

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

**BACKGROUND DOCUMENT FOR THE ASIA PACIFIC
LABOUR NETWORK (APLN)**

**Background document for the APEC Summit
Vladivostok, Russian Federation, 8-9 September, 2012**

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

Background report for the APEC Summit, Vladivostok, Russian Federation, September 8-9, 2012 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 and priorities with regard to APEC. In the first part of this background document, an executive summary sets out the ITUC/APLN's key concerns regarding APEC.

Executive Summary

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. Whilst scepticism about reaching those deadlines is running high, APEC continues to express its commitment towards achieving those 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 facing a stalemate, APEC is increasingly engaged in promotion of 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). Nine of its members, Australia, Brunei, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States are active negotiators of the Trans Pacific Partnership Agreement (TPPA), Mexico and Canada are currently in the process of accession and others, including Japan, are considering joining in the near future.
3. In spite of its relatively low public visibility, APEC constitutes an economic forum where many important actors in the global economy, including all four 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, terrorism, health and disaster concerns, as well as climate change over recent years. Following the 2011 APEC Leaders' Meeting in Honolulu, the forthcoming hosts of APEC will be Russia (2012), Indonesia (2013) and Philippines (2014).
4. APEC remains dominated by a business-driven effort to enlarge trade and investment opportunities, although other themes come to the fore from one year to the next, reflecting global developments. Thereby in 2008, climate change gained more space in the agenda and new issues such as corporate social responsibility were introduced. The financial crisis dominated the agenda of the 2009, 2010 and 2011 Leaders' Meetings. APEC has also maintained an ongoing work programme on certain social issues such as social protection, human resource development, gender equality and food security. Although Ministers responsible for Human Resources Development (HRD), most often Labour Ministers, had not met since 2001, China hosted the 5th APEC HRD Ministerial Meeting (HRDMM) on 16 – 17 September, 2010. The Ministers decided to hold a HRD Ministerial Meeting every four years

The next will be in Vietnam in 2014, following the 35th HRD Working Group in Indonesia in September 2013.

5. However questions of employment, workers' rights and labour standards are absent from APEC's main discussions, demonstrating that 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 breakdown of WTO negotiations and the growing interlinkage with the TPP negotiations, and as APEC's activities have major implications for social and labour issues, achieving consultation rights for labour organisations is more crucial than ever.
6. After experiencing little progress in obtaining recognition from APEC governments for many years, mainly due to the continuing opposition of one or more APEC governments, the coming APEC meetings need to mark a break with the past. While the ITUC/APLN has achieved de facto formalisation of its annual meetings with the leadership of the host government and the APEC Secretariat, a more effective consultation structure is required. The resumption of HRD Ministerial Meetings after a nine-year hiatus is a sign that there are new opportunities for the ITUC/APLN to make progress in its efforts to achieve participation in relevant APEC Working Groups and the convening of a standing APEC Labour Forum as proposed by the ITUC/APLN. Achieving statutory participation in that way would give unions a permanent platform to pressure APEC Leaders on union priorities including social protection floors, equitable and sustainable development and a relaunched economic growth programme for APEC economies.

A. The History of APEC: Purpose, Key Events and Organisation

7. The Asia-Pacific Economic Cooperation (APEC) forum calls itself the premier agent for facilitating economic growth, cooperation, trade and investment in the Asia-Pacific region. 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, non-binding basis.
8. APEC comprises 21 member economies that account for 40.2% of world population, approximately 55.5% of world GDP and about 43.8%¹ of world trade. APEC's per capita GDP has risen from \$6,286 in 1992 to o \$15,055 in 2010 in PPP terms. 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. For several years India, Mongolia, Pakistan, Laos, Bangladesh, Costa Rica, Colombia and Ecuador have all sought to become members of APEC, but became subject to a moratorium on new membership. When this expired in 2010, the Leaders decided to continue reviewing this question. There is no information on this matter since then and the moratorium seems to have been implicitly extended for an unknown time period (unlike ASEM, which has expanded twice in the last four years).

Purpose and Goals

9. APEC was originally established by twelve countries 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 completely achieved by industrialised APEC member economies in 2010 and by developing APEC economies in 2020. In 2010 the Bogor Goals Assessment was presented to the Leaders. In their Statement on the Assessment, the Leaders argued that the Asia-Pacific region had achieved substantial reductions of barriers in trade and investment with increased and sustained economic growth and a "vast improvement in the welfare of people in the region". However, the Leaders found that the "2010 economies² have some way to go to achieve free and open trade in the region".
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:

¹ Department of Foreign Affairs and Trade of Australia, *The APEC Region Trade and Investment*, November, 2011 and 2010

² The developed APEC economies and eight volunteer developing economies (Chile; Hong Kong; Korea; Malaysia; Mexico; Peru; Singapore and Chinese Taipei)

- *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. In 2010, APEC committed to fund 40 ECOTECH projects proposed by the Senior Officials' Meeting Steering Committee on Economic and Technical Cooperation (SCE) and other APEC working groups and task forces.

Annual Meetings of APEC over 1989-2010

12. APEC's first meetings of its original 12 member economies starting in Canberra, Australia in 1989 consisted of an informal ministerial-level dialogue group. Since 1993 APEC Economic Leaders' Meetings have been held once a year. 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:

- **1993, Blake Island, United States:** At their first leadership-level meeting, APEC economic leaders 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 an 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, to facilitate infrastructure investment and technology for on-line transactions and to 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 nature of bilateral and regional trade agreements, the Bogor Goals and the multilateral trading system under the WTO. They 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 Leaders issued a strong statement of support for progress in the WTO Doha Development Agenda and set a target date for achieving a breakthrough in negotiations: December 2005, the 6th WTO Ministerial Conference. They adopted Best Practices for RTAs and FTAs, the Santiago Initiative for Expanded Trade and a Data Privacy Framework. APEC made a political commitment to fight corruption and ensure transparency, and endorsed a specific course of action towards this end.
- **2005, Busan, Korea:** APEC Leaders adopted the Busan Roadmap, completed the Mid-Term Stocktaking which found that APEC was well on its way to meeting the Bogor Goals, and adopted the APEC Privacy Framework. Leaders issued a statement in support of a successful conclusion to the WTO's 6th Ministerial Conference in Hong Kong, China and agreed 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 supported capacity-building measures to help APEC economies. On APEC's core issues – free trade and investment – it was significant to see 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 issued a statement on the WTO Doha Development Agenda calling for ambitious and balanced outcomes. In order “*to prioritise its agenda*”, APEC started a process of reforming its working groups and strengthening its Secretariat.

- **2007, Sydney, Australia:** The APEC Economic Leaders’ Meeting was held under the heading “Strengthening our Community, Building a Sustainable Future” and gave unprecedented attention to 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 Leaders committed themselves to strengthening APEC and decided to establish an 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.
- **2008, Lima, Peru:** The 16th APEC Economic Leaders’ Meeting took place in Lima on 22 and 23 November, 2008, one week after the first G20 Leaders’ Summit (Washington, 15 November 2008). 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 included corporate social responsibility, regional integration processes, human security and climate change.
- **2009, Singapore:** The theme for Singapore’s chairmanship of APEC in 2009 was “*Sustaining Growth, Connecting the Region*”. The economic crisis, sustaining trade and accelerating regional integration were the sub-themes. The Leaders’ Meeting reviewed the actions taken by the various bodies of APEC that had put the response to the recession at the top of their agendas. Indeed, in 2009 some APEC bodies started working on new social issues in response to the global economic crisis, including active labour market policies and social safety nets (see Annex III).
- **2010, Yokohama, Japan:** The theme for Japan’s chairmanship of APEC in 2010 was ‘*Change and Action*’. The APEC Leaders adopted the Declaration of Yokohama, a Statement on 2010 Bogor Goals Assessment, a Statement on Pathways to FTAAP and the APEC Leaders’ Growth Strategy. The Leaders focused on the global economy, trade and investment in APEC region, climate change, business facilitation as well as human resource and entrepreneurship development.

Organisation, Ways of Working and Scope of Activities

13. The APEC secretariat consists of a relatively small number of staff in an office based in Singapore. Accordingly, much of its work programme is implemented by officials in its member governments. The Secretariat is headed by an Executive Director who until 2009

was always a representative of the country preparing to host the subsequent APEC Leaders' Meeting. In 2009 however, it was decided that Executive Director would henceforth be appointed for a fixed term period of three years. The current Executive Director is Ambassador Muhammad Noor Yacob from Malaysia, whose term will expire on December 31, 2012.

14. 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 leaders are appointed directly by APEC Leaders to serve on ABAC. Their 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.

15. 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. The 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, business 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 for improved efficiency and effectiveness.
16. 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.
 17. 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.
 18. 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.

The Bogor Goals and the Osaka Action Agenda

19. A major part of APEC's agenda has consistently been its aspiration to achieve the Bogor Goals of free and open trade for industrialised members by 2010 and for all APEC member economies by 2020. 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.
20. 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.
21. 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.
22. 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.
23. In 2010 the Leaders reviewed the Bogor Goals Assessment. Their main conclusion was that the "2010 Economies" which should have reached the Goals by 2010 need to make more progress. The Leaders' Statement on the Assessment mentions the Trade Facilitation Action Plan (TFAP) under which trade transaction costs in the region were reduced by 5% from 2002 to 2006. The Statement also recognises that progress in lowering and eliminating tariffs has not been uniform across sectors. "Tariffs on clothing, agricultural products, and textiles remain higher than the overall average tariff across the APEC economies. As for services, restrictions remain in some sectors [...]". The Leaders recognised areas for further work which include "standards and conformance, customs procedures, intellectual property rights, and government procurement, along with other issues."
24. In 2006, APEC announced that it would examine the long-term prospect of a Free Trade Area of the Asia-Pacific (FTAAP). Since then, APEC Economies have discussed issues relevant to the setting up of an FTAAP and have conducted analytical work, including a 2008 Convergences/Divergences Study on APEC FTAs and a 2009 study made by APEC's Economic Committee (EC) on the proposed FTAAP. The latter concluded that a FTAAP had the potential to supplement successful conclusion of both the Bogor Goals and the WTO/DDA when developed as a building bloc in a WTO-consistent manner. According to the study, this required:
- tariff elimination in goods trade under the legal provision of GATT Article XXIV comprehensively,
 - strengthening of Trade Facilitation in all relevant areas,
 - reducing remaining barriers in the service sectors,
 - and simplifying Rules of Origin.

25. In 2010, the Leaders agreed that “now is the time for APEC to translate FTAAP from an aspirational to a more concrete vision” and adopted a declaration under the title “Pathways to FTAAP”. The declaration explains the history of FTAAP’s concept and the principles it should be based on. It also establishes that an FTAAP “should do more than achieve liberalization in its narrow sense; it should be comprehensive, high quality and incorporate and address “next generation” trade and investment issues.” The declaration continues that the FTAAP should be pursued as a comprehensive free trade agreement based on ongoing regional agreements, such as ASEAN+3, ASEAN+6, and the Trans-Pacific Partnership Agreement (TPPA); that APEC should contribute to the realisation of an FTAAP with its work in sectorial initiatives, including investment, services, rules of origin, trade facilitation as well as environmental goods and services (EGS); and that APEC is expected to provide intellectual input and identify ‘next generation’ trade and investment issues.
26. In 2011, the Leaders’ Declaration on REI and liberalisation recognised that the economies worked on a series of “next-generation trade and investment issues” in 2011 through trade agreements and a Free Trade Area of the Asia-Pacific (FTAAP). Indeed, the Trans-Pacific Partnership, which could be a precursor of the free trade area, is dominated by the next-generation agenda which promotes measures that were not included in ‘traditional’ free trade agreements. In 2011, the Meeting of the Ministers Responsible for Trade as well as the APEC Ministerial Meeting had recognised the need to initiate APEC work on the identification of the ‘next generation’ trade.

The Trans-Pacific Partnership Agreement (TPPA)

27. The Trans-Pacific Partnership Agreement, also known as the Trans-Pacific Strategic Economic Partnership Agreement, is a multilateral free trade agreement that aims to further open the economies of the Asia-Pacific region to trade. Negotiations have occurred on the sidelines of APEC Leaders’ Meetings since 2002. The TPPA was previously known as the Pacific Three Closer Economic Partnership (P3-CEP), consisting of Chile, New Zealand and Singapore, and its negotiations were launched on the sidelines of the 2002 APEC Leaders’ Meeting. Brunei joined the negotiations in 2005 and the four countries, then known as P4, signed the agreement the same year. P4 was an open agreement: according to its accession clause the members committed themselves to encouraging accession by other economies. In 2008, the United States followed by Australia, Peru, and Vietnam decided to start negotiations aiming at joining the P4 and Malaysia joined the talks in 2010. In 2011 Canada, Mexico and Japan expressed interest in joining and in 2012 Canada and Mexico were accepted as new partners in negotiations. Other APEC Economies that have been considering expressing interest in joining the agreement are the Philippines, Korea and Chinese Taipei.
28. At the 2010 Meeting the Leaders of the nine negotiating countries endorsed a target for achieving an agreement by the APEC Leaders’ Meeting of Honolulu in November 2011. However, this aspiration proved to be unrealistic as the negotiations are currently at their 13th Round with several inter-sessional meetings in the between.
29. The negotiations are now centred on a labour chapter that might include the resolution of labour disputes with capacity building and, as a second step, sanctions as well as trans-pacific labour cooperation institutions. Another important aspect of the negotiations is the chapter on investment which includes quite broad definitions of real estate, a minimum standard of treatment that creates greater rights for foreign investors than for locals, wide protection against acts that could be considered direct or indirect expropriation and most importantly the possibility of recourse to an investor to state dispute resolution mechanism that would greatly

hinder the ability of governments to regulate and protect themselves, including in periods of crisis. Another chapter of the negotiated Agreement strengthens the protection of Intellectual Property Rights and establishes high standards of digital content protection as well as extended medicine patent periods and stricter data exclusivity provisions that would decrease access to medicines. There are also provisions aiming at creating a level playing field between state owned enterprises (SOEs) and private sector which are expected to restrain SOEs from serving their social goals. Financial services liberalisation talks imply that capital controls and other macro-prudential policies will be greatly restricted. Moreover, certain countries push for liberalisation of public procurement. The negotiations are taking place behind closed doors and no texts have been published for public scrutiny even if some groups managed to leak some of the text online. The procedure lacks transparency.

B. APEC in 2011 - 2012

APEC in 2011

30. The 19th APEC Economic Leaders' Meeting took place in Honolulu, Hawaii on 12 and 13 November, 2011, following the annual APEC Ministerial Meeting also in Hawaii on November 11. The theme for the US chair of APEC meetings in 2011 was "21 Economies for the 21st Century" and discussions evolved around three priorities, namely: the promotion of regional economic integration (REI) including FTAAP and Ease of Doing Business, Green growth comprising open trade for environmental goods and services (EGS) as well as remanufactured goods, combating illegal forestry trade and promoting clean and renewable energy, and regulatory convergence and cooperation, quality of regulations and harmonisation.

Results of the 2011 APEC Leaders' Meeting

31. The Declaration starts with an introductory description of the economic background of its time. It recognises that it is "a time of uncertainty for the global economy" and that the financial challenges in Europe and natural disasters in Asia are partly to blame for weakened growth and job creation. The Leaders also recognised the significant downside risks for the future. However, the 'vanguard for global growth', the Asia Pacific region performs "beyond even the most optimistic expectations" due to the economies' steady commitment to regional economic integration (REI) and free and open trade and investment.
32. The Declaration repeated several times that further liberalisation of trade and investment as well as the creation of a seamless regional economy would lead to prosperity, stability, growth and job creation. The Leaders committed to cooperate and undertake measures that would further enable, increase, facilitate, make quicker, easier and simpler to trade and invest in different sectors, including in environmental goods and services (EGS). Moreover, the Leaders also committed to enhance the role of the private sector, in particular the SMEs, support policies for innovation and reduce and align regulatory frameworks.

The Doha Development Agenda (DDA) and the 8th WTO Ministerial Conference

33. In light of the 8th WTO Ministerial Conference, the Leaders recognised the DDA's impasse and that the conclusion of the Agenda as a single undertaking was unlikely in the near future. The Leaders blamed this on the way negotiations were conducted in the past (the old approach). To the end of making progress in the negotiations, the Leaders instructed officials

at the WTO Ministerial Conference to explore “fresh and credible approaches”, including “advancing specific parts of the Doha agenda where consensus might be reached on a provisional or definitive basis”, that is an early harvest on areas of agreement.

34. After stating their intention not to abandon efforts toward the conclusion of the DDA the Leaders reaffirmed their pledge against protectionism through a standstill on applied tariffs to the end of 2015.³ The Declaration then urged WTO members to agree on such an ‘anti-protectionist’ pledge for the multilateral system. APEC Ministers Responsible for Trade were directed to assess how to promote progress on the DDA in their 2012 meeting in Kazan. The APEC economies also look forward to Russia’s WTO accession.
35. Paragraph 5 states that the WTO’s continuing priority is development. However, the fact that paragraph 5 consists of only one sentence, with unclear meaning and weakened wording, indicates that it was inserted by some developing economies in order to counterbalance the call against ‘protectionism’ and the standstill which were part of the industrialised economies’ agenda for the 8th Ministerial Conference.

Part I: Strengthening Regional Economic Integration (REI) and Expanding Trade

36. The Declaration’s section on REI and liberalisation recognised that the economies worked on a series of “next-generation trade and investment issues” in 2011 through trade agreements and a Free Trade Area of the Asia-Pacific (FTAAP). In the general discourse, next-generation issues are understood as challenges across and behind the border and include supply chain connectivity, participation of SMEs, regulatory coherence, policies relating to e-commerce, environmental goods and services, trade in technology, the Singapore issues (government procurement, trade facilitation, investment, and competition) and food security. However, APEC Leaders focused on innovation policy, SMEs participation, environmental goods and services liberalisation, and regulatory simplification and coherence. Furthermore, in their statement, the Ministers anticipated the identification of additional next generation trade and investment issues by the 2012 Leaders’ meeting.
37. In order to further open markets and facilitate regional trade, the Leaders decided to “establish commercially useful de minimis values that will exempt low-value shipments from customs duties”. This would exempt products that cost equal to or lower than US\$100 delivered by express and postal shipments from tariffs. Customs’ officials would save a considerable amount of workload while it would reduce state revenues only by a little. Along with establishing higher de minimis values, the Declaration calls also for streamlining entry documentation requirements. These two measures would contribute to the APEC goal of 10% improvement in supply-chain performance by 2015.
38. The Leaders decided to “address the top barriers that SMEs face in trading in the region” in order to enable them to contribute to economic growth and job creation. APEC economies are to encourage the expansion of product coverage and membership of the WTO Information Technology Agreement which provides for the complete elimination of duties on covered IT products. The goal is that more countries abolish tariffs on IT products but also that more IT products become eligible for zero tariffs in the future.

³ Most of the Asia Pacific economies are allowed to apply tariffs on sufficiently high levels (bound rate) in a WTO-consistent way. However, many economies choose to apply lower tariffs (applied rate) in order to reduce the price of imports or for other reasons. For example, Chile could apply an average of 25% tariff on non-agricultural products but it chooses to apply only a 6%. The standstill decision means that until 2015, all Asia Pacific economies commit not to raise tariffs above current applied rates.

39. The Leaders launched the APEC Travel Facilitation Initiative to make travel faster, easier, and more secure. The scheme consists of the APEC Business Travel Card, a special card which expedites scheduling of visa interviews and grants access to fast-track immigration lanes at airports for registered APEC business persons and managers, and a grid of Trusted Traveller Partnerships, which allow pre-screened citizens to clear immigration and customs using automated kiosks when traveling between signing countries. Currently, there is only one such Partnership between the US and Korea and a second one is being prepared between the US and Singapore. Moreover, the Leaders decided to pursue liberalisation of air cargo services.
40. Another decision mandates the implementation of the APEC New Strategy for Structural Reform (ANSSR) by 2015 in order to reduce behind-the-border barriers. The Reform's goals are the achievement of:
- more open, transparent and competitive market
 - better functioning and effectively regulated financial markets
 - labour market opportunities, training and education
 - sustained SME development
 - enhanced opportunities for women and for vulnerable groups
 - effective and fiscally sustainable social safety net programmes
41. The Leaders mandated the implementation of the APEC Cross Border Privacy Rules (CBPR) System with a view to reducing barriers to information flows. APEC economies have been cooperating on privacy rules since the 2004 Privacy Framework, the precedent of CBPR, which among other things established cooperation in privacy law enforcement and recognition of businesses' cross-border privacy rules. The CBPR is not a breakthrough for economies with strong privacy rules in place, however, many Asian economies do not have comprehensive privacy regulations in place and the CBPR might eventually lead them to shape their future legislations in a harmonised way.
42. The Leaders also decided to implement the Niigata Declaration on APEC Food Security (Niigata, Japan, 16-17 October 2010) and reaffirmed the 2008 standstill on food export restrictions and "other WTO-inconsistent trade measures". The 2008 standstill on export restrictions was implicit: the 2008 Leaders' Declaration endorsed the Comprehensive Framework for Action of the United Nations (UN) Task Force on the Global Food Security Crisis which proposed a ban on food export restrictions, especially for humanitarian reasons. Likewise, the Ministers had previously recognised that securing food supply from shortages and price shocks requires open markets. Similar language was used in 2011 by the G20. Several developed countries, including the US, succeeded in inserting a reference to a ban on food export restrictions in the subsequent 8th Ministerial Conference of the WTO. Among other subjects, the Niigata Declaration envisaged measures to expand food supply capacity, enhance disaster preparedness in agriculture, develop rural communities, promote investment and trade in food and agricultural products and strengthen confidence in agricultural markets.

Innovation

43. Leaders promised to "advance a set of policies to promote effective, non-discriminatory, and market-driven innovation policy to set a model for innovation in the region as the best path toward fostering innovations that will increase productivity and ensure economic growth (see Annex A)."

44. According to the Annex A innovation is “the process by which individuals and businesses generate and commercialize new ideas”. “Open and non-discriminatory trade and investment policies that foster competition, promote access to technology, and encourage the creation of innovations and capacity to innovate necessary for growth are critical aspects of any successful innovation strategy.” To this end, the APEC Leaders among others agreed to:

- develop and maintain an open economy that allows the flow of capital, people, ideas, goods, and services;
- promote open investment, including by working to remove restrictions on foreign direct investment;
- maintain transparent and non-discriminatory regulatory systems and ensure that technical regulations serve legitimate objectives (e.g., health, security, safety, and environment) and do not serve the reduction of competition or unnecessary trade barriers;
- promote transparent and non-discriminatory government procurement policies that are openly pro-competitive and performance-based;
- provide effective protection and enforcement of intellectual property rights to create a climate in which innovators are encouraged to invest in research and development;
- implement information and communication technology policies, including for data privacy and security;
- encourage cooperation among researchers and laboratories, including through joint research and development;
- enable innovative business models by maintaining licensing regimes that support competitive markets;
- encourage the use and development of voluntary, market-led standards that promote innovation and create global markets for products and services;

45. Further to these measures, the Ministerial Meeting had previously endorsed the APEC Guidelines for Customs Border Enforcement of Counterfeiting and Piracy to assist customs authorities in identifying effective practices for intellectual property enforcement at the border. They also endorsed a 2011 revision of the APEC Non-Binding Investment Principles. Changes in the text include stronger language on ‘Transparency of interpretation and implementation’ title as well as in the ‘Protection and enforcement of rights’ title. The title principle of supporting the goal of sustainable development in promoting foreign investment was removed. Moreover the exceptions in the ‘National treatment’ section were weakened. Other changes include the change of the title ‘Repatriation and Convertibility’ to ‘Transfers and Convertibility’, the addition of corporate social responsibility in the ‘Investor behaviour’ section and the addition of wording on the importance of adherence to the WTO Agreement on Trade Related Investment Measures. The Leaders instructed officials to develop capacity-building activities that would assist economies to promote this policy.

SMEs participation in the global production chains (GPCs)

46. Annex B of the Declaration addresses SMEs issues in relation to GPCs. It seems that the Leaders did not consider the SMEs role in creating growth and employment; rather they sought to find ways to “facilitate the development of SMEs as supporting industries.” The Declaration mentions that the participation of SMEs in GPCs is also pursued in recent FTAs, meaning – among others - the TPP.

47. Measures to promote SMEs support to Multinational Enterprises include:

- enhancing SMEs' ability to identify commercial partners, direct investment and joint venture opportunities in foreign markets;
- establishing linkages with other supporting industries and final goods suppliers;
- enhancing SMEs' ability to take advantage of trade opportunities, inter alia, through training programmes on international trade and entrepreneurship;
- promoting the use of information and communication technologies (ICTs) and intellectual property protection;
- facilitating SMEs' access to trade and investment-related information (seminars, workshops, online tool kits for trade opportunities, tariff schedules, doing business, etc.)

Part II: Promoting Green Growth

48. Promoting green growth is largely confined to trade related measures to promote trade of environmental goods and services (EGS). The premise behind this goal is to lower the cost and consequently increase the use of EGS. It would also serve the transition toward a low-carbon economy in a way that would enhance energy security and create economic growth and employment. In the Annex the Leaders estimate that “tens of trillions of dollars of investment will be required in the coming years to meet our clean energy, clean air, sanitation and other environmental goals.” The goal of creating new, green jobs is also mentioned in relation to opening markets for EGS and enhancing environmental technology dissemination.
49. In the Summit of 2007, the Leaders committed to avoid environmental barriers to trade and launched an agenda for the promotion of EGS. In 2009, they endorsed the APEC Work Programme on Environmental Goods and Services to help reach agreement on actions to “advance work to increase utilization and dissemination of EGS, reduce existing barriers and refrain from introducing new barriers to trade and investment in EGS, and enhance capabilities of economies to develop their EGS sectors.” In Honolulu, they committed to take the first concrete step toward the liberalisation of EGS by developing a list of environmental goods in 2012 and reducing applied tariff rates on these products to 5% or less until the end of 2015.
50. The Declaration does not provide for a definition of EGS, a much debated issue in 2011 in APEC and other international fora and organisations. However, they considered environmental goods as “goods that directly and positively contribute to our green growth and sustainable development objectives”. It seems that some countries were concerned about EGS becoming one of the ‘next generation’ trade issues in the 8th Ministerial Conference of the WTO; hence, the objective was adopted “without prejudice to APEC economies’ positions in the WTO”. Other liberalisation measures envisaged are the elimination of non-tariff barriers, including local content requirements for EGS. In addition to these measures, Annex C further develops the EGS trade and investment agenda with the following actions:
- ensuring that all government support/incentives and government procurement for EGS is transparent and WTO-consistent;
 - promoting regulatory coherence in areas affecting EGS;
 - committing to pursue liberalisation of EGS in the WTO;
 - pursuing progressive liberalisation of EGS in FTAs.
51. Other measures explicitly mentioned in the Declaration with regards to promoting green growth include:
- rationalisation and phase-out of ‘inefficient’ fossil-fuel subsidies (those that

encourage wasteful consumption) while recognising the importance of providing those in need with essential energy services;

- reduction of APEC's aggregate energy intensity by 45 per cent by 2035 and promotion of energy efficiency, especially in transport, buildings, power grids, jobs and education;
- adoption of low-emissions development strategies;
- implementation of the prohibition on trade in illegally harvested forest products.

52. Before the Leaders' Meeting, the Ministers had agreed to make tariff and non-tariff measures applied to remanufactured goods publicly available, and to provide a public consultations process when such measures are under development. The Ministers welcomed the APEC Pathfinder Initiative on Facilitating Trade in Remanufactured Goods, under which economies committed to not treat remanufactured goods as used goods. Officials were instructed to undertake additional capacity-building activities on trade in remanufactured goods.

Part III: Regulatory Convergence and Cooperation

53. The premise on which the Leaders decided to pursue regulatory convergence and cooperation is that the elimination of "unjustifiably burdensome and outdated regulations, can boost productivity and promote job creation, while also protecting the environment and public health, safety, and security" and that this is particularly important in an era of increasingly globalised trade and investment flows. The APEC principles for the harmonisation and simplification of regulations are non-discrimination, transparency and accountability. To this end, a number of steps to be taken by November 2013 were decided, namely to:

- prevent technical barriers to trade related to green technologies;
- strengthen food safety systems through the Global Food Safety Fund (a new public-private partnership administered by World Bank which provides training on preventive food controls);
- ensure implementation of anti-corruption commitments by 2014

54. Annex D adds more specific measures, to:

- develop processes or mechanisms to enable a new approach in how regulations are created. This process (or mechanism) should develop overarching principles for future regulations and review existing regulations to improve effectiveness and address any burdensome requirements;
- develop processes or mechanisms for assessing the impact of existing and new regulations. These processes would examine the need for new regulatory proposals and examine feasible alternatives, assess costs and benefits of each available alternative and examine the incentives and mechanisms in place to review and streamline existing regulations.
- implement the principles of the section on regulatory policy of the 2005 APEC-OECD Integrated Checklist on Regulatory Reform, and the 2004 Leaders' Statement to Implement the APEC Transparency Standards which envisages a procedure for stakeholders' comments on regulatory proposals.

Part IV: Looking Forward

55. In the last part, the Leaders welcomed the San Francisco Declaration on Women and the Economy and committed to provide economic opportunities for women. The Ministers had previously "stressed the importance of the inclusion of women in the full range of economic activities as a proven growth strategy".

56. The Leaders encouraged the contributions of ABAC and recognised that “private enterprise is the engine of trade, investment, and innovation”. More importantly, the Leaders committed to enhance the role of the private sector through greater input into APEC’s working groups and the establishment of public-private Policy Partnerships.

APEC in 2012: Summary and Assessment of Working Group Meetings and Current Activities in 2012

57. The 20th APEC Economic Leaders’ Meeting will take place at Vladivostok, Russia, on September 8 and 9, 2012. The Russian hosts have set four thematic priorities for the Summit: trade and investment liberalisation, regional economic integration, strengthening food security, establishing reliable supply chains and intensive cooperation to foster innovative growth and modernisation.

Working Groups, Committees and Ministerial Meetings in 2012

Senior Officials’ Meeting 1 (SOM1)

58. The first SOM was held in Moscow and Yaroslavl from January 30 to February 19. Participants in the meetings spoke about the need to bring their regulatory systems close together in order to attract investment, and to implement a new APEC strategy on structural reforms in the context of liberalisation of trade and investment, and regional economic integration. On food security, senior officials focused on price fluctuations on the food market, the monitoring of food supply and demand, the effectiveness of food supplies, providing help to socially disadvantaged strata and control of food quality and security. On transportation and logistics chains, senior officials reviewed initiatives on diversifying supplies and monitoring the movement of cargo through the supply chain and preparedness for emergencies. Speaking about spurring innovation, they set forth proposals on forming a cross-border educational space, technological platforms in APEC and ways of promoting a healthy lifestyle.

Senior Officials’ Meeting 2 (SOM2)

59. The second SOM took place from May 20 through June 5 at Kazan and continued work on all the key agenda items. The officials discussed concrete initiatives that seek to cooperatively advance APEC’s 2012 priorities. The business community contributed to the discussions with proposals on next generation trade issues.

Committee on Trade and Investment

60. The CTI had its first meeting in 2012 on 14-15 February in Moscow where it adopted a work programme that included the following priorities;
- trade and investment liberalisation and regional economic integration;
 - establishing reliable supply chains;
 - intensive cooperation to foster innovative growth; and
 - expanding regulatory cooperation and advancing regulatory coherence
61. On trade facilitation, the final assessment of the Second Trade Facilitation Action Plan (TFAP II, 2007-2010) was concluded successfully. The results provided evidence that the Leaders’ goal of a 5% reduction in trade transaction costs had been achieved with substantial progress made through APEC’s trade facilitation efforts. Data from the World Bank Doing Business Report suggest that business saved a total of USD 58.7 billion due to the plan’s implementation. Moreover, reduction in the amount of total time taken to complete trade-

related procedures provided a saving of USD 65.0 billion, a decrease of 6.2%,. The average number of days taken to complete an export transaction for a single container declined from 17 to 15 days, but the cost incurred rose from USD 842 to USD 856.

62. The CTI adopted a work plan on the Supply-Chain Connectivity Framework, and received reports from focus groups on progress made in the implementation of the Framework to address eight choke points. A proposal to Advance the Action Plan for Chokepoint 1 (Lack of transparency/awareness of the full scope of regulatory issues affecting logistics) was accepted. This additional plan aimed at developing a “Supply-Chain Connectivity (SC) Inventory” to identify internal practices related to the cross-border movement of goods affecting logistics, identifying variances in capacity and developing individualised capacity building programmes. Moreover, a capacity building programme was adopted for the Pathfinder to Enhance Supply-Chain Connectivity by Establishing a Baseline De Minimis Value and the Enhancing Logistics Performance through Training and Networking for APEC Local/Regional Logistics Sub-providers. There was also a Symposium on Supply-Chain Connectivity Measurement Framework in Singapore from March 31 to April 1 to share experiences and exchange views.
63. On Environmental Goods and Services (EGS), the Committee conducted a trade policy dialogue in February, where participants made presentations on regional and global environmental challenges and environmental products and technologies. They also deliberated on classification, definitions and scope of environmental goods by referring to lists of goods developed by other international organisations. The 2011 Economic Leaders’ Statement mandated CTI to develop an APEC list of environmental goods by the end of 2012. To this end, ten economies submitted their initial goods proposals for consideration, while others are still on the stage of internal consultations.
64. The CTI started work on next generation trade and investment issues in response to the 2011 Economic Leaders’ call. A work plan was adopted and a small grouping (Friends of the Chair) was created to deal with the workload. Economies submitted several ideas for consideration as additional next generation issues, including: integration of competition policy into FTAs, access to essential infrastructure (networks and grids) for the services sector, Regional Trade Agreements (RTAs) best practices, transparency in FTAs, enforcement of Intellectual Property Rights in the Digital Environment, and securing open markets for digital products (cross-border privacy rules). Furthermore, an “APEC Conference on Innovation and Trade: Policy Considerations Related to Generating and Absorbing Innovation” was held on April 4-5 and a “Seminar on Facilitating Global Supply Chains (GSC) and Enhancing SMEs Participation in Global Production Chains (GPC)” was held in May 2012 in Kazan. Both events furthered discussions on next generation trade and investment issues.

Market Access Group

65. At its first 2012 meeting, the MAG members agreed to hold a dialogue with ABAC on the WTO Information Technology Agreement (ITA) as instructed by APEC Leaders in 2011. The group also discussed ways to implement the Ministers’ instruction on transparency and capacity building on remanufacturing. At the second meeting, ABAC and industrial groups supported a quick expansion of ITA’s membership and MAG members were encouraged to accelerate domestic consultations on it. With regards to remanufacturing, industry representatives claimed that remanufactured goods should be treated as equivalent to new products in economies’ trade policies. The MAG continued talks on ITA expansion in its

third meeting and further discussed possible topics for the next Joint Session between MAG and the APEC Group on Services (GOS).

Economic Committee (EC)

66. The EC met in Moscow in February 2012 to advance work – among other things - on the Ease of Doing Business (EoDB), the APEC New Strategy for Structural Reform (ANSSR) and Good Regulatory Practices (GRP).
67. The Ease of Doing Business is a five year plan (2010-2015) that has identified five priority areas of intervention in order to achieve a 25% cheaper, faster and easier business environment. The priority areas are:
 - Starting a Business
 - Getting Credit
 - Enforcing Contracts
 - Trading Across Borders
 - Dealing with Permits
68. The “APEC Ease of Doing Business 2012 Stocktake Workshop” which was held also in February 2012 in Moscow, assessed progress on the five priority areas and participants shared best practices to improve future EoDB programmes and discussed challenges. The EC also held two policy discussions. The first was on “State of the Regional Economy” and the second was on “Strengthening Implementation of Good Regulatory Practices” in which members agreed on a proposed survey to assist economies on identifying challenges they face in regulatory reform.

Meeting of APEC Ministers Responsible for Trade (MRT)

69. The MRT was held in Kazan, Russia, on June 4 - 5, 2012. The Meeting adopted the “Statement of the 2012 Meeting of APEC Ministers Responsible for Trade” and the “Statement on supporting the multilateral trading system and resisting protectionism”.
70. On trade and investment liberalisation, and regional economic integration, the Ministers stated their commitment and support to the multilateral trading system for keeping trade open and said that APEC’s work should complement commitments in the World Trade Organisation (WTO). They also called for expanding the product coverage and membership of the WTO Information Technology Agreement (ITA). In keeping with past practice, the Ministers avoided referring to the ongoing Trans-Pacific Partnership (TPPA) negotiations but encouraged a Free Trade Area of the Asia-Pacific (FTAAP) as a move toward more open global and regional trade and discussions in APEC to reduce protectionism.
71. The meeting acknowledged APEC's work to define and address next generation trade and investment issues, and in order to take forward this agenda, the Ministers endorsed “transparency in trade agreements as a new next generation trade and investment issue.” They also stressed the need for regulatory coherence and good regulatory practices and “implementation of good regulatory practices (GRP) by undertaking related capacity-building and information sharing activities, including on regulatory impact analysis.”
72. The meeting welcomed progress and reaffirmed commitments in various initiatives of APEC. On environmental goods and services (EGS), the meeting reaffirmed their commitment to

develop an APEC list of environmental goods in 2012 and reduce applied tariff rates for these products to 5 per cent or less by the end of 2015. Furthermore, they supported the ambitious target of 25 per cent cost reduction in doing business by 2015 as well as other targets of the APEC Ease of Doing Business initiative. The Ministers stressed the importance of the APEC New Strategy for Structural Reform (ANSSR) which promotes more balanced, inclusive, and sustainable growth and development through targeting behind-the-border barriers to trade.

73. Without any clear connection, the Ministers called for public-private partnerships in order to tackle corruption. However, in the following sentence of the statement, the Ministers admitted that business is party to corruption as “corruption poses a significant market access barrier and high cost for companies, especially SMEs”.
74. For improving investment climate, the meeting agreed on the need to enhance protection of investments, “including through developing mechanisms for dispute avoidance and resolution”, although Investor State Dispute Settlement (ISDS) mechanisms were not explicitly mentioned. The Ministers also encouraged the use of new technologies for improving transparency, efficiency and effectiveness of investment procedures as well as underlined the need for constructive stakeholder relationships in investment. To this last end, the Ministers encouraged officials to “take concrete actions for facilitation of public-private partnership (PPP) in infrastructure investment in the APEC region”.
75. With regards to strengthening food security, Ministers committed to increasing agricultural production and productivity through boosting investment and adopting innovative technologies, facilitating trade and developing food markets through the open and rules-based multilateral trading system and enhancing food safety and quality. The proposed way forward for attracting investment was again through PPPs, as the Ministers recognised “the key role of private investments, taking note of the catalytic role of public investment in creating appropriate conditions for farmers and other stakeholders”. Moreover, they encouraged private investment to be carried out in a responsible manner in compliance with the Voluntary Guidelines for the Responsible Governance of Tenure of Land, Fisheries and Forests (VG) and the Principles for Responsible Agricultural Investment (PRAI). Finally, they welcomed best practices and discussions on “improving access to food for vulnerable groups of population, including school meals and other social programs as well as the development of local agricultural production, procurement systems and processing industry.”
76. On the third item, establishing reliable supply chains, the meeting referred to the APEC initiative on Supply Chain Connectivity and reaffirmed its goal to achieve a 10 per cent improvement in supply chain performance by 2015 in terms of reducing the cost, time, and uncertainty of moving goods and services throughout the region. Supply chain improvements had been recognised by APEC bodies in 2011 as a next generation trade and investment issue. The meeting welcomed the discussions on enhancing the participation of SMEs in the global production chains and instructed officials to work further on this issue. Officials were also instructed to advance the discussion on the technological enhancement of supply chains and Ministers reaffirmed the importance of emergency preparedness and disaster resiliency.
77. As part of the effort to improve supply chain performance the Ministers sought further facilitation, simplification and harmonisation of custom procedures and instructed relevant APEC bodies to promote this work through application of international standards such as the Revised Kyoto Convention and World Customs Organisation (WCO)/APEC SAFE Framework of Standards.

78. The Ministers decided to intensify cooperation to foster innovative growth. In view of the “likely dominant role of the Asia-Pacific region in science and innovation over the coming decades” the Ministers confirmed that open, competitive and well-functioning markets are needed in order to enhance innovation throughout the APEC region. To meet this end the meeting proposed the transformation of the Industrial Science and Technology Working Group (ISTWG) into a Policy Partnership on Innovation (PPI) with the participation of business and governments by the time of the Vladivostok Ministerial Meeting.
79. In order to promote innovation, the Ministers called for strengthening the protection and enforcement of intellectual property (IP) rights, fostering a non-discriminatory business environment and establishing of comprehensive and balanced IP systems that provide incentives for innovation. The meeting also recognised that for innovation, human resource development programmes are needed as well as open and transparent education systems that would prepare the workforce with skills and qualifications for the 21st century. A further prerequisite for spurring innovation is the development of ICT networks, logistics, energy and other infrastructure.
80. The Ministers closed their statement by yet another reference to the private sector’s preferential access to decision making: “We note the significant contribution that public-private activities can make to APEC work, and instruct officials to find ways to increase these interactions with ABAC and other stakeholders.”
81. In their complementary statement on the WTO the Ministers reaffirmed their commitment to keep markets open, keep protectionism at bay and to “continue working on initiatives which can contribute to further trade liberalisation.” In view of the current negotiations’ impasse the meeting stated its disappointment and suggested that focusing on APEC was the best path forward. Ministers conveyed orders to their officials in Geneva to continue exploring “different, fresh, and credible negotiating approaches”. It seems that some developing economies reminded the meeting of the development mandate of the Round and complemented this call to Geneva officials with the following phrase: “while respecting the Doha mandate, the principles of transparency, [...], and development.”
82. The Ministers also expressed their concern about instances of rising protectionism around the world. In order to avoid such instances in the APEC region, the Ministers reaffirmed their pledge to “refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO-inconsistent measures” until the end of 2015, as the Leaders had called for last year in Hawaii.
83. Moreover, for APEC economies that took protectionist measures, the Ministers committed to roll them back and refrain from taking even WTO consistent measures that might have a protectionist effect. The APEC Economies also promised to ensure transparency and predictability in implementing measures that affect trade and investment in general.
84. The multilateral trading system was more relevant than ever, Ministers said, but the WTO faced functionality problems. “In this regard, we uphold the inventory and monitoring work of the WTO and other international organizations on trade and trade-related measures and encourage them to reinforce and deepen the work in these areas”, stated the Ministers.

85. For developing countries that face difficulties in becoming integrated into the multilateral trading system the ministers proposed “Aid for Trade” and for developing economies within APEC, they prescribed technical assistance and capacity building that would assist such countries to benefit from the WTO. The Ministers also discussed trade facilitation, LDCs’ accessions to the WTO and other development-related issues. Although the Australian Minister was known to be bringing an ambitious agenda on trade facilitation, it seems that the meeting failed to take any decisions on this issue and so the matter appeared in this statement only as one of the discussed items. The meeting also welcomed the accession of Russia to the WTO, “which is a vote of confidence in the multilateral trading system”.

ABAC Business Priorities in 2012

86. For 2012, ABAC adopted the theme “Aspirations to Reality” and held its first meeting in Hong Kong, on 21-24 February 2012. Recently, the Council had decided to enhance its internal structure with working groups in order to achieve a better division of labour. The Regional Economic Integration Working Group recognised as a priority the need for a new services agenda and the enhancement of supply chain connectivity. The Small, Medium and Micro Enterprises & Entrepreneurship Working Group identified the improvement of market access for SMMEs, capacity building for SMMEs and SMMEs’ access to financing as key priorities. The Sustainable Development Working Group discussed the strengthening of food security by increasing food technology dissemination, developing food export/import infrastructure, and facilitating food trade within the region. They also discussed ways to promote energy efficiency and facilitate trade in EGS as well as fostering technology transfer and cutting edge technology investment. The Finance and Economics Working Group prioritised the stability of financial markets to support trade. The Infrastructure Development Working Group said that developing a policy and regulatory environment that promotes the development of infrastructure is important. Moreover, implementing effective policies for infrastructure maintenance and reconstruction should be maintained and strengthened.
87. At the second meeting in Kuala Lumpur, Malaysia on 21-24 May 2012, ABAC endorsed key documents to be presented to APEC officials and ministers. Among others there was a letter to Ministers of Trade to propose ABAC recommendations for promoting trade and investment of the region, a letter to the Chair of the APEC Committee on Trade and Investment (CTI) to express support for the APEC Travel Facilitation Initiative, and a letter to Food Security Ministers to highlight outstanding issues of food quality and call for enhance public private cooperation, including through the APEC Policy Partnership on Food Security.

Public-Private Policy Partnerships (PPPPs)

88. The public-private policy partnerships (PPPPs) are prescribed as the way forward for advancing work on various fields. Previously, business would hold separate meetings with government officials to communicate them their agenda and priorities. With this new governance scheme, business is invited into the working groups and policy making bodies of APEC to set the policy agenda together with the governments. It should be noted that the use of public-private policy partnerships is not common in other international organisations/processes.
89. The first PPPP started in 2011 with the transformation of the APEC Gender Focal Point Network into the Policy Partnership on Women and the Economy (PPWE) where business representatives and government officials co-decide on streamlining gender issues.

90. Also in 2011, the Anti-Corruption and Transparency Working Group (ACTWG) and ABAC held a 'Dialogue and Partnership' on combating corruption and bribery (APEC ACT-ABAC). ACT-ABAC held its second dialogue on 28 May in Kazan, Russia.
91. Reportedly, ABAC also seeks to establish a Policy Partnership for Technology Transfer at this year's APEC Leaders' Meeting.
92. In 2012, ABAC succeeded in establishing yet another public-private policy partnership on issues of food security. On February 22, during the first ABAC meeting of the year, the Russian chair of ABAC announced that a new mechanism of partnership on food security had been created. The Public-Private Policy Partnership on Food Security (PPFS) held its first meeting in May in Kazan during APEC's Food Security Ministerial Meeting. The goal of the partnership is to establish a sustainable regional food security system in the APEC region by 2020. Singapore and the APEC Secretariat presented the preliminary findings of a report on Food Policies of APEC Economies. Responding to the food challenges presented in the report, including the sharp rise in food prices in 2011, the participants suggested improving food supply chains; developing food self-sufficiency programmes especially on rice; liberalising trade of food; increasing investment in agriculture; effectively implementing innovative technologies; and developing agricultural infrastructure. An initiative on forming an emergency food supply system was also presented to the participants.

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

Human Resources Development Working Group

93. APEC's work on labour issues takes place within the framework of 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. The ITUC/APLN has frequently requested participation in HRDWG meetings but aside from one or two informal exchanges, mainly in the 1990s, without success, as discussed in Section D below.
94. 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 remains unresolved.
95. 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 as to:
 - Develop 21st Century Knowledge and Skills for All,

- Integrate HRD into the Global Economy,
 - Address the Social Dimensions of Globalisation.
96. 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.
97. 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.
98. 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.
99. 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.”*

**33rd Human Resources Development Working Group (HRDWG)
(March 7-11, 2011, in Washington DC)**

100. At the first HRDWG following the Beijing Ministerial (see Annex VII for the decisions of the Ministerial), the working group was presented with an Independent Assessment, a Medium-Term Workplan and an Annual Workplan which made recommendations on the future role and efficiency of HRDWG and its Networks. The three papers provided the background for discussions on potential new institutions, the HRDWG goals' alignment with the Leaders' declarations and APEC's goals, as well as on ways to improve performance. The plenary welcomed Korea's initiative to host the 5th APEC Educational Ministerial Meeting (AEMM) in 2012. The Lead Shepherd suggested the linkage of job and education as one of the tentative themes of AEMM.
101. In the plenary session, the US Secretary of Labour, Hilda Solis, spoke of the recent global economic crisis, with a focus on vulnerable groups, including ethnic minorities, low-skilled workers, working families, and underserved communities. She also said that “it is important for the government to provide good jobs by setting and enforcing adequate minimum wages, strong safety and health standards, and workplace protections.” The ABAC representative addressed the plenary expressed strong desire to have joint projects with HRDWG related to its project on Skills Mapping.
102. The EDNET meeting was structured with presentations, project reports and proposals on the priority areas including 21st-Century Competencies and Skills, Mathematics and Science Education, Learning Each Other's Language, CTE, and ICT and Systemic Reform. The members discussed EDNET's efforts to better align its goals with APEC objectives and drafted guidelines for selecting the next Education Ministerial priorities.
103. The CBN meeting noted that the Medium-Term and the Annual Workplans needed further improvement including the issue of establishing Lead Shepherd Communication Support Group. The Lead Shepherd of HRDWG attended the meeting and expressed his expectation that among the three networks the CBN should be the main body to collaborate with business community. The Network also welcomed its new coordinator Mr. Hiroyuki Yoshiya (Japan).
104. The LSPN members presented short reports on labor social protection policy developments in their economies. The LSPN supported the tabling of the draft Medium Term Action Plan and requested an amendment to specifically include the ILO in the list of organisations which HRDWG will endeavour to work with more closely. The meeting recognised the critical need to more closely align its Workplan to APEC Leaders' priorities. The LSPN explored an opportunity to work with ABAC on a skills mapping project and Australia agreed to develop a concept note in collaboration with ABAC for consideration by Economies out of session.

**34th Human Resources Development Working Group (HRDWG)
(Moscow, 5-10 February, 2012)**

105. The Russian hosts prepared a special Thematic Dialogue on the potential of public-private partnerships (PPPs) on social protection and employment for the HRDWG. The initiative was given the name HRD-PPP or the Moscow Initiative.
106. Various Russian institutions and agencies presented different aspects of PPPs including in Labour Force and Labour Migration Development, as Instrument of Inclusive Development of Labour and Social Protection, and in Employment Promotion. The Federation of Independent Trade Unions of Russia (FNPR) was invited to deliver a presentation under the theme “Quality employment and social protection as an object of trade union policy in the context of public-private partnership development”. Nina Kuzmina, Vice-President of the FNPR, explained that quality employment with social protection is possible with public-private partnership; however this partnership should also include a social partnership because state and business acting alone might not reach wider social goals. Social partnership also increased the ownership of the action plans and helped workers be well-motivated.
107. Ms Kuzmina identified the following areas for public-private partnership to ensure quality employment and social protection:
- Creation of effective workplaces (modern organisation of work implies work site arrangement in compliance with high-tech solutions and high safety standards; recruitment and placement of personnel according to skill level requirements; work assessment ensuring efficiency; provision of social and economic incentives for workers as well as professional development);
 - elimination of obsolete workplaces, professional training of redundant workers and new job placement;
 - proper adjustment of education systems in general and its components in particular;
 - establishment of ‘social elevator’ systems ensuring targeted selection, training and promotion of skilled workforce;
 - making labour supply meet labour demand;
 - elimination of atypical forms of employment and informal labour markets;
 - development of social infrastructure;
 - creating conditions for sustainable professional development.
108. Following the Thematic Dialogue, the economies agreed that the HRD-PPP requires additional study in order to be utilised by the HRDWG. The Lead Shepherd and 3 other economies committed to further investigate the HRD-PPP and report back to all economies. If the HRDWG decided to adopt the HRD-PPP for future work, it would be under the coordination of CBN.
109. The representatives then discussed the agenda of the next APEC Education Ministers Meeting (AEMM) to be held on May 21-23, 2014, at Gyeongju, Korea. The group also discussed the opportunities that would be created for the 35th HRDWG, especially the EDNET, from the outcomes of the Ministerial Meeting. The Korean representative presented a progress report on the preparation of the AEMM5 explaining the theme, “Future challenges and educational responses; Fostering global, Innovative and cooperative education” and goals it should achieve. The preliminary agenda of the AEMM5 comprises the following issues: Future Classroom, Education promotion exhibition, International forum on Educational Innovation for Global and Creative Competence, APEC Future

Education Festival, APEC Future Education Forum, 2012 Korea Good School Expo, outstanding school visits and cultural visits.

110. Following the session on AEMM, Australia presented achievements and goals of the APEC New Strategy for Structure Reform (ANSSR) working group for 2012. The APEC Secretariat provided its Update Report on key developments and project management. With explanation on the change in APEC funding criteria, the Secretariat showed a sharp decline in the number of HRDWG projects in 2010. In order to get more projects the Lead Shepherd suggested the utilisation of various workshops/seminars convened in the three networks and the round table session in HRDWG so as to share concerns and needs of each economy and discuss about project planning together.
111. The EDNET session focused on the completion of reports related to Emergency Preparedness, TVET & Higher Education Quality, Information and Communication Technologies (ICT), and Teacher quality and Mathematics, Science, Language, and Culture Education. Russia presented two initiatives: development of the open environment of mathematical education and an APEC university network to be called UniNet.
112. The CBN session held intensive discussions on the CBN's mission and focus areas, including collaboration with other APEC Fora, demarcation of competences between LSPN/EDNET and CBN, strengths of CBN and stakeholders' engagement.
113. The members reached consensus on the mission:
 - Continuously responding to the needs of industries/enterprises by providing appropriate organisational and managerial capacity building activities,
 - Utilising new opportunities created by trade and investment liberalisation, and
 - Contributing to innovation and productivity growth through human capacity building
114. The members also reached consensus on the modality of projects:
 - Sharing best practices
 - Promoting public and private partnership in the implementation and development of projects
115. The CBN decided to focus its projects proposals for 2012-2013 on trade and investment liberalisation and facilitation and regional economic integration with particular attention paid to the following areas:
 - Promoting innovation for competition,
 - Improvement of business practices,
 - Environmental goods and services,
 - SMEs' participation in global supply chains,
 - Entrepreneurship development and
 - Narrowing the gaps between labour supply and business need
116. The LSPN held a special discussion on factors affecting employment elasticity, high quality jobs, labour productivity and participation. The forum began with an invited presentation from Dr. Sylvain Giguere and Ms. Francesca Froy from the OECD and its Local Economic and Employment Development (LEED) programme. The presentation under the title "Building more and better quality jobs in the recovery: unleashing the potential of

employment policy” emphasised LEED’s recent work and main findings, highlighting the role of local flexibility in policy delivery and the formation of collaborative networks. In the discussion that followed, members found common areas of interest between LSPN and LEED and some expressed a strong interest in future cooperation on suitable projects. In response to the OECD presentation, New Zealand discussed the skills and productivity challenges that their economy is facing, highlighting the demographic challenge. Australia also provided an update on its approach to building quality employment in priority regions.

Policy Partnership on Women and the Economy (PPWE), formerly Gender Focal Point Network (GFPN)

117. APEC Leaders have emphasised on several occasions that women contribute greatly to APEC Economies and account for more than half the labour force, and that there is a need to take actions to enhance gender equality in the social and economic life of the region. To this end, APEC established different networks to promote gender issues in APEC decisions and projects.
118. The Women Leaders Network (WLN) was founded in 1996 as an informal network which brings together women leaders from all sectors to provide policy recommendations to APEC officials. In 1998 APEC Leaders endorsed the recommendations of the first Ministerial Meeting on Women, which resulted in the formation of the Senior Officials' Meeting (SOM) Ad-Hoc Advisory Group on Gender Integration (AGGI). After AGGI’s mandate expired, in 2002 the APEC Ministers established the Gender Focal Point Network (GFPN) aiming at providing linkages for information sharing and support between APEC Fora. In 2011, The GFPN and the private sector-oriented Women’s Leadership Network (WLN) were merged into a single public-private entity to streamline gender issues within APEC.
119. APEC’s work on gender overlooks many issues the international trade union movement sees as crucial – among other things, the lack of equal pay for work of equal value, and the discriminatory conditions prevailing generally in the APEC region. The 2011 PPWE failed to address the pressing issues of working women and, instead, placed the focus on promoting women’s entrepreneurship.
120. In 2012 the PPWE is implementing the Terms of Reference and it will pursue to assist APEC groups to identify priority gender equality and ‘women and the economy’ issues, assist in the development of project proposals in the area of ‘women in the economy’, assess the use of gender equality criteria in project proposals, reporting and evaluation, and collect and share best practices in gender equality integration, as well as promote and report on women’s representation across APEC and within individual groups.

D. The ITUC/APLN’s Actions within APEC

121. 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. 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.

122. 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. In 2001, an APLN delegation met the Vice-Premier of China.
123. 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.
124. 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 did not renew the application until 2010, for the reason that up to this stage, there was no reason to expect a different reply.
125. 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 in Annex I. 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 should play a supporting role in the Forum, which could be similar to its role in the Workers' Group of the ILO. The APEC Ministerial Meeting concluded by confirming the practice of annual meetings of the APLN with the APEC Executive Director and with the host of the APEC Leaders' Meeting, but did not go further regarding the APLN's other proposals.
126. 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 APEC Labour Forum would require substantial financial support. The APLN met with the Prime Minister of Korea as well as the APEC Executive Director.

127. 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 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 concerted action by trade unions in all APEC countries, utilising all possible influence with governments and other influential parties. There was a feeling that while the APLN might have what appeared as positive encounters with host governments and the APEC Secretariat, 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.
128. At the thirteenth meeting of the APLN in Sydney, 30-31 August 2007, there was an in-depth discussion in which many participants expressed general disappointment that APEC was continuously opening up more and more to business, without progress towards an APEC Labour Forum. 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 could not afford to be absent. 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 advanced further, and that there should also be serious consideration of how to use the media in this work. The APLN was unable to meet with the incumbent Australian Prime Minister John Howard but instead met with the opposition leader from the Labour Party, Kevin Rudd, who only weeks later won the elections and formed a new government. 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. 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.
129. 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 the ITUC/APLN's proposal to establish an 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 would invite the unions to submit the ITUC/APLN's Statement directly to the Leaders Meeting. In a separate meeting with the ITUC/APLN, 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 was a need for more social inclusion that would help economies become sustainable. Mr Capuñay named the issue of labour mobility as one where ABAC and ITUC/APLN might have shared concerns. The unions presented the inclusion of trade unions in CSR issues as a further matter for the APEC agenda and expressed their concerns that APEC Labour Ministers had 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.

130. The 15th Conference of the ITUC/APLN took place in Singapore on 27-28 October 2009. The main topics discussed were responses to the economic crisis and the establishment of the APEC Labour Forum. The participants reported on the impact of the economic crisis from a national perspective, and all agreed that more inclusive growth was necessary so that the APEC process created benefits for the whole population and not only for a part of it. To achieve this, the APEC agenda needed to be expanded to include labour priorities that would lead to a more equitable distribution of the benefits, and labour participation needed to be institutionalised so that the workers' voice could be heard in a constructive and consistent way. At an international level, trade unions had already achieved the inclusion of decent work and other priorities and in the G20, many world leaders had started consulting with labour representatives. APEC should not be an exception. The 15th Conference of the APLN had the opportunity to meet the Prime Minister of Singapore, Lee Hsien Loong, who agreed on the case for an APEC Labour Forum but emphasised that a consensus would be needed to achieve it. In a separate meeting the Executive Director of APEC Michael Tay supported enhanced inclusiveness and labour participation in APEC. In the meeting with ABAC, the Chairperson Teng Theng Dar explained business priorities but when the participants requested ABAC's support for the establishment of an APEC Labour Forum the Chairperson made no commitment since ABAC had not agreed on a position on the matter.
131. The 15th Conference of the ITUC/APLN decided to continue pressing their governments for the inclusion of their concerns in the APEC Agenda and for the establishment of an APEC Labour Forum. Accordingly, in 2010 the ITUC/APLN introduced a further request to be accepted for participation in the HRDWG meeting in Hiroshima in February 2010 (see Annex IV). Unfortunately there was no universal consensus on the matter among APEC governments, and the request was rejected.
132. The 16th Conference of the ITUC/APLN (Tokyo, 2-3 September 2010) met with the Prime Minister of Japan, who was very positive regarding APLN proposals and promised to take many of them to the Leaders' level. He and his Ministers stated their support for labour participation in APEC. The APLN also met with Senior Officials of APEC (SOM), Japanese ABAC officials, and officials of the Japanese government and discussed issues ranging from the Human Resources Development Ministerial Meetings and its expected outcomes to the ABAC's green agenda and the work of its working groups.
133. The 16th ITUC/APLN Conference ended by recognising the great challenges that stand ahead. The participants considered that there was relatively good momentum for labour participation in APEC particularly as the pro-labour governments of Japan and US undertook their duties as host economies. In this regard, the future engagement strategy was discussed and participants called on the APLN to look at successful labour fora in other organisations and draw lessons accordingly. Labour participation could extend from the form of a Labour Forum to consultations before Ministerial Meetings or participation in the annual work and projects of the HRDWG. Achieving consensus among APEC governments with regard to labour participation in APEC would require the constant and coordinated efforts of all the national centres and global unions.
134. The participants further analysed national experiences and regional trends in employment with regard to women, migrants and young unemployed persons and concluded that strong emphasis should be given to creating more jobs for such groups and to actively assist their employability with training. Many participants stressed problems such as the replacement of permanent employment with atypical labour arrangements and contract labour, pressures on

wages and the lack of social protection as alarming signs of rising precariousness and deteriorating decent work. The Conference also discussed and concluded that green growth bears opportunities for new jobs and decided to follow and engage APEC's work in that area.

135. The 17th ITUC/APLN Conference was held on 20-21 September 2011 in Washington D.C. In the initial debate, participants emphasised the importance of linking action on APEC to broader action on the G20 and other international fora. Participants noted that issues such as financial services liberalisation as well as at the WTO and bilateral trade negotiations were prominent in APEC, and needed to be strongly opposed.
136. The Network met with Ambassador Kurt Tong, US Senior Official to APEC who elaborated on the host's priorities for 2011, centred around trade and efforts to advance a Free Trade Area of Asia and the Pacific (FTAAP); growth (and particularly green growth); and regulatory cooperation and convergence. In response to questions, the Ambassador said he would lead a discussion on the trade union proposal for an APEC Labour Forum at the level of the next Senior Officials Meeting (SOM). He informed the meeting that the US had been seeking to reenergise the APEC Human Resources Development Working Group (HRDWG) and establish more broadly-based growth that could bring benefits for median households, not just upper-income earners.
137. The Network members then met with Robert Shepard, Director, Office of International Relations, International Labor Affairs Bureau of the US Department of Labor (DOL). He reported that the three goals of the US with regard to labour issues in APEC were creating employment, expanding social protection and protecting workers' rights. The US was engaging in a range of APEC initiatives on job creation, analysing the impact of restructuring on employment, developing the APEC Labour and Social Protection Network, and promoting vocational training. He stated that the US would support enhanced trade union consultation in APEC and would seek to generate agreement on that issue. He further emphasised the need for unions in APEC countries to develop closer relations with their governments in order to make progress on their APEC demands. Core labour standards were supported by many APEC members but some would not consider it an appropriate issue for consideration in the APEC context. Unions had a logical claim to be invited to APEC working group meetings and it was hard to understand why there was still opposition.
138. The APLN met with Lewis Karesh, Assistant US Trade Representative for Labor Affairs and Barbara Weisel, the US Lead Negotiator for the Trans-Pacific Partnership Agreement (TPPA). The two representatives provided an overview of the range of different subjects for negotiation. They indicated that the US would certainly be introducing labour rights proposals backed by dispute settlement obligations including sanctions and assistance. Trade union representatives expressed reservations or opposition to some of the areas for TPP negotiation including intellectual property rights, public services, financial services, and government procurement. They called for a serious, independent social and environmental impact assessment prior to finalisation of any agreement, with provision for continuing assessments if the treaty entered into effect.
139. Celeste Drake of the AFL-CIO provided a summary of developments in the TPP Chicago Round in September 2011. In addition to stressing the importance of workers' rights, the APLN participants reiterated their opposition to the inclusion of government procurement and public services in the TPPA negotiations and their concern at the risk of losing vital

domestic industrial policy space. The need for increased coordination and action by trade unions from TPPA countries was emphasised. A working group holding regular conference calls in order to coordinate union work with regard to the TPPA has since been established.

140. In the concluding discussion, several participants called for APLN members to take a much more aggressive approach with their governments if union proposals for a Labour Forum were to prevail. It became clear that a continuous input was required, not just a meeting with governments once a year. Finally, it was noted that the government of China was beginning to implement a fairly large-scale APEC Skills Development Project, in which unions needed to ensure they were fully informed and involved.

ANNEX I

The New Zealand proposals for Trade Union Participation in APEC (2004)

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 16th 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.

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” (APEC document, October 2009)

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 programmes	Training programmes	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

ANNEX IV – ITUC/APLN letter to request non-member participation in APEC HRDWG, February 2010

4 February 2010

Application for guest participation in the APEC Human Resource Development Working Group

Dear Ambassador Muhamad Noor Yacob,

I have pleasure in applying for guest participation in the APEC Human Resource Development Working Group (HRDWG) on behalf of the ITUC Asia Pacific Labour Network (ITUC/APLN).

The Asia Pacific Labour Network (ITUC/APLN) was established in 1995 in order to support and promote the work of trade unions of APEC region in their dialogue with governments, business and other groups involved in the APEC process. It falls under the subcategory “Business and other private sector representatives who are not included as members of economy delegations” of the Revised Consolidated Guidelines on Non-Member Participation in APEC Activities as approved by the 20th APEC Ministerial Meeting in Lima held on November 19-20, 2008.

The ITUC has long-standing experience in handling labour issues such as human resources development, effective industrial relations management, social safety nets creation, occupational health and safety, corporate social responsibility and other fields closely related to the activities of the Human Resources Development Working Group. Therefore, I am confident that the participation of the ITUC as a guest in the APEC Human Resource Development Working Group will strengthen the quality of APEC’s work by drawing on relevant insight and expertise and would enhance the understanding of APEC’s work through providing the perspectives of stakeholders.

Since its creation, the Asia Pacific Labour Network has been following APEC activities closely and has successfully held meetings with and conveyed its opinions to the hosts of the APEC Leaders’ Meetings for fourteen consecutive years, from Osaka in 1995 to Singapore in 2009. On almost every occasion, we have been received by the Head of State or Government of the host country. On 27 October 2009, we held a meeting with Prime Minister Lee Hsien Loong on the occasion of Singapore’s chairing of the APEC Leaders’ Meeting in 2009.

The APLN consists of the affiliates of the ITUC in Australia, Canada, Chile, Chinese Taipei, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Peru, Philippines, Russia Singapore, Thailand, and the United States of America, together with the associated sectoral unions grouped in the Global Unions Federations (GUFs).

The International Trade Union Confederation (ITUC) was set up in 2006 as the result of the unification of the International Confederation of Free Trade Unions (ICFTU) and the World Confederation of Labour (WCL). The ITUC represents 175 million

workers in 155 countries and territories and has 311 national affiliates. For more details, please find attached a description of the ITUC.

I trust you can give this application your due consideration, and I look forward to hearing from you.

Yours sincerely,

A handwritten signature in black ink that reads "Guy Ryder". The signature is written in a cursive style with a checkmark-like flourish under each name.

General Secretary

ANNEX V

**INTERNATIONAL TRADE UNION CONFEDERATION/
ASIA PACIFIC LABOUR NETWORK (ITUC/APLN)****STATEMENT OF THE ITUC ASIA PACIFIC LABOUR
NETWORK****TO THE 2011 APEC ECONOMIC LEADERS' MEETING****(Honolulu, USA, November 12–13, 2011)****INTRODUCTION***A priority: tackling the financial and economic crisis*

It is critical that the world's major economies maintain their actions to create employment and avert renewed global recession. APEC Leaders must rise to the challenge and work on measures to strengthen demand and create quality employment in line with the ILO Global Jobs Pact. In order to create a sustainable economic model the Leaders need to support downsizing and strongly regulating the financial sector and bring it back to its original role of serving the real economy.

Social justice and workers' rights as the basis of regional and global trade

Efforts to liberalise trade both in APEC generally and in the Trans-Pacific Partnership (TPP) bringing together nine APEC members are intensifying. APEC Leaders must recognise the need to give the highest policy priority to achieving social justice through the creation of decent work for all, based on the full respect of fundamental workers' rights. We cannot afford and will not accept another trade agreement that privileges substantial new opportunities for investors over good jobs for workers.

Green jobs, skills and technologies for sustainable development

The leaders of APEC should actively engage in promoting an environmentally sustainable economic model through investment in new skills and practices, the creation of green jobs, and the promotion of energy efficiency and renewable energy creation as well as the advancement of other green technologies to address the causes of climate change.

Trade unions need consultative status in APEC

The member states of APEC must provide space for the participation of democratic and representative trade union organisations in APEC by agreeing on a new body with consultative responsibilities as a counterpart to the APEC Business Advisory Council (ABAC). The member economies should establish an APEC Labour Forum in order to hold an effective dialogue with representatives of the workers of the region.

RECOMMENDATIONS OF THE ITUC ASIA PACIFIC LABOUR NETWORK

The ITUC/APLN urges APEC Leaders to use the APEC forum to achieve economic recovery, promote decent work, establish effective rules for the global economy and strengthen labour market security, with full involvement of trade unions in APEC economies. As immediate points for action – and as steps in the best way to a stronger community, a more sustainable future – the ITUC/APLN calls on APEC Leaders to:

- 1) Take effective measures to respond to the global economic and financial crisis and re-regulate the financial system;
- 2) Adopt concrete measures in order to promote labour participation in APEC including the establishment of an APEC Labour Forum;
- 3) Work for the ongoing Trans-Pacific Partnership negotiations to produce a truly 21st Century trade model – one that promotes the creation of good, green jobs, protects the rights and interests of working people, leads to long-term, balanced economic growth and development and promotes a healthy, sustainable environment – and furthermore promote fundamental workers' rights⁴ in all regional, bilateral or multilateral trade agreements and economic integration processes, including in the planned Free Trade Area of the Asia-Pacific;
- 4) Tackle climate change and global warming in an ambitious and comprehensive manner, including through the creation of green jobs and skills;
- 5) Strengthen the building of the labour market, develop active labour market policies, improve employment services and enhance workers' skills, as part of implementing the APEC human resources development (HRD) agenda with full consultation and meaningful participation of social partners, including an APEC policy initiative to integrate the unemployed, young people, women, migrant workers and precarious/informal workers into employment and train the labour force for new skills and technologies;
- 6) Put strong emphasis on the creation of decent and productive employment through developing a comprehensive APEC Decent Work Strategy;
- 7) Address informal and atypical forms of employment and undertake a comprehensive APEC Action Plan to promote formalisation of economic and labour activities;
- 8) Develop APEC guidelines to ensure the proper implementation of non-discriminatory policies in member economies and to avoid the worsening of income inequality;
- 9) Put strong emphasis on the establishment of a Social Protection Floor and introduce APEC Social Safety Net Guidelines to assist APEC Economies to reinforce social protection systems.

¹ Fundamental workers' rights, also known as core labour standards, are internationally-agreed fundamental human rights for all workers, irrespective of countries' level of development, that are defined by the ILO Conventions that cover Freedom of Association and the right to collective bargaining (ILO Conventions 87 and 98); the elimination of discrimination in respect of employment and occupation (ILO Conventions 100 and 111); the elimination of all forms of forced or compulsory labour (ILO Conventions 29 and 105); and the effective abolition of child labour, including its worst forms (ILO Conventions 138 and 182).

Recommendation 1: Take effective measures to respond to the global economic and financial crisis and re-regulate the financial system

Promote balanced current accounts and demand-led growth

The APEC Finance Ministers have underlined that “Economies with current account surpluses need to reduce their reliance on external demand and undertake structural reforms that catalyse stronger domestic demand-led growth, such as enhancing infrastructure finance and strengthening social safety nets.” Indeed, many APEC Economies could contribute to the re-balancing of the world economy by promoting policies that would support lower-paid workers and peasants in improving their livelihoods and lifting them out of poverty.

Re-regulate and downsize the financial sector, increase regulation of capital flows and introduce a financial transactions tax (FTT)

APEC Finance Ministers have stressed that due to the significant volume of net capital flows in emerging economies of the region, the risk of capital flow volatility and asset prices have increased. The Ministers agree that financial reforms are needed. APEC Leaders should support measures that will downsize the financial sector and return it to its legitimate role: serving the real economy. In this context, the role of credit rating agencies in creating the crisis needs to be re-examined and criteria should be set regarding qualification to make ratings. Instead of fiscal austerity policies and increased expenditure cuts APEC economies should introduce new sources of funding such as a Financial Transactions Tax (FTT), and raise more revenue with more progressive tax systems and elimination of tax havens.

Discourage layoffs and protect minimum wages

As unemployment rates in APEC economies remain high, APEC Leaders must take measures to secure the livelihoods and the employment of workers in times of economic crisis. Flexibilisation of the labour market and the promotion of contractual labour are not solutions; along with the creation of decent, productive employment and green jobs, paramount importance must be given to protecting existing jobs and wage levels, on the basis of the ILO Global Jobs Pact agreed by the International Labour Conference in June 2009. Efforts must be made to address the increasingly widening income gap through minimum wages and the improvement of social dialogue and collective bargaining systems, to ensure workers’ real wages increase. Particular attention should be given to the better integration of women, youth and disadvantaged groups in the workforce.

Support quality job creation

The ITUC/APLN calls for ambitious decent work plans at national and regional level and underlines the crucial role of decent work in achieving full and sustainable economic recovery. Consequently, fiscal expenditure should be better oriented towards quality job creation and new investments should be made in public works, including large-scale labour intensive investments for the development of “green” infrastructure with a view to creating employment quickly. Further to this, investments need to be made in social and human infrastructure. As the 18th APEC Leaders’ Declaration (Yokohama, 13-14 November 2010) stresses, “[u]nder our human resource and entrepreneurship development agenda, we will implement policies that will enable us to create more and better jobs, enhance education and training with equal opportunities for women, youth, the elderly, and all other sectors and improve social safety nets”.

Recommendation 2: Adopt concrete measures in order to promote labour participation in APEC including the establishment of an APEC Labour Forum

Promote workers’ participation throughout the APEC process

Since its creation in 1995, the ITUC/APLN has been striving to make workers’ views heard in APEC, through representations to governments at the national level, by consultations with the

hosts of APEC Summits² and in contributions to the work of APEC on Human Resources Development³. In 2008, the Peruvian hosts of APEC proposed broadening participation in the construction of the APEC community to other actors, including representatives of civil society and democratic and representative trade union organisations in APEC's processes. In its capacity as Summit host, the Government of Peru took a positive position with regard to consultative status for the Asia Pacific Labour Network as the legitimate voice of workers of the region. The absence of a formal trade union advisory mechanism not only contrasts with the privileged access benefiting business via the APEC Business Advisory Council (ABAC), but also with sister fora such as the Organisation for Economic Cooperation and Development (OECD)⁴ and the Organization of American States (OAS) where unions have an official advisory status. APEC Leaders must now agree to take concrete measures to further promote workers' participation throughout the APEC process.

Set up a permanent consultative APEC Labour Forum

The ITUC/APLN calls on Leaders to endorse the establishment of an APEC Labour Forum, in the form of an APEC formal consultative mechanism with trade unions comparable with the arrangements for access by ABAC and based on the criteria agreed by APEC's trade union movement (see Annex II), that would follow the practices of the ILO with respect to the most representative trade union centres of APEC Economies. Leaders should agree to instruct their Senior Officials to work in consultation with the ITUC/APLN to establish an APEC Labour Forum.

Enable trade union participation in APEC committees and working groups

Furthermore, in addition to the HRD process discussed below, APEC Leaders should instruct their Senior Officials to allow and promote the representation of trade unions on selected APEC committees, working groups and Ministerial meetings.

Recommendation 3: Work for the ongoing Trans-Pacific Partnership negotiations to produce a truly 21st Century trade model – one that promotes the creation of good, green jobs, protects the rights and interests of working people, leads to long-term, balanced economic growth and development and promotes a healthy, sustainable environment – and furthermore promote fundamental workers' rights in all regional, bilateral or multilateral trade agreements and economic integration processes, including in the planned Free Trade Area of the Asia-Pacific

Fundamental workers' rights - the basis of creating a rule-based framework for globalisation

APEC remains engaged in a process designed to lead towards the Bogor goals of free, fair and open trade and investment. In light of the continuing standstill in World Trade Organization (WTO) negotiations, APEC Leaders have once more encouraged Senior Officials to accelerate work to strengthen and deepen regional economic integration and address barriers

² The ITUC/APLN has discussed its recommendations, in the form of annual trade union statements, with the Heads of States or Governments hosting annual APEC Leaders' Meetings in every year since 1995, except in 2001 when the ITUC/APLN met the Chinese Vice Premier, in 2003 when the Thai Prime Minister designated his Labour Minister to meet the ITUC/APLN and in 2007 when the ITUC/APLN met Kevin Rudd, who became Australian Prime Minister shortly afterwards.

³ Trade union inputs to HRDWG have included an informal presentation by the AFL-CIO President at the 3rd HRD Ministerial Meeting (Washington D.C., 1999), an informal consultation with representatives of RENGO, Japan at the 21st HRDWG (Sapporo, 2000), an informal consultation with the RENGO President at the 4th HRD Ministerial Meeting (Kumamoto, 2001), a presentation of the AFL-CIO International Committee's Chair at an APEC symposium preceding the 23rd HRDWG (Washington D.C., 2001), and participation in a seminar on the occasion of the 33rd HRDWG (Washington D.C., 7-11 March 2011).

⁴ Eight APEC countries out of 21 are members of the OECD.

to trade and investment. At the same time nine APEC Economies seek complementary alternatives to multilateral trade liberalisation by engaging in negotiations to establish the Trans-Pacific Strategic Economic Partnership (TPP). However APEC governments have yet to recognise that a strong social dimension embracing decent work and respect of fundamental workers' rights is essential to achieve a healthy, stable and inclusive regional economic integration. All APEC governments, as well as employers and trade unions, must reaffirm their pledge to respect, realise and promote fundamental workers' rights made in the adoption of the ILO Declaration concerning Fundamental Principles and Rights at Work (1998) and reiterated in the ILO Declaration on Social Justice for a Fair Globalisation (2008) and the ILO Global Jobs Pact (2009).

Include fundamental workers' rights in the APEC and TPP agendas

Many fundamental Conventions of the ILO remain to be ratified and, even if ratified, to be fully applied in APEC Economies. APEC Leaders should agree to include the promotion of the ratification and application of fundamental workers' rights in the APEC agenda as part of an expanded agenda on labour and social issues. Moreover, the Leaders of the TPP should agree to refrain from liberalising trade and investment to the detriment of workers. The ITUC/APLN calls on the TPP Leaders to mandate the inclusion of an ambitious labour chapter that will make the TPP a truly model trade agreement for the 21st century and will set the standard for future agreements worldwide.

Support the inclusion of labour and social issues in the WTO

A significant contribution which the Leaders' Meeting could make to reinforce the long-term sustainability of the WTO would be to support taking employment issues into account in future trade negotiations, and thus strengthen the analysis of the impact of trade on employment and sustainable development within the WTO. Assessments of the Doha Round of WTO negotiations show that the presumed benefits of trade liberalisation increasingly appear vague and that multilateral trade negotiations are being abandoned because they cause more job destruction than job creation. APEC Leaders should recognise the need for the WTO to begin a dialogue in this area. They should recommend that the WTO set up a committee on trade and employment that could seek to analyse and anticipate the impact of trade liberalisation on the level and quality of employment, and make recommendations to the WTO General Council accordingly.

Ensure that RTA/FTA negotiations are transparent and reflect the views of civil society, including trade unions: For too long, civil society organisations, including trade unions, have been excluded from any meaningful participation in trade agreement negotiations. Despite our best efforts to date, the negotiating texts remain secret, engagement is all too infrequent, and the views of civil society, from what we can ascertain, have not been duly considered and incorporated in the negotiations. As with the Free Trade Area of the Americas (FTAA) negotiations, draft texts should be made available for public review and comment. Governments must conduct regular and meaningful consultations with their respective civil societies throughout the negotiations. Governments must also comply with their international obligations to consult with indigenous persons, as required by, inter alia, ILO Convention 169. Finally, the respective legislatures must have an opportunity to conduct full and open hearings and to amend the agreement – consistent with their constitutions and laws.

Include provisions on the protection of labour rights in all RTAs/FTAs

Regional Trade Arrangements, including the TPP, and Free Trade Agreements (RTAs/FTAs) must contribute to promoting sustainable development and improving living standards and working conditions of workers in all Economies participating in them. RTAs/FTAs should not only contain obligations with regard to national labour laws but also to internationally recognised core labour standards, as well as a mechanism to institutionalise the participation of the social partners in the process of surveillance. APEC Economies should also commit to promote labour standards with a view to achieving convergence in performance across the

region. Hence, the RTAs/FTAs should guarantee resources aiming at building the Economies' capacity to oversee the application of labour standards and enforce labour laws, especially in Economies where law enforcement problems are reported. In the region there already exist some FTAs that contain such clauses⁵, although in every case these are extremely weak and so far have proven ineffective to defend workers' rights. Therefore, the *Draft Model Labour Measures for RTAs/FTAs chapters*⁶ need to include strong commitments to pursuing labour protection consistent with internationally recognised labour principles and rights, meaning that every APEC member's laws and regulations must be in line with the relevant ILO Conventions and that laws should be applied and enforced. RTAs/FTAs should also include effective dispute settlement mechanisms to enforce these obligations.

Ensure that RTAs/FTAs do not otherwise effect negatively workers and consumers:

Trade unions know from experience that many provisions of trade agreements affect workers beyond the labour chapters. For example, intellectual property rules and other provisions in trade agreements have threatened the ability of governments to supply essential medicines to their populations at an affordable cost. Further, services rules have opened up important public services to private investors, which have affected negatively both public sector workers and the consumers of those services. No agreement should pose obstacles to prudent financial regulation (or re-regulation) or limit tools such as capital controls which are at times necessary to establish financial stability. Investment chapters have also provided foreign investors with substantial new rights and empowered them to sue governments in international tribunals over legitimate laws and regulations that may have the effect of diminishing their profitability. The attached Joint Trade Union Declaration adopted by the trade union organisations of countries negotiating the TPP provides, in further detail, what should and should not be included in future trade agreements.

Build equal judicial access for business, unions and other legal entities

The ITUC/APLN urges the APEC Leaders to ensure that any measures to render the existing FTAs more business-friendly must not further worsen the conditions or wages of employees and must ensure that provisions on the protection of labour rights are incorporated. Bilateral investment treaties (BITs) need to incorporate clauses that require governments not to lower labour standards in order to attract foreign investors. Bilateral investment treaties (BITs) need to incorporate clauses that require governments to respect the ILO core labour rights in law and in practice, as well as to commit themselves not to derogate, or offer to derogate, from these rights in order to attract foreign investment. Moreover, there should be no investor-to-state judicial mechanisms foreseen in any agreements other than the national juridical system. Access to any dispute mechanism should be provided to all, including trade unions and environmental groups, and their scope should be extended to the application of social and environmental provisions.

Assess the impact of agreements on quality of employment and decent work

APEC and its Economies must provide for an impact assessment of all trade and investment agreements, including the TPP as well as a potential Free Trade Area of Asia and the Pacific (FTAAP), on employment, the level of development and the creation of decent work, instead of solely the impact on trade balances.

⁵ Such agreements incorporating labour clauses include NAFTA; the Canada-Peru free trade agreement; and the various free trade agreements negotiated by New Zealand.

⁶ Called for in Busan in 2005, and discussed at the 20th APEC Ministerial Meeting (Lima, November 2008) and the 31st HRD Working Group (Chicago, June 2009)

Recommendation 4: Tackle climate change and global warming in an ambitious and comprehensive manner, including through the creation of green jobs and skills

Contribute to the conclusion of an ambitious and comprehensive agreement at the Rio+20 Conference

In light of the outcome of the 16th Conference of the Parties (COP16) of the United Nations Framework Convention on Climate Change (UNFCCC) (Cancun, December 2010), it is clear that progress on tackling climate change depends on delivering financial resources. A significant contribution that APEC Economies could make to mitigate climate change would be to support an ambitious and comprehensive agreement at the Rio+20 Climate Change Conference in 2012. In Rio de Janeiro, the APEC Leaders should be united in their commitment to support massive investments to boost the green economy, which would also create millions of green and decent jobs. APEC Economies should forge a consensus to introduce innovative financial resources, including a tax on financial transactions, and enhance the progressivity of their tax systems. In order to take a holistic approach towards sustainable development, which encompasses a social dimension, the Leaders should support a universal social protection floor that would also improve APEC Economies' adaptive capacities to climate change.

Develop policies for energy efficiency and renewable energy

APEC must work toward long-term energy plans within a sustainable development framework that achieves energy security and environmental protection and that is compatible with full and decent employment. Policies must ensure secure, clean, environmentally friendly and affordable energy, based on the development of renewable energy sources. And policies must, through effective and enforceable agreements, ensure investment in emerging industries and in infrastructure and the creation of green and decent jobs, social protection measures through education and training investments as well as social dialogue.

Ambitious, just transition needed more than ever, with creation of green jobs and investment in human resources

APEC should increase its efforts to promote green and decent jobs within its sphere of actions. However, the transition to a low carbon economy and the development of appropriate technologies and employment risks creating a labour market of two speeds. Soon, if not already, the skills and qualifications of employees of the older generation will become obsolete and these employees will face increasingly great difficulties to remain employed. In order to ensure that there is a just transition to a green economy, and with a view to facilitating the adaptation of the labour force to the changing labour market, the ITUC/APLN urges APEC Leaders to mandate the HRDWG to put a strong stress on green skills in its activities. In full consultation with the social partners the HRDWG should develop policies and actions that expand quality education and training programmes for workers and unemployed persons, especially women and youth, to operate effectively in green jobs. Policies must be based on multilateral approaches, consultation of the social partners and joint investments by key national and regional actors.

Promote workplace action for energy efficiency, recycling and waste management with consultation with labour

APEC has already undertaken research on the recycling-based economy (RBE) in order to identify opportunities, challenges, and capacity building needs and share best practices. The Leaders should build on successful experiences and endorse energy efficiency, recycling and waste management projects at the workplace level, as well as the sectoral and local levels. At the workplace, such measures should be developed jointly between employers and trade unions with a view to ensuring that such measures and policies are applied effectively. Similarly at the level of individual economies, resource efficiency and technological innovation should be promoted in a way that supports employment after dialogue with the social partners.

Recommendation 5: Strengthen the building of the labour market, develop active labour market policies, improve employment services and enhance workers' skills, as part of implementing the APEC human resources development (HRD) agenda with full consultation and meaningful participation of social partners, including an APEC policy initiative to integrate the unemployed and young people into employment and train the labour force for new skills and technologies

Hold the APEC HRD Ministers' Meeting with full and meaningful consultation of trade unions

APEC has recognised the importance of human resource development (HRD) since its creation and has worked in this field through the activities of its HRD Working Group (HRDWG) and the discussions of the APEC HRD Ministers' Meetings (HRDMM). However, while Trade Ministers meet on an annual basis to facilitate the process towards the Bogor goals of free and open trade and investment, the HRD Ministers decided last year to resume their meetings but only every 4 years. Given the key role of employment creation both in achieving recovery and in mitigating social tensions, HRD Ministerials need to be held annually henceforth. As trade unions are natural partners in promoting HRD, the HRDMMs should be held with full consultation and meaningful participation of social partners.

Developing 21st century skills and competences in APEC

APEC's HRDWG has been active in developing the "21st Century Skills and Competences For All", an effort to define necessary qualities of the future worker and integrate them into education in order to start preparing the labour force for future challenges. Understanding the pressing problem of youth unemployment, the Lead Shepherd of the 33rd HRDWG suggested the linkage of jobs and education as a tentative theme of the next APEC Education Ministerial Meeting. The ITUC/APLN welcomes APEC's work on enhancing human capital and calls for further resources to be invested in this effort, with full participation of the social partners.

A new dimension in APEC members' economic integration

APEC has adopted a primarily market-led agenda and gives lower priority to social goals such as achieving full and productive employment and environmental and social sustainability. This imbalance must be redressed. APEC has been evolving from an organisation solely concerned with commerce into one which seeks to create regional consensus on issues varying from the political and security domain to education, social security and public health. APEC members must incorporate an adequate social dimension into their economic integration. APEC Leaders must agree to address the linkages between growth, investment, and decent employment creation, with the involvement of the International Labour Organisation (ILO) and social partners in the region. Moreover, the Leaders, Ministers and APEC bodies should involve trade unions and civil society in creating a strong social and environmental dimension in APEC's work and make use of the expertise and ideas residing in such organisations. Furthermore, the ITUC/APLN is concerned at the growing interlinkages between APEC and the "Doing Business" secretariat of the World Bank, as considered at APEC's Economic Committee. We insist that the "Employing Workers Indicator" (EWI) of the Doing Business report, now disavowed even by the World Bank itself, must not be used in any investment study conducted by APEC.

Invest urgently in training schemes and employment services to prevent long-term unemployment

After the onset of the financial and economic crises it is particularly urgent to take active measures to integrate unemployed people into the job market, with special attention given to preventing unemployment from becoming long-term. A particularly important effort is required to enable women and young people to overcome the specific obstacles they face in the labour market. Measures should include:

- Early identification of needs of the unemployed and provision of services such as guidance, job search assistance and personalised action plans;

- Accessible training and retraining programmes for all people to enhance their employability and chances of integration into the jobs market, with a special focus on creating the new skills required for green jobs;
- Improved labour market institutions, particularly employment services;
- Specific action programmes to enable women to participate in the labour market on a greater scale and to achieve equal treatment and wages;
- Targeted youth training and skills enhancement programmes to overcome unemployment and low-wage employment among young people;
- Regular evaluation and review of the effectiveness and efficiency of labour market programmes.

Recommendation 6: Put strong emphasis on the creation of decent and productive employment through developing a comprehensive APEC Decent Work Strategy

Tens of millions are working in EPZs in the APEC region without effective labour protections

More than 60 million workers are now employed in Export Processing Zones (EPZs) around the world, and some 52 million are working in the APEC region⁷. Trade union organising is either prohibited or made impossible to exercise, and the great majority of workers in EPZs are denied by law or in practice the protection of ordinary workers' rights. As a result, many EPZs essentially attract footloose investment and have a different class of enterprises that builds their success on the exploitation of a cheap and compliant workforce. Women are the most frequent victims of exploitative, dangerous and sometimes brutal practices, as they constitute about 80% of the total workforce in EPZs. There are excessive efforts in many APEC economies to lower regulations, taxes, environmental protection and labour standards to attract investment. This tendency only aggravates the precariousness of jobs and makes the preparation and adoption of APEC Decent Work Guidelines more important than ever before.

An ambitious APEC Decent Work Strategy

In this regard, APEC must start an initiative for effective policies to promote decent work in EPZs and elsewhere. The Leaders should adopt a Strategy for the creation of decent jobs and the transformation of millions of precarious and informal jobs into decent employment. Among other elements, the Strategy should develop a framework for responsible foreign direct investment (FDI) that promotes decent work and ensures that enterprises contribute to economic and social progress through investment and technological upgrading. Special provisions should be put in place to address issues of labour standards' violations, with a focus on rights and working conditions of female workers. The Strategy should also comprise measures to facilitate the adoption of ambitious decent work plans at national and regional level with the guidance of the ILO and the participation of social partners. Such measures should aim at updating and amending laws to better protect core labour standards, strengthening law inspection to guarantee respect for fundamental workers' rights, increasing employment through higher skills and training, adopting and improving social dialogue procedures on all levels and promoting social protection. In order to effectively promote decent work, APEC should develop and implement comprehensive APEC Decent Work Guidelines aiming at strengthening the social dimension of APEC trade and investment initiatives in line with the Decent Work Agenda. Involvement of social partners is essential to the success of such a Strategy.

⁷ ILO database on export processing zones, ILO, April 2007, available at: <http://www.ilo.org/public/english/dialogue/sector/themes/epz/epz-db.pdf>

Recommendation 7: Address informal and atypical forms of employment and undertake a comprehensive APEC Action Plan to promote formalisation of economic activities

Informality and precarious forms of employment are the causes of poverty

There are hundreds of millions working in precarious and informal conditions all over the Asia-Pacific region, particularly in developing economies. Precarious/informal employment is characterised by unstable labour relations, unsafe and unhealthy working conditions, long working hours, low levels of skills and productivity and low wage and social security levels. Most of the workers are trapped into poverty because they lack access to rights, finance, markets and technology. Precarious and informal workers also lack access to publicly provided health care and social protection and, hence, they are vulnerable to even small economic or health shocks. In the many cases where such unprotected workers do not have access to education for their children, poverty is reproduced in subsequent generations. Women, and increasingly young people, are the most frequent victims of informality and any action to address the problem needs to have a strong gender and youth dimension.

Informality and atypical forms of employment are on the rise

The most recent ILO data⁸ show that informal employment is on the rise in virtually all APEC economies. In developing APEC economies, the number of workers in vulnerable and informal employment is estimated to have risen, whereas in developed economies precarious and part-time work and unemployment increased strongly at the height of the crisis and is still growing.

A comprehensive APEC Action Plan focusing on women

APEC Leaders should mandate a comprehensive Action Plan to be carried out in cooperation with the ILO and social partners to achieve the formalisation of employment. The key to reducing informality is to extend the protection of the law to all workers - as well as, in many cases, to their employers who generally lack legal recognition as well. Technical assistance and capacity building projects are important with emphasis on the promotion of decent work for women. Economies with lower levels of informality should share their expertise and assist economies with graver problems, including simplification of legal and administrative systems. The Plan should encourage the organising of workers and self-employed persons in disguised employment relationships, with changes in the legal framework so as to enable more workers to join trade unions and to participate in genuine collective bargaining. The mandate should also address issues of financial inclusion. Attention should also be paid to the issue of universal access to financial services. Precarious/informal workers, women and the self-employed should be assisted to have access to sound and high-quality financial services with their dignity fully respected.

Recommendation 8: Develop APEC guidelines to ensure the proper implementation of non-discriminatory policies in member economies

Gender inequality is evident throughout the APEC region

Gender inequality is evident throughout the APEC region in terms of access to resources, educational opportunities and leadership positions. At the current time, the application of fiscal austerity programmes is having a negative impact on the situation of women at work and in society because they adversely affect levels and conditions of employment in sectors where women are highly represented, and they reduce the provision of public services on which women are disproportionately dependent, particularly because of their unequal assumption of family responsibilities.

⁸Global Employment Trends 2011: *The challenge of a jobs recovery*, available at: http://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/@publ/documents/publication/wcms_150440.pdf

APEC guidelines to ensure the proper and effective implementation of non-discriminatory policies

We acknowledge initiatives taken by APEC to address gender equality through the work of the Gender Focal Point Network (GFPN). However, the Network is confined to promoting gender integration across various APEC bodies. APEC Leaders must agree to advance the initiatives so as to develop APEC guidelines for adequate measures and comparative data collection to achieve the proper implementation of non-discriminatory policies in member economies. Such mechanisms should also be extended to vulnerable groups facing discrimination on grounds other than gender.

The APEC Women and the Economy Summit (WES)

The APEC Women and the Economy Summit (WES) discusses a range of issues, including access to finance, access to markets, capacity and skills building, and women's leadership. The WES will also address innovation, green growth, technology, entrepreneurship, and public-private partnerships. Regrettably, the Summit is designed only for women leaders in businesses and senior government officials. Thusly, APEC forgets the majority of women in the APEC region who face discrimination, poor working conditions and long hours, and a considerable pay gap, and are the most common victims of poverty. The ITUC/APLN urges APEC to take up the issue of women's empowerment and gender inequality and design policies to address the real issues that women face.

An APEC framework for a rights-based approach to labour migration

Migration represents both challenges and opportunities in the Asia-Pacific. While migration can benefit workers in both sending and receiving economies, far too often it is a last resort for people who are unable to find work at home and therefore are left open to exploitation in foreign lands, in sectors ranging from construction to domestic work. Frequently, migrants work in the informal economy and are discriminated against, and may even be victims of forced labour. APEC Leaders must agree to develop a framework for migration which takes account of national labour market needs, with reference to the Conclusions on a Fair Deal for Migrant Workers that were adopted at the 92nd International Labour Conference in 2004 and the ILO Multilateral Framework on Labour Migration adopted in 2005, with full application of national labour laws and working conditions without discrimination. Such a framework should be drawn from available information on policy and best practices in economies in international migration, existing proposals to enhance the economic benefits of migration and relevant international standards, including the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families⁹ and ILO Conventions Nos. 97¹⁰ and 143¹¹. The ITUC/APLN considers that APEC Leaders should pay attention to the poor ratification rate of these international standards in APEC economies. APEC member economies should work out a timetable for their ratification and should further promote balanced industrial development and decent work so that any migration is undertaken voluntarily and not as an obligation to escape misery or repression.

⁹ Ratified by 43 countries, including Chile, Indonesia, Mexico, Peru and Philippines in the APEC region

¹⁰ Migration for Employment Convention (Revised), 1949 (No. 97), ratified by 49 countries, including New Zealand, Malaysia and the Philippines in the APEC region

¹¹ Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), ratified by 23 countries, including only Philippines in the APEC region

Recommendation 9: Put strong emphasis on the establishment of a Social Protection Floor and introduce APEC Social Safety Net Guidelines to assist APEC Economies to reinforce social protection systems

Growing global understanding of the necessity of a social protection floor

The 5th APEC Human Resources Development (HRD) Ministerial Meeting (Beijing, China, 16-17 September 2010) recognised the important role that social safety nets played in the crisis, especially for vulnerable groups. Social protection systems are seen as “*economic automatic stabilizers, by contributing to aggregate demand, elevating social inclusion and enabling people to take advantage of market opportunities and share in the benefits of economic growth*”¹³ while they also promote labour mobility and job creation. The social protection floor (SPF) should be the core of national development strategies. Countries should gradually address the differentiated levels of social benefits in a coherent, consistent and efficient way so as to optimise limited resources and reduce the poverty and insecurity of vulnerable groups. There is increasing global understanding¹² that the establishment of a universal social protection floor and the improvement of existing social protection systems would deliver a great deal in achieving more balanced growth.

An APEC series of actions on active social protection measures

The 5th HRDMM decided to work to improve the adequacy of social protection and the design and delivery of social protection programmes, and to link employment to social protection policies to exploit potential synergies. The Action Plan foresees a series of actions with regard to active social protection measures. The ITUC/APLN welcomes the HRDMM’s Action Plan (2011-2014) and its Social Safety Nets agenda. Holding such actions with the participation of the social partners would increase the quality of their outcome and the ownership of the actions. The ITUC/APLN could share expertise in extending access to social protection to the self-employed¹⁴ and informal workers¹⁵, as well as their endeavours to extend social protection to migrant workers and to help enhance pension systems¹⁶. The indispensable advice of ILO on this issue needs to be incorporated as well.

Introduce APEC Social Safety Net Guidelines

The ITUC/APLN believes that the knowledge gained through the above actions should be summarised into APEC Social Safety Net Guidelines that would assist APEC economies of different development levels in conceiving, initiating, and delivering various forms of social protection. The HRDWG should work closely with the APEC Gender Focal Point Network, the social partners and gender-based NGOs in identifying the gender dimension of labour markets and providing high-effectiveness social protection to women. This joint endeavour needs to be undertaken in order to achieve effective social safety nets which respond to the needs of workers, such as adequate unemployment insurance schemes, health care, old age and retirement benefits and education. Active labour market policies, including the provision of worker-friendly employment services/guidance and vocational training and retraining and the implementation of decent work creation measures, with a review process to promote the implementation of these guidelines in individual economies, could greatly assist the establishment of a social protection floor with universal coverage. APEC should develop mechanisms to raise funds through multiple channels for the sustainable development of social security systems.

¹³ Joint Ministerial Statement, APEC 5th HRDMM

¹² The G20 Seoul Action Plan includes action on social protection. The 16th ASEAN Leaders Summit called for the strengthening of social protection systems. The ASEM8 Leaders’ Statement also endorsed the need for social protection.

¹⁴ Trade Union Congress of the Philippines (TUCP – Philippines)

¹⁵ Confederation of Prosperous Indonesian Labor Unions (KSBSI – Indonesia)

¹⁶ All-China Federation of Trade Unions (ACFTU – China)

CONCLUSIONS

Strengthening the social dimension of APEC and achieving a genuine partnership with workers and their trade unions

In practice, business promotion remains predominant in the APEC process. APEC Leaders must correct the distortion and redirect APEC so as to achieve the overarching and interrelated objectives of growth that is both equitable and sustainable, and thereby narrow the gaps between and within member economies. This can be done only through strengthening the social dimension of APEC and achieving a genuine partnership with workers and their trade unions in the region. The ITUC/Asia Pacific Labour Network (ITUC/APLN) is ready to make a commitment to that end.

Achieving recovery from the economic crisis

APEC needs to play a key role in concrete measures to achieve recovery, to reduce the social impact of the unprecedented triple economic, employment and climate crises and to promote the creation of decent work and green jobs as a response. Therefore APEC Leaders must work together to devise strong, effective and coordinated economic recovery programmes within the framework of a decent work agenda based on the ILO Global Jobs Pact.

ANNEX VI

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

**STATEMENT TO THE 34th APEC HUMAN RESOURCES
DEVELOPMENT WORKING GROUP (34th HRDWG)
Moscow, 5-10 February, 2012**

Introduction

“Growth and job creation have weakened in many economies, and significant downside risks remain...”

2011 Leaders' Declaration, Toward a Seamless Regional Economy

1. In light of the forthcoming meeting of the 34th APEC Human Resources Development Working Group (HRDWG), the International Trade Union Confederation / Asia Pacific Labour Network (ITUC/APLN) urges the Working Group to implement its work in consultation with the social partners and, taking into account the proposals laid out in this ITUC/APLN Statement, assist APEC Economies to:

- achieve employment-led growth and a recovery to the economic crisis,
- establish and improve social protection floors and achieve balanced growth,
- invest in skills creation
- promote cooperation and participation in human resources development

2. The ITUC/APLN fully shares and supports the APEC goals of achieving Balanced, Inclusive, Sustainable, Innovative, and Secure Growth. This declaration seeks progress towards those goals; the promotion of inclusive trade and investment policies would make a significant contribution to these ends.

3. At the APEC Leaders' Meeting of 2011, the Heads of State expressed their determination to spur growth and job creation. This ITUC/APLN declaration indicates priority actions to achieve those goals.

4. In 2010, the 5th Human Resources Development Ministerial Meeting (5th HRDMM) set the directions for the HRDWG's work until 2014. In their Declaration, the Ministers expressed their determination to move forward on the basis of the Global Jobs Pact and create decent and productive employment. The concept of Decent Work comprises the respect of rights at work, labour participation, social protection and high productivity.

5. The ITUC/APLN reiterates that the repeated calls from APEC Leaders and Ministers to achieve inclusive growth cannot materialise without meaningful inclusion and participation of labour constituents in the APEC process.

A. Achieving employment-led growth

“We will give more attention to employment intensive growth, as appropriate, and call for consideration of those policies which strengthen employability, productivity and labour force participation.”

5th Human Resources Development Ministerial Meeting

6. The global economy remains deeply fragile. In the 2011 Leaders’ statement it was recognised that *“significant downside risks remain, including those arising from the financial challenges in Europe and a succession of natural disasters”*. Although some economies phased out their crisis response measures, the crisis has marked the Asia - Pacific region with increasingly precarious, vulnerable, informal employment and underemployment. In East Asia, employment recovered better than in other regions, however, *“[a]round 50.8 per cent of the region’s workers are in vulnerable employment while [...] 204.2 million are living with their families on less than US\$ 2 a day.”*⁵ In South-East Asia employment recovery was more imbalanced and the region has experienced an *“increase in vulnerable employment, which accounts for roughly 62 per cent of the region’s employment”*.

7. In general, in Latin America recovery led to job growth but also to significant vulnerable employment. Under these conditions, measures to protect atypical workers and formalised employment arrangements are necessary, and Argentina and Brazil have shown that equity-oriented policies can reduce informality. According to the ILO, the Russian Federation and USA have not achieved pre-crisis employment levels. Furthermore, in the 2011 Trade Policy Review of Japan, the WTO called on the government to boost the number of full-time workers in order to stimulate domestic demand and achieve a more balanced growth.

8. With a view to promoting inclusiveness and policy coherence, the ITUC/APLN urges the 34th HRDWG to undertake research and experience-sharing projects with the social partners and international organisations, including the ILO. The ILO has valuable experience in fields in which the Ministers mandated action such as public employment services, labour market information systems and equitable and inclusive growth. Furthermore, trade unions could contribute to the achievement of the 5th HRDMM’s goals with their expertise in employment issues of youth, women, migrants and other vulnerable groups, as well as with their proposals on the development of new sectors, including the creation of green jobs. APLN members could also provide their national experiences and actions for creating and sustaining employment while the ITUC, the ITUC-Asia-Pacific and the Trade Union Confederation of the Americas (TUCA) could formulate region-focused approaches.

B. Improving Social Safety Nets and Achieving Balanced Growth

“We attach great importance to the role social safety nets play as a social and economic automatic stabilizer, by contributing to aggregate demand, elevating social inclusion and enabling people to take advantage of market opportunities and share in the benefits of economic growth.”

5th Human Resources Development Ministerial Meeting

⁵ ILO, Global Employment Trends, 2011: The challenge of a jobs recovery

9. The 5th HRDMM recognised the important role that social safety nets played in the crisis, especially for vulnerable groups. There is increasing global understanding⁶ that the establishment of a Social Protection Floor and the improvement of existing social protection systems would deliver a great deal in achieving more **balanced growth**. The Ministers indicated awareness of the different realities in Asia and in the Americas in terms of social protection and asked for improvement of the systems where they exist and access to basic social protection for all “*in economies where there is widespread informal employment*”.

10. Holding such actions with the participation of ABAC and the APLN would increase the quality of their outcome and the ownership of the actions. APEC trade unions could share their experiences in extending access to social protection to the self-employed⁷ and informal workers⁸, as well as their endeavours to extend social protection to migrant workers and to help enhance pension systems⁹. The indispensable advice of the ILO on this issue should not be overlooked either.

11. The APLN believes that the knowledge gained through these actions should be summed up in the form of APEC Social Safety Net Guidelines to assist APEC economies of different development levels in conceiving, initiating, and delivering various forms of social protection. The HRDWG should also work closely with the APEC Policy Partnership on Women and the Economy (PPWE), the social partners and gender-based NGOs in identifying the gender dimension of labour markets and providing highly effective social protection for women as well as men.

C. Investing in Skills Creation

“We will continue to foster a stronger partnership between governments, businesses, social organizations and training institutions so that there is a better skills match between education and training providers and employer needs.”

5th Human Resources Development Ministerial Meeting

12. Various governments and global institutions have been increasingly recognising human resources development as a means to social and economic progress. The growing global consensus on skills upgrading led the G20 to decide to take concrete action on promoting internationally comparable skills indicators and motivated China to emphasise the importance of promoting human resources development in APEC.

13. The APEC unions agree that productivity enhancing measures are essential to achieving decent work; besides, the APLN has been advocating the need for enhanced human capital and a value-added approach to economic growth for a long time. In addition to the ITUC’s work on green skills programmes, the national trade union centres of APEC also have experience in participating in the design and delivery of human resources development programmes. The APLN urges the HRDWG to consult and include trade unions in the delivery of the skills-related projects.

⁶ The G20 Seoul Action Plan includes action on social protection. The 16th ASEAN Leaders Summit called for the strengthening of social protection systems. The ASEM8 Leaders’ Statement also endorsed the need for social protection.

⁷ Trade Union Congress of the Philippines (TUCP – Philippines)

⁸ Confederation of Prosperous Indonesian Labor Unions (KSBSI – Indonesia)

⁹ All-China Federation of Trade Unions (ACFTU – China)

14. Moreover, priority attention should be given to the specific training needs of vulnerable groups, as well as the need to prepare the workforce with skills for sustainability in order for APEC to contribute to a just transition to a low carbon economy.

D. Promoting Cooperation and Participation in Human Resources Development

“We agree to convene a Human Resources Development Ministerial Meeting once every four years for high level policy dialogue and encourage intensifying exchanges and cooperation among officials, experts, social partners and other stakeholders.”

5th Human Resources Development Ministerial Meeting

15. Since its creation in 1995, the APLN has been striving to contribute to the attainment of APEC’s goals and make workers’ views heard through representation to economies at the national level and consultations with the hosts of APEC Summits. However, the absence of a formal trade union advisory mechanism not only contrasts with the privileged access benefiting business via the APEC Business Advisory Council (ABAC), but also with the practice of other fora and organisations¹⁰.

I. Establishment of an APEC Labour Forum

16. The APLN affirms that the creation of an APEC Labour Forum would improve the quality of APEC’s activities by drawing on relevant insight and expertise. It would enhance the understanding of and support for APEC’s work through openness and transparency and could amplify the perspectives of crucial APEC constituents on relevant issues. The APLN calls the 34th HRDWG to support the establishment of an APEC Labour Forum as a means to implement the Action Plan and the HRDMM mandate in the context of inclusive cooperation.

II. Labour participation in the APEC HRD Working Group activities

17. The ITUC/APLN notes that in 2009 APEC Leaders called for increased inclusiveness and that the HRDMM recognised at their meeting in Beijing that social and labour policies could be implemented most effectively through the partnership of governments, international organisations and social partners, and instructed the HRDWG to develop concrete measures to promote such partnerships. The implementation of the Ministerial mandate and the Action Plan is envisaged to take place through exchanges among officials, experts, social partners and other stakeholders. The ITUC/APLN calls on the Working Group to discuss possible ways of enhancing participation of social partners and other stakeholders in their work and reaching consensus on the need to involve labour in the implementation of the four-year Action Plan.

¹⁰ Among other examples, unions’ participation in the G20 has been formalized through the “L20” while unions have an official advisory status in the OECD through a “Trade Union Advisory Council”. Unions participate in a number of working level activities of ASEM and ASEAN. Another regional integration process, Mercosur, has also accorded official status to trade unions.

The APEC-wide Agenda: Achieving a Balanced, Inclusive, Sustainable, Innovative, and Secure Growth

In 2010 in Yokohama, APEC Leaders set out a vision for APEC to strengthen regional economic integration and achieve balanced, inclusive, sustainable, innovative, and secure growth. In 2011, our focus is on achieving concrete and meaningful results to translate this vision into reality.

2011 APEC Ministerial Meeting Statement

18. The process of globalisation has created benefits for many. Millions of people got an opportunity to lift themselves out of poverty, new products and services improved livelihoods and the world came closer. However, in this process many individuals and groups became marginalised and were excluded from the additional prosperity that globalisation created. In Asia and in Americas, globalisation created millions of new jobs but millions of individuals became employed remain poor. Now, there is growing understanding that growth needs to be balanced and inclusive as well as environmentally and socially sustainable.

19. Achieving inclusive growth requires that economies encourage income-led growth so as to follow a path that is consistent with full employment. Ensuring that government expenditure is focussed on targeted measures that stimulate the creation of decent work would make a significant contribution towards **inclusive growth**. To this end, the APLN reiterates its call to the HRDWG to develop comprehensive APEC Decent Work Guidelines comprising active measures to create quality and productive employment for all, encourage social dialogue, and strengthen safety nets and other social protection in labour and social policies.

20. Moving toward an **innovative growth** model requires the development of new sectors, a highly trained workforce and jobs of high quality. To achieve this APEC goal, the HRDWG should contribute in creating strategies that would assist socially-oriented structural transformation processes in all economies. The implementation of the Decent Work Agenda would provide a positive basis for that transition to an innovation-driven economy.

21. In order to achieve **sustainable growth**, the Asia - Pacific region needs to create millions of new green jobs that would assist the mitigation of greenhouse gas emissions, the better management of water resources, the treatment of waste, the sustainment of oceans, forests and other ecosystems. At the same time, this endeavour should be handled in a way that would create new opportunities for all. The HRDWG could make a significant contribution to this end by promoting work with regards to Green Jobs and Green Skills which would enable the Just Transition to a low-carbon economy in the Asia – Pacific region.

22. The introduction of a Social Protection Floor in the APEC region and the improvement of social safety nets would create more demand and larger capital formation. Increased saving in some economies and increased consumption in some others would have a palliative effect on current imbalances and promote **balanced growth**.

APEC-wide Agenda: Promoting inclusive trade and investment

“APEC’s core mission continues to be further integration of our economies and expansion of trade among us. We come together in APEC to pursue these goals, recognizing that trade and investment are critical to job creation and greater economic prosperity for all our economies.”

2011 Leaders' Declaration, ‘Toward a Seamless Regional Economy’

23. International trade and investments create the potential for jobs, growth and new opportunities for individuals and economies. That notwithstanding, mounting evidence shows that opening trade and liberalising investment regimes has contributed to increased income inequality. The incorporation of internationally recognised labour standards in the promotion of trade and investment would help to keep such inequalities under control.

ANNEX VII

5th Human Resources Development Ministerial (Beijing, September 2010)

In addition to the Working Group, at the policy level the Human Resources Development issues are handled by meetings of the Ministers responsible for Human Resources, usually Labour Ministers. The last such HRD Ministerial Meeting prior to 2010 was held in 2001. 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. The ITUC/APLN has continuously criticised the fact that such meetings have not been held more frequently.

The 5th HRDMM convened in Beijing on September 16-17, 2010, under the theme *"Developing Human Resources, Vigorously Promoting Employment and Realizing Inclusive Growth"* and adopted a statement, a four-year Action Plan (2011-2014) to implement the statement and a four-year APEC Skills Development Promotion Project (2011-2014) which intends to materialise certain activities described in the Action Plan.

President Hu Jintao opened the Meeting and Vice-Premier Zhang Dejiang made the closing remarks. President Hu Jintao said that inclusive growth is important in addressing the social dimensions of globalisation, but also to build support for free trade. He argued that the way to inclusiveness passes from human resources development and called for enhancing economic and technical cooperation among APEC economies in this area. He also announced the launch of the APEC Skills Development Promotion Project (analysed further below) towards this end. The Ministers welcomed the President's contribution and agreed with his views on inclusiveness and HRD.

The Ministers recognised that trade and investment liberalisation had led to significant economic growth and job creation but also that not all people have gained opportunities and benefits from the opening of trade and investment (called *"economic integration"*). They also recognised that it was the crisis that highlighted the need to address the social dimensions of economic integration. The Ministers took note of the signs of recovery achieved thanks to the stimulus packages but they also identified some short-term challenges such as: achieving an uneven and fragile recovery, jobless growth, persistent unemployment and underemployment, increasing numbers of discouraged workers and widespread informal employment. Some long-term challenges included aging population and the increasing demand for a flexible, adaptable and skilled work force.

The statement explained the Meeting's mandate: the 17th APEC Economic Leaders' Meeting in Singapore asked them to *"ensure that future economic growth is more inclusive to broaden access to opportunities created by growth and to spread the benefit of growth more widely"* and to *"put job creation at the heart of our economic strategy and enhance cooperation to address the social implications of globalization"*. They also stated that the framework in which they make decisions is the 2001 Beijing Initiative on Human Capacity Building, as well as the previous four APEC Human Resources Development Ministerial Meetings and the 4th APEC Education Ministerial Meeting in 2008. They also were determined to *"move forward"* on the

basis of the Global Jobs Pact and the Recommendations to G20 Heads of State adopted at the G20 Labour/Employment Ministers' Meeting of Washington (April 20-21, 2010).

The Ministers recognised APEC Economies' need for rapid growth, but also that growth needs to be inclusive in order to be sustainable. *"Inclusive growth"* is explained as human-centred growth which is broadly based across the workforce and different sectors. *"Inclusive growth"* creates productive and decent work opportunities and builds up social resilience through education, training and social safety nets. In a later part of the statement inclusive growth is described as *"development by the people, for the people and benefiting all people"*. The Meeting held that inclusive growth will build public support for free and open trade and investment.

The Ministers explained what needs to be done in order to achieve inclusive growth, which also explains the logic of the statement. They recognised the need to create more and better jobs (they decide to achieve this through employment-oriented macro-economic policies), improve social safety nets (by active social protection measures) and enhance education and training (for this they will implement a series of measures to improve quality and outreach of training).

The Ministers also noted *"the importance of involvement at domestic level of social partners through social dialogue in formulating those human resource development policies."* While welcome, it is to be regretted that they did not refer to such social dialogue at international level, i.e. in the HRDWG.

The statement recognised the diversity among APEC economies and contended that decisions need to be implemented in a way that is suitable to each economy. Its subsequent sections are divided into four areas accompanied by an action plan on implementation, and the APEC Skills Development Promotion Project mentioned above. In the analysis below, attention is drawn also to possibilities for trade union involvement in the HRDWG's work programme for 2011-14.

- (i) *Devote priority attention to maintaining and expanding employment and adopt employment-oriented macroeconomic policies*

The Ministers recognised that *"employment is not only an important means for people to make a living, but also an essential way for them to participate in society for personal fulfilment and dignity"* and that *"job creation should be at the heart of economic and social development"*. They decided to make job creation a priority macroeconomic goal, achieve employment intensive growth, and implement policies which strengthen employability, productivity and labour force participation. They undertook to implement policies to increase labour demand and improve labour supply, what the text refers to as *"pro-employment labour market policies"*. Such policies would support workers finding jobs through multiple channels but they would also encourage innovation and entrepreneurship and the development of small and medium-sized enterprises. This is understood as a series of *"flexible, efficient and equitable labour market"* policy in conjunction with *"strong and effective public employment services"*. The statement called for establishment of such services wherever they do not exist and expansion/improvement of these services in countries

where they are established. Complementary to this, the Meeting also undertook to “*establish and improve labour market information systems and strengthen the capacity of labour market information collection, processing, analysis, dissemination and utilisation.*” The delivery of such policies should take into account the special needs of “*youth, women, older workers, workers with disabilities and low-wage workers, among others*”.

The summarisation of the above undertakings is clearer in the Action Plan:

1. sound macroeconomic policies with a focus on employment-oriented growth;
2. active employment and labour market policies;
3. public employment services to assist job seekers; and
4. labour market information systems

The Action Plan identifies the nature of the activities as well as their thematic focus. The work the HRDWG will have to undertake in assisting the adoption of pro-employment macro-economic policies comprises mainly research and dissemination of information. Activities include (joint) research, identifying factors, analysing impacts as well as best practices and experience sharing. Practically this means that the HRDWG will divide labour among its members and forge cooperation among Economies in delivering studies and research. Furthermore, that could also take the form of seminars, conferences and other expert gatherings with a view to enhancing knowledge on certain aspects of pro-employment macro-economic policies. It could also take the form of programmes that facilitate the exchange of experts and government or business officials. In terms of thematic focus the Plan defines which aspects of pro-employment macro-economic policies need to be analysed:

- post-crisis job-creation (research/experience sharing),
- factors affecting employment elasticity, high-quality jobs, labour productivity and participation (research),
- impact of economic integration, economic restructuring, industrial transformation, export demands fluctuation, income distribution arrangements (research),
- job creation in emerging sectors (research),
- equitable and inclusive growth (research),
- employment for youth, women, elderly, migrants and other vulnerable groups (research),
- public employment services and labour market information systems (experience sharing)

It is to be noted that the above Action Plan provides various areas for potential involvement of trade unions. The ITUC/APLN’s participation could provide further insight and new ideas on how to make high-impact pro-employment macro-economic policies. The members of the ITUC/APLN could also provide their national experiences and actions for creating employment while the ITUC, ITUC-AP and TUCA could formulate region-focused approaches on the same matters. Some trade union centres are or have been involved in employment services and labour market information systems and their knowledge could be helpful on this aspect too. Moreover, the special focus the trade unions put on youth, women, the elderly and

migrant workers, as well as the relevant experience of trade unions in representing these groups and working with them could be useful for APEC.

(ii) *Improve Social Safety Nets and Reinforce Social Protection and Employment Assistance for the Vulnerable Groups*

The Ministerial Meeting recognised the important role of social safety nets in the crisis, especially for vulnerable groups. Social safety nets also act as “*economic automatic stabilizers, by contributing to aggregate demand, elevating social inclusion and enabling people to take advantage of market opportunities and share in the benefits of economic growth*” while they also promote labour mobility and job creation. Particular attention was given to gender equality on social protection and employment assistance. Due to the diversity among APEC economies the statement supported country-focused solutions.

The Meeting decided to improve social protection and establish basic social protection for all in economies where informal employment is widespread. The Ministers were very cautious on the delivery of the social protection as they intend to “*provide those in need with short-term economic security and help them to gain employment to avoid long-term benefits dependency*”. The statement expresses an intention to promote the integration of social protection measures and employment policies in a mixture of active policies on labour market and social protection that would be protected in the short-term against the possibility of job loss but would also facilitate re-employment. Practically, the Ministers agreed to take stock of and disseminate innovative and successful social protection practices which effectively address unemployment.

According to the Action Plan the goals are:

1. adequacy of social protection;
2. the design and delivery of social protection programmes; and
3. the link between employment and social protection policies to exploit potential synergies

The nature of the HRDWG’s work on the social protection chapter is the same as on macro-economic policies: studies and experience sharing. This might include conferences and meetings among experts, conducting studies and sharing the outcomes in publications or events, coordinating joint research and possibly exchange of experts and officials. The Plan identified that work should be undertaken on:

- good design and delivery of social protection programmes (experience sharing),
- extending social safety nets, particularly to informal workers (research),
- active social protection measures, particularly social assistance and benefits to vulnerable groups to encourage their employment (research),
- effective labour market programmes (research),
- encouraging Corporate Social Responsibility in cooperation with the APEC Business Advisory Council to assist vulnerable groups (research)

In the above areas as well, the ITUC/APLN has significant experience to share with the social partners and governments in building up and improving the social

protection systems. In particular, the unions' experience of precarious and informal work could provide thorough insights on how to work with governments to address the needs of these workers and better assist them in improving their livelihoods and security. The unions' experience with vulnerable groups would also be a great asset for the HRDWG. Likewise, unions could participate in CSR activities in order to prevent mis-direction of activities in the area and to try to achieve some degree of positive impact.

(iii) *Enhance Human Capacity Building and Prepare the Workforce to Revitalise Economic Growth*

The Ministers recognised the challenging demographic trends, technological changes and increasing global competition that drive the demand for skilled labour, stating *“Globalization is accelerating industrial restructuring and bringing about long-term labor market changes, leading to the obsolescence of some sectors and jobs and the emergence of new ones.”* After identifying the challenges the text describes the advantages of human resources development before stating what the Ministers decided. To this end the statement indicates that education and skills development raise productivity and adaptability of workers and enterprises. They also provide the *“foundation for sustained, inclusive and innovative economic growth and employment expansion”*.

The Ministers decided to enhance education, life-long learning and skills development systems for all. Their particular attention was on *“new labour entrants, vulnerable groups and entrepreneurship training”*. Another goal was to increase managerial and professional skills for both government and business sectors. They put increased focus on new information and communication technologies (ICTs) and in this direction they encouraged public and private sector participation to enhance access to (digital) education and training opportunities. In fact, the Ministers understood that a wider *“partnership between governments, businesses, social organisations and training institutions”* would help make the human resources development more accurate – meaning more adapted on market skills demand. Their main goal is to address current and future skills shortages and achieve a better skills match between education and employers' needs. Other measures include improving curriculum development and training of trainers, as well as skills standards harmonisation. In a new paragraph (#18) the Ministers noted the emerging green economy and decided to strengthen education and training to prepare the workforce with skills for green jobs.

The Action Plan identified four areas of action:

1. greater access to education and training;
2. enhanced relevancy and efficiency of education and training;
3. stronger partnership between training providers and businesses;
4. new skills in emerging sectors and the use of new technologies.

The actions foreseen are mainly studies and joint research, sharing of experiences and best practices, organising conferences and seminars, exchanges of experts and officials and coordination among national human resources development authorities and centres. Although many of its imperatives overlap, the Plan envisages:

- the promotion of training of trainers, development of quality training materials, and the adoption of (common) occupational standards among APEC economies (experience sharing),
- the promotion of employer partnerships to promote vocational training and education (research/experience sharing),
- raising the attractiveness of vocational training and education for the youth (experience sharing),
- the identification of training needs of professionals, managers, executives and entrepreneurs (research),
- promotion of successful training programmes, both at the level of economy and the enterprise (experience sharing),
- the identification of training needs of new industries and sectors and the development of training programmes to meet their skills demand (research/experience sharing),
- improve access to vocational education and skills development opportunities for those in need (*“support in adopting new methods”*),
- the transfer of managerial and technical skills (professionals exchange),
- Economy-supported networks of APEC skills development centres that share exemplary workforce preparation, training and retraining practices (coordination among authorities)

Trade unions have a long record of defending and promoting human resources development, especially in the context of achieving decent work. The ITUC/APLN has extensively discussed the issue of human resources development and its member trade union centres have significant national experiences in trainings and skills creation. For example, in addition to the ITUC’s work on green skills programmes, the national trade union centres of ITUC/APLN have also experience of assisting the delivery of such programmes. Likewise, many APLN member unions have their own training facilities and hence a rich experience in dealing with skills creation.

(iv) *Promote Economic and Technical Cooperation in the Field of Human Resources Development among APEC Economies*

In the last chapter of the statement the Ministers stress the importance of strengthening cooperation and exchanges among Economies. To this end, they agreed to convene every four years and *“encourage intensifying exchanges and cooperation among officials, experts, social partners and other stakeholders”*. Initially the text at this point, in its draft form, did not refer to *social partners*, but to *business*. After the efforts of the Japanese government, which in its meetings with the APLN had promised to try to increase the participation of trade unions, the text changed in favour of inclusiveness.

The Meeting also called for economic and technical cooperation in the field of human resources development (HRD-ECOTECH) across APEC fora and economies.¹¹ The

¹¹ There are six broad ECOTECH themes: HRD; developing stable, safe and efficient capital markets; strengthening economic infrastructure; harnessing technologies for the future; promoting environmentally sustainable development; and encouraging the growth of SMEs. ECOTECH is aimed at building capacity, particularly in developing member economies, to help economies achieve the APEC goals. The joint activities and the policy dialogues (working groups) are overseen by the

Ministers welcomed China's initiative to implement the APEC Skills Development Promotion Project (analysed below) and the establishment of an APEC Skills Development Promotion Centre (China). The HRDWG was instructed to provide guidance and support to the APEC Skills Development Promotion Project and to help it reach its envisaged achievements.

The Ministers also called for increased cooperation with *“international and regional organizations, as the United Nations, the International Labour Organization, the World Trade Organization, the World Bank, the International Monetary Fund, the Organization for Economic Co-operation and Development and the regional development banks”*.

The Action Plan recognises the cross-cutting nature of human resources development and called the HRDWG to develop its work plans in line with the priorities of the SOM Steering Committee on ECOTECH (SCE). The Plan also encourages HRDWG's cooperation with other APEC fora, namely the Small and Medium Enterprises Working Group (SMEWG), ABAC and SCE, and it promotes cooperation among Economies, *“the academic community, small and medium enterprises and other stakeholders”* and relevant international and regional organisations. Any work plans should take into account gender equity and *“other social justice issues”*.

Apart from implementing the Action Plan, the HRDWG will also have to undertake an annual evaluation and reporting on the progress achieved. The working Group should develop an APEC HRD evaluation framework in order to be able to measure progress the Economies make in the implementation of the Action Plan. Finally, the HRDWG should produce a report on the performance of the Action Plan and present it to the next Ministerial Meeting for assessment.

(v) *APEC Skills Development Promotion Project*

The APEC Skills Development Promotion Project will be executed by the Chinese Ministry of Human Resources and Social Security (MoHRSS), supported by HRDWG, APEC Secretariat, participating economies and Chinese stakeholders. The Project's budget is USD4 million and it is funded by China, while co-sponsoring Economies are welcome. The APEC Secretariat and the HRDWG will only give technical support and guidance to the PO. This means that the role of the HRDWG and APEC will be minimal and limited to technical issues, such as, *“assisting participating economies with recommending qualified candidates for the said project activities.”* The important role the Chinese government plays in this project is also revealed in #4 of the Project paper which was endorsed by the Ministerial Meeting, stating¹²: *“Meanwhile, China values highly the economic and technical cooperation across APEC in skills development and upgrading for workers and is willing to make contribution to this end.”* It is unusual for a particular country's priorities are posed in the rationale of an internationally endorsed project and it clearly shows the key role China plays in the skills development in APEC.

ECOTECH SOM Steering Committee (SOM-SCE), whereas the Committee on Trade and Investment (CTI) oversees ECOTECH activities on trade and investment.

¹² The “National Outline for Medium and Long-Term Talents Development Plan (2010-2020)” which includes a Knowledge Renovation Programme for Professionals and a National Skilled Workforce Building Programme

The Project paper recognises the divergences within APEC's Economies and presumes that Economies can help each other in creating an up-skilled workforce. The purpose of the project is to build capacity of vocational trainers particularly of developing economies because “[q]uality trainers produce qualified and competitive workers and bring multiplier effects.” This could be achieved through policy dialogues, human exchanges and high-standard training material and skills qualifications development. The Project has five objectives and foresees five types of actions to be undertaken in the following four years to address them.

- A. Policy Dialogues and Seminars
- B. Training of Trainers (TOT)
- C. Skilled Youth Exchanges
- D. Joint Development on Curriculum and Skills Qualification
- E. APEC Skills Development Promotion Centre (China)

Under part A, it is envisaged that APEC will “*Strengthen policy dialogues on promotion of skills development and facilitate information communication and expertise sharing for governments, academics, vocational training institutions and other stakeholders.*” There will be four seminars (one each year) on vocational training policy “*emerging training methods and tools, skills supply and demand, new skills for new growth sectors, and mutual qualifications recognition within the region.*” Each seminar will be attended by 40-50 policymakers, researchers and training providers.

The Project Management Committee (PMC) is composed of three departments¹³ of the Chinese Ministry of Human Resources and Social Security (MoHRSS) and officials of local authorities. The PMC's role is to steer activities, elaborate on work plans and budgeting, as well as preparing the evaluation reports of the activities held. The work plans “*will be submitted to the MoHRSS for examination and approval*”. The PMC Secretariat will be set up within the MoHRSS (see Chart below).

The ITUC/APLN should review the possibilities for its potential involvement in the Project's implementation, including in the APEC Skills Development Promotion Centre, and try to obtain an invitation to these events.

¹³ Department of International Cooperation, Department of Vocational Capacity Building, Centre for International Exchanges (CIE)

Chart of Project Management Structure

