harmonisation of standards to the advancement of trade throughout the region.

33. ABAC held the first session of the Second ABAC SME Summit in Hangzhou, in August 2008, and the second session in Lima, in November 2008. They called for the Leaders to implement special support programmes on technological infrastructure, financing capacity building, and training. The APEC Private Sector Development programme for SMEs revised its work plan in order to accelerate activities and ABAC called for the programme to expand its scope to include new themes identified by the World Bank as relevant benchmarks.

34. ABAC proposed that measures should be taken to improve transparency of financial flows and investments and make the rules for investing simpler and clearer. ABAC put special stress on the promotion of measures to reduce impediments to FDI flows and the removal of “behind-the-border” barriers.

35. In 2006, ABAC produced checklists and best practices for financial services liberalisation and in 2008 they expanded the checklist to reflect best practices and goals for the securities industry.

36. Regarding capital markets, ABAC had a lot to propose to the Leaders, most importantly to deepen and strengthen capital markets; to promote financial inclusion and facilitate microfinance; to continue holding the APEC Public-Private Sector Forum on Bond Market Development; to establish a Regional Infrastructure Dialogue; to strengthen regional financial stability; to adopt measures in response to the rapid growth of sovereign wealth funds; and to establish a private consumer credit reporting system. Interestingly enough, “ABAC believes that pay-as-you go social security structures have inherent weaknesses and should be replaced over time with some form of funded mechanisms. It is essential that governments urgently attach importance to the significance of social security systems.”

37. Regarding migration, ABAC encouraged policies that stimulate labour mobility and studies to lighten the economic effects of moving labour for business. The Leaders’ Meeting did not address this issue.

38. ABAC called for highly efficient patent approval processes, IPR enforcement against sophisticated counterfeiting and piracy activities, as well as effective measures for the protection of digital content.

39. ABAC urged the Leaders to renew, update, bring into force and implement the APEC Food System (AFS). In ABAC’s opinion the use of embargos and export restrictions should not be means to address food security issues.

40. ABAC insisted that CSR practices remain voluntary and stressed its actions to encourage it through best practice guides and inventories of CSR principles, standards, codes of conduct and definitions.

41. Regarding energy, ABAC was concerned about security aspects and called for expansion and access to “traditional” and renewable sources of energy. ABAC insisted that approaches to improve energy efficiency should be on a sectoral basis, starting from the major greenhouse gas emitting industries, and that technology transfer to developing economies should be market-based.

### **Results of the 2008 APEC Leaders’ Meeting**

42. The 16<sup>th</sup> APEC Economic Leaders’ Meeting took place in Lima on 22 and 23 November. In the wake of the global financial crisis, the Leaders’ Statement on the Global Economy reiterated that free market principles and open trade and investment regimes drive global growth, employment and poverty reduction. The Leaders renewed their agreement to refrain from raising new barriers to trade and investment for a period of 12 months, and committed to work together to do everything possible

to restore growth and stability. Other issues on the agenda were corporate social responsibility, regional integration processes, human security and climate change.

*“Advancing Regional Economic Integration”*

43. The Leaders welcomed the 2008 progress report from Ministers and officials and endorsed the 2009 work plan for the APEC Regional Economic Integration (REI) Agenda with a view to accelerating the processes of integration.

44. The Leaders welcomed progress made by member economies towards the Bogor Goals and reiterated their commitment to achieving them. They examined the progress made towards the possibility of a Free Trade Area of the Asia-Pacific (FTAAP) and noted the Ministers’ opinion that it would probably be of economic benefit to the region as a whole. They instructed the Ministers and the officials to undertake further analysis on what the impact would be and what needed to be done in terms of capacity building in order to achieve a FTAAP. As a preliminary step in this direction the Leaders instructed officials to promote convergence on core issues of trade and investment, such as customs administration, trade facilitation and cross-border services. The Leaders welcomed five new model measures to promote high-quality and harmonised FTAs and RTAs.

45. The Leaders argued that the conclusion of the WTO’s DDA negotiations would have a positive impact on market access for agricultural products and reduce measures that produce distortions in the market of these products.

46. On trade flows, the Leaders endorsed the continued implementation of APEC's second Trade Facilitation Action Plan (TFAP II) with a view to reducing trade transaction costs by an additional five percent until 2010. Regarding investment, the Leaders welcomed the APEC Investment Facilitation Action Plan (IFAP) intended to improve the investment environment in the region through studies of the existing bilateral investment agreements and core investment activities. The empowerment of the regional financial markets was another issue that occupied the attention of the Meeting. The Leaders’ Meeting recognised that tackling 'behind-the-border' barriers to trade and investment would assist the performance and the resilience of the region’s economies.

47. On capital markets the Leaders emphasised the importance of strengthening financial markets and embraced the capacity building efforts of the Finance Ministers to build more linkages between private public partnerships and capital market development.

48. The Leaders welcomed ABAC’s report on SMEs. They renewed their commitment to protect and enforce intellectual property rights (IPR) and underlined the importance of comprehensive and balanced IPR systems that provide impetus for innovation. The Leaders welcomed the progress made in the implementation of the APEC Anti-Counterfeiting and Piracy Initiative and encouraged efforts to improve patent systems in the region.

*“Implementing Structural Reform”*

49. The Leader's Agenda to Implement Structural Reform (LAISR) integrated the three pillars of trade and investment liberalisation, business facilitation, and economic and technical assistance and cooperation. The LAISR was an element of high importance in the agenda of APEC and along with the Ministers' Good Practice Guide on Regulatory Reform delineated the principles and areas for reform. The Economic Leaders encouraged the development of a practical support programme to successfully implement "needed structural reforms" and spur participation in a voluntary system of peer or self-review of the implementation of structural reforms. The Leaders acknowledged the publication of an accelerated work plan for Private Sector Development endorsed by Trade Ministers in June.

*"Improving Food Security in the Asia-Pacific"*

50. The Leaders renewed the commitments they had made on food and product safety standards. The principle was reciprocal: food and products should not pose threats to health and safety and standards on food and products should not distort trade within the region.

51. The Meeting acknowledged the impact that the food price rise in 2008 had on poor people and declared support for the United Nations Task Force on the Global Food Security Crisis. The Leaders were cautious about individual and collective policy responses that may distort the competition within the region and called for a framework to enable market forces to address the issue through a rise in production by means of new agricultural technology investments.

52. The Leaders' Meeting directed officials to increase technical cooperation and capacity building in order to increase agricultural output. Their directive to officials called for "efforts to increase food production; improve agricultural education; enhance natural resource management; promote the development of next generation biofuels made from non-food materials; build well-functioning markets and regulatory institutions; and make food storage, transportation, and distribution systems more efficient", as well as promote agricultural research and development.

*"Promoting Corporate Social Responsibility (CSR)"*

53. As decided at the Senior Officials meeting in Lima at the beginning of March 2008, the Leaders encouraged business to incorporate CSR because it can "reinforce the positive effects that trade and investment have on growth, competitiveness and sustainable development." For this reason governments should "foster a business environment that encourages voluntarily CSR practices". This conception of CSR as consisting of voluntary practices "beyond legal requirements" is increasingly used by governments and business to avoid their own responsibilities with respect to the negative impacts of business activity on society and the environment. The governance crises and the urgent need to foster a culture of compliance with the rule of law are overlooked. The importance given to CSR as the means to address the social dimension of globalisation lowers the expectations for both government and business. Statements such as "We encourage responsible and transparent business conduct that adheres to local legislation and regulations and takes into account guidelines related to CSR that have been developed by multilateral bodies, as appropriate" are meant to

constitute a low-cost public policy but are an inadequate substitute for what is needed.

*“Combating Corruption”*

54. The Economic Leaders recognised corruption as a jeopardising element to the economy which produces impunity and financial exploitation of other economic activities. The “how-to” fight against corruption includes general principles such as market integrity, public-private partnerships, transparent finances, “clean government” and a call for criminalisation and prosecution of corrupt payments and illicit financial flows. The Leaders discussed how certain members had developed their anti-corruption strategies and welcomed the Lima Anti-Corruption Declaration on Financial Market Integrity through Effective Public-Private Partnerships and the APEC Guidelines for Public-Private Action against Corruption.

*“Strengthening Cooperation and Capacity Building”*

55. The Leaders’ Meeting recognised the central role of the APEC Economic and Technical Cooperation (ECOTECH) programme, and the Manila Framework which is the basis of its implementation. The Leaders emphasised the significance of quality education and supported the efforts of Education Ministers and the APEC Education Network. They did not mention equal opportunities in education and education for all. On the contrary, they seemed to be more interested to facilitate international exchanges of “talented students, graduates and researchers”.

56. The Leaders reaffirmed their commitment to build up capacities to minimise the threats that avian and human influenza and other viruses, like HIV, pose to human health, the trade and investments.

57. It seems that gender issues were not discussed in detail in the Meeting. The Leaders recommitted to strengthen capacities in order to improve women’s participation in regional trade and to take into account gender considerations in the design of new policies. Leaders did not mention equal remuneration for work of equal value or other anti-discriminatory actions to improve women’s position.

58. Finally the Leaders’ Meeting welcomed China’s proposal to host the 5th APEC Human Resources Development Ministerial Meeting in 2010, a Meeting that would restart a process on hold since 2001.

*“Combating Terrorism and Securing Regional Trade”*

59. The issues of human and business security from natural disasters, diseases, terrorism and weapons of mass destruction were also dealt with by the Leaders. They condemned terrorism and stated that any “terrorist attempts to abuse or corrupt trade flows, finance, transportation, travel communications and modern technologies will not be tolerated”. Special mentions were made for measures against terrorist financing, sea piracy and trade-based money laundering.

*“Disaster Risk Reduction, Preparedness and Management”*



60. Importantly, the Leaders recognised the role of climate change in the frequency and intensity of natural disasters, while population density multiplied the impact of such disasters. The Leaders recognised that there are operational challenges in the region in regional disaster responses, action coordination, preparedness, risk reduction and disaster management.

*“Climate change, energy security and clean development”*

61. Climate change and the responses to it - through the UN Framework Convention on Climate Change (UNFCCC) – constituted the third chapter of the Leaders’ declaration. They welcomed the decisions of the UN Climate Change Conference in Bali (2007) and the G8 Hokkaido Toyako Summit (July, 2008) and reaffirmed their commitment to the Action Agenda of the APEC 2007 Sydney Declaration. Furthermore, they endorsed the contribution of the Major Economies Leaders’ Declaration to the UNFCCC and committed to coordinated action under the UN “to reach an equitable and effective post-2012 international climate change arrangement at the UN Climate Change Conference in Copenhagen in December 2009”. Additionally, they encouraged efforts to develop clean technologies which will make the continuance of development possible and they committed to promote open energy markets in the region. Such markets would facilitate the development of renewable energy technologies and play a significant role in their dissemination throughout the region.

62. The Leaders welcomed APEC’s new Forest Management and Rehabilitation (APFNet) established in 2007 and China’s intentions to fund it. They encouraged research on the expected impact of climate change on the oceans.

*“Strengthening APEC”*

63. The Leaders committed to reinforce APEC’s institutional capacities in order to keep it responsive to challenges and changes. The Leaders followed Ministers’ recommendations for measures in this direction, including the establishment of a Policy Support Unit in the APEC Secretariat and the appointment of an Executive Director of the Secretariat.

**APEC in 2009: Summary and Assessment of Working Group Meetings and Current Activities in 2009**

64. Singapore is one of the founding members of APEC and thus it has participated in its structures from 1989. The theme for Singapore’s chairmanship of APEC meetings in 2009 is “*Sustaining Growth, Connecting the Region*”. As subthemes were chosen the response to the economic crisis (“*Positioning for Economic Recovery*”); trade (“*Supporting the multilateral trading system*”); and regional integration (“*Accelerating Regional Economic Integration*”). As the economic crisis unfolded the various bodies of APEC put the response to the recession at the top of their agendas.

65. The 17<sup>th</sup> APEC Economic Leaders’ Meeting will take place in Singapore on 14-15 November 2009, and is expected to be dominated by economic crisis issues. Indeed, in early October 2009 APEC added a section to their website including a

comparative table of active labour market policies and social safety nets implemented by APEC members in response to the global economic crisis (see Annex III). APEC Finance Ministers will hold their annual meeting in Singapore on 11-12 November 2009, just prior to the Leaders' Meeting. It should be noted also that there is to be no APEC Environment Ministers' meeting in 2009.

66. The Senior Officials' Meeting (SOM I) was held on 13-16 February 2009 in Singapore and was joined by Finance Officials for the first time. Among their main conclusions was that fiscal, monetary, and credit facilitative measures by individual APEC economies had spillover effects on other economies. SOM I concluded therefore that protectionist measures must be avoided, including elements of protectionism in fiscal stimulation packages.

67. SOM I has two subfora; the Committee on Trade and Investment (CTI) and the Economic Committee (EC). They jointly decided to undertake work for achieving a new objective, the Supply Chain Connectivity Initiative (SCI). In 2009, the CTI continued to advance the CTI-related actions outlined in APEC's 2007 Regional Economic Integration (REI) report. In their meeting, the CTI elaborated four work plans, on: REI/FTAAP; trade; investment facilitation; and the digital economy and intellectual property rights (IPR). The EC's main priorities for 2009 were to play a key role in carrying out two initiatives put forward by APEC Senior Officials: the identification of priority areas to improve business environments (this was expected to lead to the endorsement of an "Ease of Doing Business Action Plan" by the Leaders' Meeting in November) and, in cooperation with the CTI, to conclude in a preliminary list of improvements in trade logistics, as part of the SCI. Indeed, with regard to the "Doing Business" issue, a seminar on Regulatory Reform to Improve the Domestic Business Environment was held in Singapore in February. The seminar, which was jointly organised by EC and the Investment Experts Group, provided an opportunity for APEC officials and experts to exchange ideas on how to drive effective regulatory reforms to improve the domestic business environment. During the seminar the World Bank provided an update on the EC-World Bank Study on Measuring the Ease of Doing Business in APEC. The Study was subsequently endorsed by the Economic Committee in June. This is clearly an issue that the ITUC/APLN will need to follow closely, given the many concerns that the ITUC has expressed concerning the World Bank reports on "Doing Business" and in particular its "Employing Workers Indicator" – very recently disavowed by the World Bank itself, following years of pressure from the ITUC.

68. The Steering Committee on Economic and Technical Cooperation (SOM-SCE) continued developing a workplan for APEC capacity building activities. To this end the SCE would strengthen the Policy Criteria used to guide the assessment and approval of project proposals; identify gaps in and needs for capacity building activities in APEC; and strengthen APEC's engagement with ABAC and other multilateral organisations.

69. The Meeting of Ministers Responsible for Trade was held in Singapore from 21 to 22 July 2009. The Meeting was attended, among others, by the Director General of the WTO, Mr Pascal Lamy, as well as representatives from ASEAN. The Ministers agreed that "facilitating trade finance is [...] an important policy measure to support the recovery of global trade and the global economy". Additionally they discussed the issue of inclusive economic growth (thus recognising indirectly that current income distribution is unfair). They agreed that measures to address the crisis must not

contain protectionist elements and that in order to achieve recovery, the Doha Round should be concluded. They reaffirmed their commitment to the Bogor Goals and to accelerate APEC's efforts to strengthen regional economic integration. This is envisaged to be implemented by measures to harmonise and facilitate and by measures to remove obstacles to trade at, behind and across the border. Such measures include making Rules of Origin more business-friendly, improving customs transparency to facilitate trade in goods and services, improving the ease of doing business, facilitating investment, supporting infrastructure development, strengthening intellectual property rights, aligning standards and improving conformance, enhancing transport and logistics connectivity (production chains), building trade recovery capabilities and strengthening the digital economy and information networks. Other issues on which the Ministers focused their attention were the H1N1 influenza outbreak and ways to defend against it, cooperation against terrorism, food security and safety issues and the strengthening of APEC structures.

70. The Market Access Group (MAG) meeting was held in January in Canberra, Australia and initiated work on environmental goods. MAG continues the work towards the compilation of a regional reference database on environmental trade and tariff regimes with a view to explore concrete ways to reduce barriers in environmental goods and services. Another database they elaborate on concerns IT products that could be proposed to the WTO for possible tariff elimination. At the same moment MAG provides input to the CTI's work on model measures for commonly accepted RTA/FTA chapters. MAG also contributes to the discussion for the TFAP2, the Rules of Origin, and the customs procedures and standards convergence.

#### *ABAC in 2009*

71. ABAC has been holding its activities under its 2009 theme *"Building towards the Bogor Goals with One Community"*. "ABAC is focusing on: accelerating regional economic integration, championing a model of sustainable growth, strengthening capacity building and enhancing connectivity. The interests of small and medium enterprises (SMEs) is an overarching theme that will be addressed in all the discussions." ABAC held a capacity building seminar on "Trading across Borders" and participated in an ABAC-APEC Senior Officials' Dialogue. In their effort to monitor compliance with the G20 commitments and with WTO trade liberalisation undertakings, ABAC found protectionist elements in some fiscal stimulus packages that certain governments had enacted.

72. ABAC agreed that APEC should take decisive actions towards establishing a FTAAP in view of the financial crisis and the stalled Doha Round negotiations. This conclusion was first made in the ABAC's submission to APEC in 2008 and repeated in their 2009 meetings (February, May and August 2009). ABAC in its 2009 meetings urged the need for resistance to protectionism and for stimulation of the global demand rather than just domestic. ABAC also saw the successful conclusion of the Doha Round no later than 2010 as not only providing a major stimulus to global trade and investments but also essential to deal effectively with persistent protectionism. Another issue that the three 2009 ABAC meetings discussed was climate change and the Copenhagen Conference in December. ABAC called on the Leaders to conclude

an agreement that provides business with a predictable and stable environment in which they will operate.

73. After their third annual meeting for 2009, in a separate communications to APEC Finance Ministers, ABAC urged to “delay changes in regulatory capital requirements until global economic recovery is assured”, adding that “this is important to avoid restricting lending at a time when it is most needed to fuel economic activity..” ABAC also asked for more dialogue on regulatory changes regarding capital requirements and financial reforms.

## **C. APEC’s social agenda: Human Resources and Gender**

### **Human Resources Development**

74. APEC’s work on labour issues takes place within the framework of ‘Human Resources Development’, in practice the Human Resources Development Working Group (HRDWG), which was established in 1990 and conducts work programmes to develop human resources on issues ranging from education to labour to capacity building.

75. In addition to the Working Group, at the policy level the Human Resources Development issues were handled by meetings of the Ministers responsible for Human Resources, usually Labour Ministers. The last meeting of Ministers responsible for HRD was held in 2001. That such meetings have not been held more frequently has continuously been criticised by the ITUC/APLN. Although ministers responsible for HRD were scheduled to meet in Thailand in October 2006, for the 5th HRD Ministerial Meeting, the meeting was cancelled because of the political situation in that country. In 2008 the APEC members accepted China’s proposal to host the 5th HRD Ministerial Meeting in 2010, probably in September/October.

76. In 2001 and 2002, the ICFTU/APLN applied to the APEC secretariat for participation in the HRDWG but was turned down on both occasions, on the grounds that there was no consensus among members. The ITUC/APLN has not yet renewed the application, for the reason that up to this stage, there has not been a reason to expect a positive reply. At the 26th Meeting of the APEC HRDWG (Korea, 11-14 May 2004), the ITUC/APLN adopted a Statement and tried to arrange an informal consultation with the HRDWG through the assistance of its Korean affiliates, which had been a successful approach in the past. However, due to lack of support from the Korean Government, such a consultation did not occur.

77. The HRDWG has so far conducted its work through three networks – the Capacity Building Network (CBN), the Education Network (EDNET), and the Labour and Social Protection Network (LSPN). APEC’s work on social safety nets, which was previously handled in the Social Safety Net Capacity Building Network (SSN-CBN), has been under the auspices of the HRDWG since 2007, and there has been some discussion about whether the Labour and Social Protection Network (LSPN) should change its name to the Labour and Social Safety Network (LSSN). However, this issue remained unresolved at the time of writing.

78. The 29th HRDWG meeting, held in Brisbane, Australia from 17-20 April 2007, adopted a new set of Terms of Reference for the working group. They stated that the mission of the HRDWG is: “Sharing knowledge, experience, and skills to strengthen human resource development and promote sustainable economic growth.” It is also noted that “while the HRDWG carries out its mission primarily with the intent of strengthening public sector interventions, the HRDWG recognised that collaboration among government, academia and the private sector can improve effectiveness compared with government intervention, alone.” The objectives of the HRDWG were defined in the following way:

- 1) Develop 21st Century Knowledge and Skills for All,
- 2) Integrate HRD into the Global Economy,
- 3) Address the Social Dimensions of Globalisation.

79. The HRDWG’s specific aims in relation to the first objective on developing 21st Century Knowledge and Skills for All were as follows: a) to teach 21st Century Academic Content with an emphasis on literacy, math/science; foreign language; cultural and global awareness; and economic, international trade, business and entrepreneurial literacy; b) to build 21st Century Skills including critical thinking and problem solving skills, communication skills, creativity and innovation skills, collaboration skills, and information technology and media literacy skills; c) to expand access to and effective use of information and communication technology to diminish the digital divide; and d) to develop and employ evidence-based interventions to effectively address 21st Century skills.

80. On the second objective of integrating HRD into the global economy, the aims were to: a) encourage the development of entrepreneurial skills in international trade participation; b) develop common understandings about qualifications, skills, and professional recognition in order to facilitate the mobility of students, workers, managers, and academics to enable them to be more competitive in the global skilled labour market, c) reduce barriers to the cross-border exchange of education and training; d) cooperate on the delivery of quality APEC-wide education and training; and e) uphold and strengthen human values to balance the economic and non-economic goals of education and training including the fostering of personal development, civic education, and cultural identity within the APEC region.

81. In relation to the third objective of addressing the social dimension of globalisation, it was noted that this objective “recognises that our interdependent world requires appropriate governmental supports to enable and support economies that address the social dimension of globalisation. Aims of this objective include: strengthening economies to prevent long-term employment disruptions; using evidence to guide policy development; and, addressing human and environmental needs associated with economic development.” Specific aims adopted were to: a) foster economic development to enhance growth and employment creation and alleviate poverty; b) strengthen social safety nets; and c) work toward environmentally sound and sustainable economic growth.

82. Over 2008-09 the HRDWG emphasised work in four fields: increasing productivity through High Performance Workplace Systems (HPWS); adoption of a new corporate procurement strategy on trade (supply-chain options with CSR

perspectives); collaborative studies on innovations for teaching and learning mathematics in different cultures (II); and the adoption of APEC learning standards for English and other languages.

83. It was noted in the Brisbane HRDWG meeting that “the 21st Century economy offers unprecedented economic opportunities for students, workers, and managers to maximise the benefits of globalisation and ICT through increased worker productivity and more efficient approaches to work organisation.” In this regard two project proposals have been submitted in recent years for APEC funding. The first proposal for urgent funding was submitted by the USA in 2007 - 'Ensuring Sustainable Growth in the 21st Century through Workforce Development.' The second proposal was endorsed for 2008 funding and submitted by Malaysia - 'Research on the Impact of Performance-based Remuneration Systems on Productivity Performance of SMEs.'

84. The 30th HRDWG meeting, held in Bohol, Philippines from 15-18 April 2008 began with two parallel thematic policy sessions: - 'Meeting the Challenges of the 21st Century through Education' and 'Bridging the Development Gap: Addressing the Social Dimensions of Globalisation' and was followed by a presentation from the OECD on 'Benchmarking 21st Century Skills,' all of which provided important information for participants for further discussion in separate Network meetings and in Plenary.

85. A standing issue from 2007, also discussed in 2008, was finally settled as the Labour and Social Protection Network (LSPN), the main Network of the HRDWG revised its objectives as “to foster strong and flexible labour markets and strengthen social protection including social safety nets through evidence-based interventions, collaboration, technical co-operation and the provision of labour market and social protection information and analysis to address sustainable human resource development across APEC member economies.” Additionally the LSPN agreed to focus on and take action in order to:

- “foster economic development to enhance growth and employment creation and alleviate poverty through effective labour market policies, including such measures as enhancing productivity, labour force participation and skills development;
- maximising the opportunities afforded by globalisation through the development of improved workplace conditions and practices through the adoption of new technologies, effective labour-management relations, improved workplace health and safety practices and labour market adjustment measures to assist workers affected by globalisation; and,
- building capacity to strengthen social protection in APEC member economies through an appropriate combination of active and passive labour market measures.”

86. Other issues that were discussed in the LSPN meeting (which was part of the Bohol HRDWG) were youth unemployment; labour mobility; the brain drain; aging populations; and industrial relations policies .

87. In 2008, the Education Network (EDNET) focused on mathematics and science instruction and stimulation; use of information technology to support teaching; learning each other's languages; governance and systemic reform in

education systems. The Capacity Building Network (CBN) focused on the adoption of a strategic approach to sustainable capacity building in order to facilitate the APEC economies in meeting the challenges of regional economic integration; capacity building of mining stakeholders on CSR; and the development of entrepreneurial skills in the out-of-school youth.

88. In the 31st HRDWG meeting, which was held from 22<sup>nd</sup> to 25<sup>th</sup> of June 2009 in Chicago, the HRD Response to the Global Fiscal Crisis Project was redesigned to avoid significant overlap with similar survey projects being carried out by other organisations. The ILO reported on human rights dimensions of the crisis and impacts on the labour market, especially on child labour and youth employment. A case study highlighting the impact of the global economic crisis and the response of the government in terms of investment in training and education, as well as job creation, was presented by the Philippines.

89. In the CBN sessions an important issue raised from the Plenary was that of business participation in the Working Group, an issue once the responsibility of the CBN's predecessor, the Business Management Network. The delegates agreed that effective business participation in the Working Group would correspond to the emphasis in APEC Leaders' stated commitments to strong APEC-business links.

90. In the LSPN sessions, the Korean delegate provided information on the Committee on Trade and Investment's work to develop model measures for inclusion in Free Trade Agreements and in particular a Draft Model Labour Measure, concerning labour issues for inclusion in Free Trade Agreements. The Draft was prepared in response to an instruction by Leaders in 2005 that APEC develop model measures for as many commonly accepted RTA/FTA chapters as possible. The measures constitute a voluntary guide to the kind of labour provisions that might be included in a free trade agreement between APEC members. The Draft includes commitments to pursuing labour protection consistent with internationally recognised labour principles and rights, while recognising each country's sovereignty in enforcing its labour laws and regulations. Cooperation between APEC members in this regard could include exchange of information, conferences and seminars, and joint research, studies, and reports. The Draft Measure was the subject of intersessional consultations in Chicago but these failed to reach consensus, leaving the Measure pending. The delegates agreed however to continue sharing information and views through the Wiki-process<sup>2</sup>. In pursuance of the Decent Work Agenda, the involvement of the ILO in the Wiki-process was strongly encouraged.

91. In the same discussion, the Philippines presented a report arguing that mutual recognition of skills and professional qualifications is an instrument for promoting labour mobility. The report offered several alternatives for promoting comparability of skills and professional qualifications to hasten the mobility of skills across economies. Labour mobility was envisaged as an "enabler to help overcome the Global Economic Crisis".

---

<sup>2</sup> The Wiki-process is an online page where all the participants can jointly share information and elaborate texts.

92. In the joint session of CBN and LSPN, Luis Tsuboyama of the APEC Secretariat stressed that the APEC policy on ranking prioritisation of project proposals rated Trade and Investment Liberalisation and Facilitation in first place; secondly Capacity Building; thirdly projects deriving from Ministers' instructions, such as on Education; and finally any other relevant measures. Mr Tsuboyama commented that "the Budget and Management Committee are mostly officials from foreign ministries, trade and finance people and therefore may have different perspective on the values considered important by HRD WG members". His comment provided space for delegates to share views on their priorities: Australia said that trade and investment facilitation is the main priority; USA said that the promotion of labour market flexibility is a clear nexus/link of what LSPN does for trade and development; Chile argued that in different international organisations social concerns are an emerging theme and that trade and investment cannot stand on its own without addressing people and social concerns; New Zealand stated that trade is not the only objective; Philippines argued that it was not entirely correct that the primary goal of APEC was trade liberalisation and facilitation, citing the establishment of the ECOTECH as a third pillar of APEC after the Bogor Agreement to prove the point; China supported the positions of New Zealand and Philippines; and Australia intervened again to support New Zealand's reading of the APEC priorities.

### **Gender Focal Point Network**

93. APEC has emphasised on several occasions that women contribute greatly to the APEC economies and account for more than half the labour force, and that there is a need to take actions to provide gender equality in the social and economic life of the region. In 1998 Leaders endorsed the recommendations of the First Ministerial Meeting on Women which was held in Makati, Philippines on 15-16 October 1998. The recommendations included the development of a Framework for the Integration of Women in APEC. Accordingly, in 2002 Ministers endorsed the establishment of a Gender Focal Point Network (GFPN). The first meeting of the GFPN was held in Khon Kaen, Thailand in May 2003. The broad goal of GFPN is to provide linkages for information sharing and support between APEC Fora, APEC Member Economies and the APEC Secretariat to "advance the economic interests of women for the benefit of all economies within the APEC Region."

94. The Gender Focal Point Network (GFPN) held its 6th meeting on 17-18 May 2008 in Tacna, Peru and recognised the need for closer collaboration with all appropriate APEC fora in order to ensure that gender considerations are central to all relevant APEC processes, including reform, policy and project development and reporting. To this end, the group issued recommendations to the Senior Officials' Committee on Economic and Technical Cooperation (SOM-SCE) to assist women with access to markets and to include gender implications of trade as a key policy issue to be considered by APEC Economic Leaders and Ministers. Some key issues arising from the meeting included the creation of an evaluation group to assess APEC project proposals for consistency with gender criteria, awareness training for other APEC working groups, the elaboration of an annual report to the Women's Leaders Network on GFPN's work, and support to members and bodies for new project proposals that address critical issues to women's economic integration and empowerment.



95. The last Gender Focal Point Network (GFPN) meeting was held on 7-8 August 2009 in Singapore, and decided that research needs to be done on the economic impact of migration on women. A large part of the meeting was related to integrating women better into the digital economy.

96. APEC's work on gender misses out some of the aspects the international trade union movement sees as crucial – among other things, the lack of equal pay for work of equal value and the conditions prevailing generally in the APEC region.

## **D. The ITUC/APLN's Actions within APEC**

97. In September 1995 the ICFTU organised a conference for affiliates in the APEC region in Melbourne, hosted by the ACTU which established the ICFTU Asia Pacific Labour Network (ICFTU/APLN) with the objective of working for a social dimension in APEC processes with arrangements regular consultations with trade unions. The ICFTU/APLN met the Japanese Prime Minister, who hosted the 1995 APEC leaders' meeting, in October 1995. In successive years, the ICFTU again organised conferences of the ICFTU/APLN accompanied by meetings with the host country's head of government, in the Philippines (hosted by the TUCP in October 1996), Canada (hosted by the CLC in October 1997) and Malaysia (hosted by the MTUC in September 1998). At the same time, ICFTU affiliates in the ICFTU/APLN lobbied their governments for recognition of the trade union role in APEC, which led to a project on human resources development with trade union participation. The ICFTU took part in meetings of the related Pacific Economic Co-operation Council in Brunei in 1996, where the ICFTU/APRO representative made a presentation and was asked to chair a session - and Montreal, Canada in 1997. Executive directors of APEC addressed the ICFTU/APRO Executive Board in Taiwan in August 1995 and the ICFTU/APLN conference in Malaysia in September 1998.

98. The ICFTU/APLN continued its work over 1999-2003, holding regional ICFTU/APLN conferences in Wellington, New Zealand (August 1999), Brunei (October 2000), Singapore (September 2001), Mexico City (October 2002) and Bangkok, Thailand (October 2003). The Conferences included, or led to, meetings with the heads of state or government of the countries concerned in 1999, 2000 and 2002. At the same time, ICFTU affiliates in the ICFTU/APLN pressed their governments for recognition of the trade union role in APEC. The Executive Directors of APEC addressed the ICFTU/APLN conferences in 1999, 2000 and 2002. To facilitate trade union work on APEC, the ICFTU set up an e-mail list for APLN members in December 2001.

99. After experiencing some setbacks in its efforts to achieve recognition of the trade union role in APEC in 2003 due to the uncooperative approach of the APEC host government in that year, the APLN had greater success in 2004. The APLN held its 10th Conference in Santiago, Chile, 15-16 November 2004. The APLN met with both the Chilean President (as well as the Chilean Minister of Labour and Social Welfare) and the APEC Executive Director. There was wide consensus on continuing the APLN's work on strengthening the social agenda of APEC through trade union participation in the process. There was strong support for the proposals of the government of New Zealand on labour participation in APEC and establishing an APEC Labour Forum, detailed below. It was stressed that trade unions in the APEC region should continue to pursue establishment of a Labour Forum which could be

modelled on the Workers' Group of the ILO, and that the ICFTU (now the ITUC) should play a supporting role in the Forum, which could be similar to its role in the Workers' Group of the ILO.

100. At the eleventh meeting of the APLN in Seoul, November 2005, the message of the meeting was clear: the labour movements in the APEC countries should continue their work on APEC, to meet within the APLN, and to insist on achieving a formal space for labour in the APEC process. There was a feeling of some positive momentum – not least when compared to 2003 in Thailand – but it was also stressed that labour cooperation in the APEC region in the form of the APLN or the formerly proposed Asia Pacific Labour Forum would take substantial financial support. The APLN met with the Prime Minister of Korea as well as the then present APEC Executive Director.

101. At the twelfth meeting of the APLN in Vietnam, November 2006, many of the same sentiments on labour's role within APEC were reiterated. In spite of now having some established interaction with APEC – in the form of the meetings with the host government and the leadership of the APEC Secretariat – there was however a feeling that gaining more formal recognition would not be easy. It would take serious sponsorship from an APEC government that was ready to bring the issue forward in a committed manner. And it would take concerted action by trade unions in all other APEC countries, utilising all their influence with governments and opposition politicians. There was a feeling that while the APLN might have what appeared as positive encounters with host governments and the APEC Secretariat on the face of them, the APLN priorities and agenda was not moving much within APEC itself. At the same time, there was nevertheless a strong conviction among participants that the APLN should continue to demand and work for its legitimate, official role and recognition within APEC. The APLN met with the Prime Minister of Vietnam and with the incumbent APEC Deputy Executive Director, who became the APEC Executive Director in 2007.

102. At the thirteenth meeting of the APLN in Sydney, 30-31 August 2007, there was an in-depth discussion in which most of the participants provided their analysis of recent developments in APEC. Most of the participants expressed general disappointment with the developments in APEC. They noted that APEC was continuously opening up more and more to business, while the APEC Labour Forum seemed further away. It was generally stressed that APEC was such an important nexus of cooperation, not least because of the participation of Heads of States, that trade unions cannot afford not to be present. It was stressed that more coordination between unions in the region was needed if the trade union agenda and forum within APEC was to be further, and that there should also be serious consideration on how to use the media in this work. The APLN was unable to meet with the incumbent Australian Head of State, John Howard but instead met with the opposition leader from the Labour Party, Kevin Rudd, who won the elections and formed a new government only weeks after the APLN meeting. Rudd stressed that he hoped that trade unions could be further integrated into the work of APEC and signalled that he would work for this if gaining power in his country. At the same time though, he stressed that Australia alone would not be able to ensure the creation of the APEC Labour Forum, or compliance with core labour standards in APEC agreements.

103. At the fourteenth meeting of the ITUC/APLN in Lima, Peru, October 2008, there was positive momentum for the role of ITUC/APLN in APEC processes. The union delegation met with the President of Peru, Alan Garcia who supported ITUC/APLN's position to establish the APEC Labour Forum in the framework of APEC, saying that the financial crisis provided an opportunity to make APEC a more inclusive organisation. He added that he will invite the unions to submit the ITUC/APLN's Statement directly to the Leaders Meeting. In a separate meeting, APEC Executive Director Juan Carlos Capuñay said that the 2008 Presidency wanted to introduce a series of new structures and a new agreement on including new actors, adding that there is a need for more social inclusion that would help economies become sustainable. Mr Capuñay named the issue of labour mobility as one of those where ABAC and ITUC/APLN might have shared concerns. The unions presented the inclusion of trade unions in CSR issues as one more matter in the agenda and expressed their concerns as to why the Labour Ministers have not met for several years. In their meeting with the ITUC/APLN, the ABAC representative admitted that the APEC Labour Forum was not among the priorities of ABAC. However, ABAC recognised the importance of trade unions in its member companies and stressed that unions and management should cooperate and have good relations.

\*\*\*\*\*

## **ANNEX I**

### **The New Zealand proposals for Trade Union Participation in APEC**

In July 2004 the New Zealand government made an official proposal on labour participation in APEC to the Senior Officials Meeting (SOM) of APEC. The proposal referred back to the request made in the 2003 Bangkok Leaders' Declaration for APEC members to make APEC more efficient and responsive to all stakeholders.

The New Zealand government proposed that APEC economies formalise and improve the participation of labour in line with existing ad hoc practice and agree to:

- A) Request host economies and the Executive Director to interact with the APLN on an annual basis and convey their views to all members.
- B) Approve "guest participation" of labour in relevant Working Groups in accord with the Guidelines on Non-Member Participation in APEC Activities.

The government further proposed that APEC economies consider ways to increase the constructive engagement of labour in APEC on an ongoing basis through such mechanisms as:

- C) Holding a one-off APEC Labour Forum involving participation of organised labour representatives and Senior Officials to discuss potential areas of cooperation.

- D) Establishing an APEC Labour Advisory Committee (ALAC) of representatives from each economy chosen by Leaders to provide constructive advice to Leaders on APEC-related issues.

In October 2004, the proposal was discussed, together with other reform proposals, at the APEC SOM III (Santiago, 3-4 October 2004). Senior Officials agreed to classify possible reforms into two categories: those for immediate action and those for further consideration. Proposals A (interaction with the APLN) and B (Participation in Working Groups) were classified as “immediate actions”, while Proposals C (a one-off APEC Labour Forum) and D (APEC Labour Advisory Committee) were classified as “further consideration”.

In November 2004, the concluding SOM of the year (Santiago, 14-15 November 2004) continued to discuss reform proposals. Indonesia, in particular, emphasised that they saw no need to involve other actors in the APEC process and that there was no need to formalise the involvement of organised labour. As a result, the Concluding SOM did not take up proposal B for approving the APLN’s participation in relevant APEC Working Groups. However, it adopted a report on reforms for immediate action which stated that the Executive Director, Deputy Executive Director, SOM Chair and representatives from the SOM Chair’s office should be allowed to represent APEC at meetings of other organisations without the approval of SOM, and that the APEC host economy and Executive Director should reach out to stakeholders, including representatives of labour, and convey the outcomes to other economies, taking into account past practice.

The SOM report containing the above proposal was duly presented to the 16th APEC Ministerial Meeting. In the Joint Statement of the 16<sup>th</sup> APEC Ministerial Meeting (Santiago, 17-18 November 2004), Ministers welcomed the package of reforms agreed by Senior Officials for immediate implementation. Furthermore, they stated that reforms should be a continuous process for Senior Officials to continue their work. It was further agreed by the Leaders that the outcomes of meetings such as those with the APLN should be conveyed to APEC as a whole.

Proposal B of the New Zealand proposal was not agreed among Senior Officials, mainly due to the opposition of Indonesia at that time (although it should be noted that since then, government ministers from Indonesia have been more positive towards trade unions, which could indicate a change of position by that country concerning this proposal). However, SOM delegated to APEC for the authority to approve non-member participation for a trial period of 3 years, according to the revised Consolidate Guidelines on Non-Member Participation in APEC Activities approved by the APEC Ministerial Meeting in 2002. Therefore, consideration should be given to renewing the application for Human Resource Development Working Group (HRDWG) that was turned down twice in 2001 and 2002.

Proposals C and D were classified into those for further consideration. The ITUC/APLN should give consideration to organising a joint meeting with government representatives of APEC economies to discuss possible future cooperation within the APEC structure, which should include trade union participation in the HRDWG and the establishment of an APEC Labour Forum to function as a trade union advisory body.

## **ANNEX II - Establishment of APEC Labour Forum**

### ***Background***

1. *Trade unions, representing the workers of the APEC region, are able to bring a uniquely valuable perspective to the wide-ranging examination of policies needed to support workers in a period of rapid change. APEC trade unions therefore seek to establish a formal relationship with APEC. Such involvement should be initiated at the APEC Leaders' level, comparable with the arrangements for access by the APEC Business Advisory Council (ABAC)\*, as well as throughout the APEC process.*

### ***Composition***

2. *The APEC Labour Forum would consist of the representative national trade union centres of the APEC economies.*
3. *All the representing national centres could meet in a general assembly at least once a year, possibly prior to the APEC Leaders' Meeting to discuss APEC issues of common interest.*

### ***Mandate***

4. *The Forum's mandate would be as follows:*
  - *To work together with governments and employers on the promotion of APEC outcomes which can achieve stronger economic growth and higher living standards;*
  - *To contribute to the development of appropriate policies from APEC on matters such as human resource development, industry development, education and social welfare;*
  - *To convey the views and needs of workers in APEC economies in their dialogue with governments on APEC issues;*
  - *To encourage tripartite dialogue at national and APEC levels on issues of concern to the region.*
5. *Activities of the Forum would include:*
  - *To advise APEC Leaders and other officials on issues of interest to workers;*
  - *To present workers' positions in APEC Leaders Meetings, Ministerial Meetings, Senior Official Meetings and committees/working groups relevant to workers' interests;*
  - *To keep the Forum members informed of progress in APEC; and*
  - *To maintain a continuing exchange of information and views on the various themes and subjects covered by APEC, with the Secretariats of APEC and ABAC.*

\* ABAC members are appointed by their respective Leaders (Prime Minister or President). The APEC Labour Forum would not use the same model for its composition.



### ANNEX III - Active Labour Market Policies (ALMPs) and Social Safety Nets (SSNs) in APEC Economies

#### Active Labour Market Policies (ALMPs)

	Job subsidies and recruitment incentives	Reductions in non-wage labour costs for hiring unemployed	Job search assistance and matching	Job-finding and business startup incentives	Work experience programs	Training programs	Investment in Information Technology
Australia	X		X			X	X
Canada	X		X		X	X	X
Japan	X		X	X	X	X	X
Republic of Korea	X		X	X	X	X	
Mexico	X	X	X	X		X	X
New Zealand			X		X	X	
The United States	X		X		X	X	X

#### Social Safety Nets (SSNs)

	Social Protection						Food Security	
	Tax Reduction	Additional Cash Transfers	Increased access to health benefits	Changes in old-age pension	Changes to minimum wage	New measures to migrant workers	Introduction of food subsidies	New support to agriculture
Australia		X		X				
Canada								
Chile		X		X				
China			X	X				X
Indonesia								
Japan			X	X				
Republic of Korea		X	X	X				
Malaysia	X	X						

Mexico					X			
Peru								
The Philippines		X	X					
Russia		X		X	X			X
The United States	X		X				X	
Viet Nam		X	X	X	X		X	X