

THE ISSUE OF PERSPECTIVE

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Another potential concern emerges from the shift in focus to include short-term issues. To what extent is it desirable that further effort should be devoted to short-term labour market considerations within the Working Group? This question in no way trivializes the importance of the crisis and its labour market effects; rather, it suggests two points. First, concern exists that a desirable balance between short- (labour market) and medium- to long-term (HRD) perspectives might be undermined by the pressure of short-term considerations; second, the established HRD policy focus, which in the Leaders' view carries with it the future of economic growth and development in the region, may be compromised as a result of the diversion. A powerful answer to this concern lies in the argument about the complementarity of labour market and HRD foci. Rather than posing the issue in terms of a "diversion" of energies, we should see the complementarity between short- and medium-long-term perspectives in two ways: as an important and valuable attempt at a regional level to integrate both perspectives and, consequently, as a logical and productive extension of the work of APEC in the HRD area.

At the Experts' Meeting in Jakarta in April, the issue of diversion of effort was related to an important analytical concern: to what extent does the HRD/labour market outcome of the current challenge change the focus of the Working Group, as defined in its principles and medium-term strategy? Consideration of the case studies again provides an answer to this question. Clearly, the most affected economies face some pressing short-term issues, particularly relating to redundancies and their wider consequences. It is not obvious, however, that these challenges require amendment of the Working Group's medium-term priorities. The existing Working Group's priorities, already broadened by the inclusion of labour market concerns, may

simply be complemented by appropriate short-term activities deriving from the Task Force's work.

If, however, the crisis raises concerns in any quarter about the appropriateness or immediacy of the Working Group's priorities, such concerns have yet to be raised in the Working Group or the Task Force. Nothing discussed in Bali in January or in Jakarta in April suggests that a revision of the Working Group's priorities is necessary as a result of the crisis. Rather, a consensus appears to exist around the need to extend further the existing priorities of the Working Group to include short-term adjustment issues.

However, another question was posed in the Jakarta meeting: has a qualitative, long-term shift taken place in labour market and HRD circumstances in the most affected economies as a result of the crisis? A provisional answer to this emerges from the case studies already discussed. In terms of economic and financial issues, some major reforms will follow from the crisis and these will have long-term impacts on the economic and financial structures of the affected economies. However, the growth model to be followed in the future is much the same as that which drove such impressive growth rates over previous decades. Much of the adjustment effort in the HRD and labour market areas is focused on supporting an export-led growth model. Given this, we may conclude that, if the challenges facing the affected economies have grown as a result of the crisis, the policy prescriptions in the HRD and labour market areas remain much the same and are in line with the chosen model of economic recovery. Moreover, this responds positively to the argument that HRD is particularly important in an export-led growth model. For example, technology transfer and the focus on innovation and flexibility at the heart of export-led models require continual improvement in managerial competence and in employee skill levels.