

A BROADER AGENDA: APEC, TILF AND ECOTECH

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Do the short-term HRD and labour market responses adopted in the most affected economies challenge the integration of TILF and ECOTECH agendas within APEC?

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The further development of short-term labour market adjustment priorities in the Working Group's work plan also raises institutional issues beyond those associated with the immediate circumstances of the financial crisis. There are two issues of particular moment, which may be considered. The first is the relationship between short-term labour market measures. APEC's trade and investment liberalization and facilitation (TILF) agenda warrants mention. The second is the implication of such measures for the relationship between the TILF and ECOTECH agendas. Discussion of these issues takes place against the background of a wider discussion of the TILF-ECOTECH relationship.

As Morrison argues, if at one time the TILF and ECOTECH agendas were perceived as separate and complementary, the distinction between the two is now less obvious.⁹ The Bogor Declaration (which established the trade liberalization focus of APEC) has been complemented by the delineation of the ECOTECH agenda at the Osaka Leaders' Meeting. That said, this fusion does not receive equal recognition in all member economies and in all commentaries. The development ends of ECOTECH are, for many, dependent on the effective delivery of the TILF agenda. This is, for example, a logical conclusion of the "open regionalism" interpretation of APEC. It follows from this perspective that APEC should not condone activities which might compromise the pre-eminent TILF agenda. Concern will arise in TILF circles if APEC becomes active in short-term, remedial, labour market activities, which carry with them the potential for market-distorting and free market-limiting interventions within member economies. Along with the Working Group, this concern is shared by both some officials in member economies and by key stakeholders in the

APEC process, particularly in the private business sector.

As indicated in Appendix B, support for the TILF agenda is prioritized in the Working Group's medium-term focus. Given the status of the TILF agenda within APEC, this is not to be understood as a formal statement of priority. The expectation is that APEC HRD outputs will contribute usefully to the TILF agenda, emphasizing the integration of ECOTECH and TILF perspectives. Discussion in the Working Group affirms this perspective. An important question therefore arises: do the short-term HRD and labour market responses adopted in the most affected economies challenge the integration of TILF and ECOTECH agendas within APEC? On the basis of the case-study material previously discussed, the answer is no. The congruence between the short-term measures adopted in the affected economies—the chosen, export-led recovery model and the TILF agenda—is clear and provides comfort to those who may be concerned about a deviation from APEC's established agendas.

What more, then, can APEC add to this positive alignment of factors? First, collaboration in the Working Group may well allow affected economies to learn from each other about the choice and implementation of short-term labour market adjustments, just as they share experience about HRD. In this way, the Working Group will, through the work of the Task Force, contribute to the development of labour market adjustment measures, which coincide with APEC's defining agendas. Second, shared experience from today's affected economies becomes an important resource for economies, which will one day face similar policy challenges. In contemporary jargon, Working Group activities around the crisis will not only add value in today's affected economies but also in future adjustment experiences.

⁹ See C. Morrison, "Development Co-operation in the 21st Century: Implications for APEC" in A. Elek (ed.) *Building an Asia-Pacific*

Community: Development Co-operation within APEC (Foundation for Development Co-operation: Brisbane, 1997), p. 22.