

Part Three: Co-Chairs' Remarks

**COOPERATION AND INNOVATION TO BUILD HUMAN
CAPACITY FOR DYNAMIC AND SUSTAINABLE
SOCIO-ECONOMIC DEVELOPMENT**

Address by Zhang Xuezhong

Minister of Personnel of the People's Republic of China

Ministers, Distinguished Guests, ladies and gentlemen,
Good afternoon!

I am honored to co-chair this meeting with Phim Dato Rahman, Minister of Industry and Primary Resources of Brunei Darussalam. Government officials, business executives, experts from education/training sectors of APEC economies are gathering here today to exchange views on how to promote human capacity building under the new economy. On behalf of the co-hosts of the meeting, I would like to extend my sincere congratulations on the opening of the meeting and my warm welcome to all the distinguished guests coming from afar.

This morning, His Excellency President Jiang Zemin of the People's Republic of China and His Majesty the Sultan of Brunei Darussalam attended the Opening Ceremony and delivered important speeches. From the perspective of historical development and with strategic vision, the two leaders gave an in-depth analysis on the trend and features of global socio-economic development in the new century, pointed out the importance and urgency of strengthening human capacity building and put forward suggestions on how to promote APEC human capacity building. The farsightedness of both leaders is of great significance in guiding human capacity building and sustainable economic development in the Asia-Pacific region.

Ladies and gentlemen,

The Eighth APEC Economic Leaders' Meeting, held in Bandar Seri Begawan in November last year, endorsed the initiative of H.E President Jiang Zemin and H.M the Sultan of Brunei, that China and Brunei would co-host a high-level meeting on human capacity building. The governments of China and Brunei have attached great importance to this meeting, and set up working teams to prepare for the meeting. Through careful studies and consultations with member economies, we set the theme of the meeting as *New Economy, New Strategy: Innovation and Cooperation to Build Human Capacity for Common*

Prosperity. Focusing on this theme, the meeting will cover three topics: *Challenges Ahead: Moving from Old to New for Stakeholders; Strategic Options: Working to Reach All People; Innovative Cooperation: Better Policy Approaches.* Over the past few months, we gathered opinions from and exchanged views with various parties and conducted intensive research. It is believed that strengthening human capacity building is of great and far-reaching significance and it is both timely and necessary to carry out research and discussions on the above-mentioned theme and topics.

Strengthening Human Capacity Building Is An Objective Requirement of Socio-economic Development in the Asia-Pacific Region. Mankind has entered into a new century and the world is undergoing profound changes. Science and technology are making giant strides. Economic globalization is gaining momentum. Industrial structural adjustment is accelerating worldwide. The new economy based on knowledge, high technologies and high-tech industries is taking shape. The Asia-Pacific region, as a dynamic region in the world's economic development, is recovering from the buffet by the financial crisis. At the same time the APEC region confronts with new problems such as economic slowdown in some countries, widening gap among economies, as well as prominent population, environment and resources problems. It requires joint efforts to solve these problems and the key lies in strengthening human capacity building. Only by changing the old production mode featured by excessive consumption of resources, tapping people's wisdom and creativity, spurring technological progress and technical innovation can we develop in a sustainable way. Only by improving the quality of the workforce and enhancing self-developing capacity of the members can the Asia-Pacific region achieve coordinated economic development.

To Develop Human Capacity Building Strategy Is A Pressing Necessity for APEC Economies to Meet New Challenges. The constant scientific and technological advancement gives mankind unprecedented ability to explore and make use of the Nature, opens up broad prospect for mankind to develop itself, and imposes new challenges on human capacity building. The major challenges include: Both developed and developing economies are facing shortage of talents and human resources development fails to meet the demand of development. The quality of the workforce needs to be further improved with accelerating restructuring and application of new technologies. The emergence of "digital gap" results in the exclusion of some people from the network world who subsequently becomes a disadvantaged group in employment and development. Worldwide competition on talents is increasing and developing economies and their enterprises are facing new pressures and difficulties caused by brain drain. To meet these challenges we need to work out a new strategy that benefits all the members while maintaining coordinated economic development in the Asia-Pacific region. We need to set goals and take measures to guide the joint action of the economies so as to promote constant development of human capacity building in the Asia-Pacific region.

It Is the Common Aspiration of the Government, Business and the Education/Training Sectors to Enhance Cooperation in Human Capacity Building.

The world is entering an age of integration, cooperation and co-existence. The ties among economies and among all social sectors are becoming closer. Human capacity building, as an issue with a bearing on the overall development, requires the concerted efforts of all the stakeholders, especially the close cooperation between the government, business and the education/training sectors, which makes decision-making more rational and public service better, and creates a sound policy environment for human capacity building. The cooperation facilitates the opening of new market and the sharing of benefits of human capacity building. The cooperation also helps us to complement each other with relative advantages, to share resources, and to improve overall capacity of human resource development, so as to inject new vitality into and open up new areas of ECOTECH as well as TALF among APEC economies.

APEC has always attached great importance to human resource development, has done a lot of work in this respect, and has achieved remarkable results. It is unprecedented in the history of APEC to hold a meeting on human capacity building, attended by two heads of state, participated by representatives from three sectors who carry out extensive and intensive exchanges. It is our hope that this meeting will build on past experience, focus on the theme of cooperation and innovation, draw on collective wisdom, increase awareness of the importance of human capacity building in the context of new economy, explore new philosophies of development, work out strategies of human capacity building, set clear-cut objectives and priorities, and define principles and approaches of cooperation before developing the *Beijing Initiative on APEC Human Capacity Building*, so as to provide basis and recommendations for this year's informal APEC Leaders' and Ministers' Meetings.

Ladies and gentlemen,

The meeting gives the Chinese government, business, education/training sector a precious opportunity to conduct exchanges with and learn from the APEC economies. I'd like to share with you China's practices and experience in human capacity building.

China is a developing country with a population of nearly 1.3 billion. During the process of modernization, it is crucial to turn the heavy population burden to an advantage in human resources. Since reform and opening up, especially over the last decade, under the guidance of Deng Xiaoping Theory, and the leadership of the Central Committee of the Chinese Communist Party with Comrade Jiang Zemin at its core, adhering to the guiding principle of respecting knowledge and talents, we have been actively implementing the strategy of revitalizing the country through science, technology and education, and developing human resources. As a result, we are witnessing unprecedented economic prosperity, social harmony and progress, and growing development in human resources. Our major practices are as follows:

—— To integrate education, science and technology and talents into national development strategy as the driving force behind and guarantee of social and economic development. We have given top priority to education and increased input so as

to promote educational reform and development, strengthening primary education, vigorously developing education of higher learning and vocational training, pushing forward quality education and developing a life-long learning education system. During the 9th Five-Year Plan period, we succeeded in popularizing nine-year compulsory education and eliminating illiteracy among youths and adults. At present, the number of college students enrolled is 9.4 million, and among every 100,000 people there are 3,611 people with at least college education, an increase of 154% over the 1,422 people in 1990. Efforts have been made to promote scientific and technological advancement, to establish an innovation system, to implement the national hi-tech research and development plan and national knowledge innovation projects, to encourage creative thinking, and to train people with creativity. At present, the quality of China's workforce has been greatly improved and personnel structure continuously optimized. The number of skilled workers with at least junior college education or at least middle school education has reached 60.75 million, accounting for 8.6% of the total workforce, and the number of technicians with specialties has reached 39.14 million, accounting for 5.5% of the total workforce. This is a strong guarantee for sustainable economic development.

The *Outline of 10th Five-Year Plan for National Economic and Social Development*, examined and adopted recently at the Fourth Session of the Ninth People's Congress, decides to take as a task of strategic importance training, attracting and making best use of talents. We need to form a team of leading officials with high quality, a team of professional and technical personnel with a scientific way of thinking and meeting the demands of social and economic development, a team of entrepreneurs with innovative and pioneering spirits, a team of public servants clean, diligent, professional and willing to serve the people, and a team of highly skilled technicians working in the countryside and devoted to industrialization of agriculture. We will speed up the establishment of an effective mechanism enabling talents to stand out and fully display their talents. We have made efforts to create a social environment that respects knowledge, respects talents and encourages entrepreneurship.

—— **To promote overall human resource development against the backdrop of economic restructuring.** Firstly, we are combining human resource restructuring with industrial restructuring. Efforts have been made to facilitate the shift of workforce from the traditional industries to modern industries. The training of management personnel for new and hi-tech enterprises as well as other talents urgently needed in economic construction is encouraged. During the 9th Five-Year plan period, 550,000 people participated in enterprise management training and 6.5million people in short-term training. Measures have been taken to raise the proportion of people working in the tertiary industry. In the past three years, 13 million people got re-employed. We are committed to accelerating the development of information industry and the training of its workforce, as well as spreading of internet knowledge. By 2000, the number of internet users in China has reached 22.5 million. Secondly, we combine human resource development with rural economic development and urbanization. The training of agricultural scientific research personnel, agricultural technicians and various talents for rural development has been strengthened.

We have been implementing Green Certificate Project which aims at giving farmers technical training. Every year 30 million farmers are attending various training programs. During the past decade, 50 million rural workforce flow to other areas or cities annually, and all together about 200 million rural population migrated to cities and towns. Thirdly, we combine human resource development with the west development strategy. Human resource development has been taken as the key to economic development in underdeveloped areas. We are implementing a plan to develop human resources in the western part of China, strengthening talents training and encouraging flow of talents into the western region so as to enhance the development capacity of that region.

——**To intensify institutional reform and create a sound environment for talents to stand out and display their ability.** To meet the demand of socialist market economy, we have been reforming the human resource management system formed in the planned economy period in order to eliminate institutional constraints over talents and give full play to talents. We are conducting government structural reform to transform government functions and improve national public servant system. We are intensifying personnel management system reform and setting up a new fair and open competitive recruitment system. The labor contract system and appointment system are being adopted and social security system improved. In light of the principle of combining income distribution according to one's work with distribution according to production factors, we are exploring a new distribution approach that involves technology, management and other production factors in distribution and protects intellectual property right. By implementing the Millions of Talents project and granting special government allowance to outstanding experts, we are actively creating conditions for talents to grow and display their abilities. With an improved talent market and labor and employment helping centers, the competition of talents has been kept in order, the rational flow of human resources encouraged, and the market is playing a basic role in the allocation of human resources.

——**To open wider to the outside world and promote international exchanges on human resources development.** Adhering to the policy of supporting overseas study, encouraging students to return and guaranteeing freedom to come and go, we send students to study abroad and encourage them to return or serve the country in other proper ways. Up to now, the number of students studying abroad has totaled 330,000, and 110,000 students have returned and been playing an important role in the country's modernization drive. China has also received 400,000 students from more than 160 countries and regions. We have been active in introducing foreign talents by employing overseas senior professionals. Since 1978, China has employed 824,000 foreign experts and sent 378,000 technicians or managers to study abroad. At present, there are more than 60,000 foreign employees registered in China.

——**To promote cooperation so to enhance the overall strength of human capacity building.** Beside the active role of the government, all social forces are mobilized to increase input into human resources development. We encourage cooperation between different regions and departments and seek new ways of cooperation such as

university-enterprise and university-municipality cooperation. We encourage the eastern regions to give human resource assistance to the western regions. The cooperation among manufacturing enterprises, universities and research institutions is facilitated. 400,000 organizations participated in such cooperation programs in 2000, launching 140,000 cooperative projects. Efforts have been made to integrate the training of high-level talents with research activities. China has set up more than 1,200 Post-doctoral Mobility Stations and enterprise-based research stations, which have received more than 14,000 post-doctoral researchers. Currently there are nearly 7,000 post-doctoral researchers in these stations. High-level talents have been encouraged to flow into enterprises to increase the R&D capability. The experts from educational and academic circles are encouraged to build mutually beneficial partnership with enterprises through undertaking joint research projects and personnel training. We set up hi-tech parks for start-ups.

China has made great progress in human resource development, but it still falls short of the demand of socio-economic development. China is marching toward the goal of building a better-off society and speeding up the modernization drive. We are making positive preparations for WTO entry and forming a multi-level and multi-dimensional opening up pattern. We will seize the opportunity to enhance human capacity building and accelerate the implementation of talent development strategy. As an APEC member, China is willing to increase cooperation and exchanges with other economies and meet new challenges together, so as to make new contributions to the economic development and social prosperity in the Asia-Pacific region.

Ladies and gentlemen,

The Asia-Pacific region is abundant in human resources and has great development potentials. It is a very dynamic region in economic development. The APEC human capacity building in the new century is a long-term and arduous task with a bright prospects. We have high expectations over this meeting. So long as we air our views freely and seek consensus while putting aside differences, the meeting will definitely achieve the anticipated results.

May I wish the meeting a complete success and all of you a pleasant stay in Beijing!

Thank you for your attention.

**Remarks by
His Excellency Pehin Dato Abdul Rahman Taib
Minister of Industry and Primary Resources, Brunei Darussalam**

Excellencies, Distinguished Guests, Ladies and Gentlemen, Good afternoon

As we come to this final session, I think it is important to recount briefly the context of this meeting and the value I believe it has for the APEC process.

In Brunei last November, APEC Leaders laid out a bold vision. It was a vision to be achieved in the coming decade. They committed to putting in place, a policy framework that would enable all people in APEC to have individual or community-based access to the services of the Internet by 2010. This was not an end in itself.

Their vision was in recognition that these services form an integral part of a new globalised economy, which is increasingly based on knowledge, creativity and innovation. In short, Internet services are an important conduit to the benefits of globalisation.

Leaders identified the development of human capacity as a fundamental part of that vision. Without skills and knowledge and the ability to innovate in this new environment, market and employment opportunities cannot be fully expanded and living standards will be constrained.

Leaders, of course recognised that their vision required an integrated approach.

Appropriate technology and infrastructure and affordable access to the services of the Internet are essential. Good governance, strong institutions and clear policies must underpin the whole effort. These issues pose equally strong challenges, which must be addressed.

But in Brunei, APEC Leaders took an even broader view. They recognised that their vision could not be achieved without working in partnership with all the sectors of the economy, especially people like those of you here at this meeting from business and from education and training institutions. My good friend Minister Zhang outlined yesterday the genesis of the initiative for this meeting by His Excellency President Jiang and His Majesty and its purpose.

I believe we have come a surprisingly long way in these two days even though this is just the beginning.

First, I think all of us see more clearly the value of exchanging views and the importance of continuing this process. APEC, by bringing together the full spectrum of interests from developed and developing economies can build upon its diversity. We can share our very different perspectives and determine what drives our different interests. From that, we can begin to build more common approaches to policy and a smoother path for development. This is clearly in the interests of businesses and governments. Our goal should be for the

APEC region to get a larger share of investment and opportunities in an increasingly competitive global environment.

Second, we have heard of a multitude of programs to develop skills, education and training, which are already going on in the region. Businesses and education institutions are investing these programs because it is good business not because they have an excess of funds. I believe that it is important that we in government reflect upon what stimulates these kinds of investments and upon policies, which would enable them to be expanded and facilitated. By continuing the type of dialogue in APEC that we have had at this meeting we can learn more and develop better policy approaches.

Finally, I think that we have learnt that the so-called new economy and the development of human capacity must be viewed in an integrated way favourable policy options, benchmarking, best practices etc

Excellencies, Distinguished Guest, Ladies and Gentlemen, we have had a very successful one and half days of discussion and in this final plenary we will hear from the four moderators of the sessions bring together the outcomes of each session, as inputs to the APEC process.

These moderators are no strangers to APEC. They have been working very closely with APEC in one fora or another for many years.

Excellencies, Distinguished Guests, Ladies and Gentlemen, you have just heard the summary of the sessions by our distinguished guests. These summary will be reflected in the annex of the Beijing Initiative on APEC Human Capacity Building, which my good friend and co-chair of this meeting, H.E. Minister Zhang will introduce to you.

Thank you very much Your Excellency.

Excellencies, Distinguished Guests, Ladies and Gentlemen, I am sure you agree with me that we have had a very good discussion in this landmark meeting of the Government, Business and Academics.

We have come to the end of our meeting but I hope this will not be the last meeting of this kind. We should continue to have this type of dialogue in APEC.

The outcomes of this meeting will give inputs to our Leaders and Ministerial and in general the APEC process.

With your permission, I would like to close this Final Plenary session. Thank you.