The Potential for Human Resources Development in APEC: Issues, Conflicts and Countermeasures

BYONG-SUH KIM

Department of Sociology, Ewha Womans University

The article focuses on the potential for Human Resources Development (HRD) of the Asia-Pacific Economic Cooperation (APEC) to make significant contributions to the economic and political development in the Asia-Pacific region. The article searches for countermeasures, which may be provided by the activities of the HRD programs and projects. Three major issues which are sources of conflicts faced by APEC are noted and analyzed: the issues of diversity of member economies and power imbalance; the issue of agreement for the proposed 2010/2020 liberalization of the market by APEC countries; and the issues related to security. More than any other unit of APEC, the HRD unit with its various projects, programs and Task Force activities has great potential to provide some countermeasures for alleviating the conflicts faced by APEC. Especially, HRD's Network for Education Forum (EdFor) with various projects such as AELI, EduNet, Youth Vocational Training may be able to generate mutual understanding through effective communication of information and exchange of ideas and skills for social and economical development. The task force for fiscal crisis along with the various HRD's networks on industrial and economic development (BMN, HURDIT, LMI, NEDM) has great potential to make significant contribution to alleviate the current economic crisis in Asia.

---

* Originally presented at the International Conference, hosted by the Institute for International Trade and Cooperation, Ewha Womans University on May 29, 1998.

The author is grateful to Dr. Jang-Hee Yoo who made valuable suggestions for the research on Human Resources Development of APEC, and Mr. Minkyu Peter Kim who gave editorial assistance for the final revision of this article.

Direct all correspondence to Byong-Suh Kim, Professor of Sociology, Department of Sociology, Ewha Womans University, 11-1 Daehyun-dong, Seodaemun-gu, Seoul, 120-750, Korea.

The Asia-Pacific region in the twenty-first century with its trend of globalization and regionalism will surely be characterized by challenges of political economy. In this paper, I will first identify and analyze three major issues and conflicts faced by the Asia Pacific Economic Cooperation (APEC), and secondly, search for countermeasures which may reduce the conflicts and dilemmas with the help of APEC's Human Resources Development Unit. My assessment is that unless the issues and conflicts faced by APEC are analyzed and reduced, it will be very difficult for APEC to be effective in contributing towards economic development, especially in the less developed member countries in Asia. Human Resources Development (HRD) activities do not necessarily deal with the issues of APEC, nor the economic crises faced by most of the Asian member economies. But I will argue that HRD has the potential to resolve APEC issues and can help the less developed member economies in the Asia-Pacific region.

APEC AND THE HUMAN RESOURCES DEVELOPMENT UNIT

Let me first describe the structure of APEC and the human resources development unit in the map of APEC. APEC is a unique economic and political organization which includes most of the major economies in the Asia-Pacific region. APEC was formed in 1989 in response to the growing interdependence among Asia-Pacific economies. It was the year that the Cold War ended, as the USSR and the Eastern European communist bloc began crumbling. APEC started as an informal dialogue group with limited participation, and became the fastest growing regional economic cooperative group in the world. APEC in 1997 had eighteen member countries: Australia, Brunei Darussalam, Canada, Chile, the People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Republic of the Philippines, Singapore, Chinese Taipei, Thailand, and the United States. A host of other nations located in the region are waiting to become members.¹

Until the recent economic crisis, these eighteen member countries have been making contributions to global prosperity and rapid economic development. They had a combined Gross Domestic Product of over US\$13 trillion in 1995, approximately 55 percent of the total world income and 46 percent of global trade. The share of APEC member economies in total world merchandise trade rose from under 32 percent in 1980 to almost 41 percent in 1992. More than 80 percent of the increase of the APEC member economies' share was due to the increased importance of Asian countries in the global economy. In 1992, total trade of Asian APEC member economies accounted for 21.5 percent of world trade, compared to the 19.4 percent share of non-Asian APEC member economies.²

¹ Vietnam, Peru, and Russia have applied for membership and will have a good chance to become APEC members at the 1998 APEC Summit Meeting in Malaysia. APEC Secretariat, 1997 Report, p.1; for the membership issue, see Jang-Hee Yoo, "Membership and Participation in APEC," in *Institute for International Economics, Whither APEC?* Special Report 9, Oct. 1997.

² APEC Secretariat, 1997 Report, p.1.

The objectives of APEC were agreed upon by the member economies. They are:

- (1) to sustain the growth and development of the region for the common good of its peoples and, in this way, to contribute to the growth and development of the world economy;
- (2) to enhance positive gains, both for the region and the world economy, resulting from increasing economic interdependence, to encourage the flow of goods, services, capital, and technology;
- (3) to develop and strengthen the open multilateral trading system in the interest of the Asian-Pacific and all other economies; and
- (4) to reduce barriers to trade in goods and services among participants in a manner consistent with GATT principles, where applicable, and without detriment to other economies.³

On the basis of these objectives, APEC set up the Human Resources Development unit as one of the ten working groups. The Human Resources Development Working group, established in 1990, managed about 70 projects.⁴

It is composed of five sub-groups. The Business Management Network(BMN) focuses on executive education and development and management for organizational change. The Industrial Technology Network (URDIT) is involved with technical and professional standards and identification of skills shortages. The Network for Economic Development Management (NEDM) looks at the regional labor market, small and medium enterprises, environment, gender and equity issues, and the use of human resources in economic development. The Education Forum (EDFOR) concentrates on the performance of education systems in preparing people for the rapidly changing labor market. The Labor Market Information Group (LMI) serves as a forum for the exchange of information on labor market trends in APEC.⁵

All of these networks are formed on the basis that the people in the region are its most important resources. Human resources development is indeed central to achieving sustained economic growth in any society. It is also a key developmental policy in enhancing a continued flow of regional trade and investment. The development and protection of human resources contribute to the attainment of such fundamental values as the alleviation of poverty, full employment, universal access to primary, secondary and vocational education, and full participation of all groups in the process of economic growth and development. APEC attempts to fulfill these goals by implementing specific plans for HRD. It is, however, difficult for APEC to achieve these goals unless some issues and conflict of interest among the member economies are clarified and countermeasures are provided.

³ APEC Secretariat, 1997 Report, p.3.

⁴ APEC's 9 other Working Groups are: Fisheries, Industrial Science and Technology, Marine Resource Conservation, Telecommunications, Tourism, Trade, Investment Data Review, Trade Promotion, and Transportation.

⁵ APEC Secretariat 1996 Report, p.8.

ISSUES AND CONFLICTS AMONG THE APEC MEMBER ECONOMIES

There are three major issues which are sources of conflict for APEC: diversity in terms of the size of population and territory, national wealth, cultural traditions and historical experiences; the issue of agreement for 2010/2020 for complete liberalization of the market, and the issue of security, which is a major concern for the United States.

Issues of Diversity and Power Imbalance among the APEC Member Economies

The current APEC member economies represent diversity with differing levels of economic growth, size of population and territory, contrasting cultural traditions with different historical experiences and competing political interests. The current 18 APEC member economies have no shared sense of identity, as shown in (Table 1). The diversity of the APEC member economies makes it difficult to produce economic integration, while the success and the expanding size of its members tend to exacerbate conflicts of interest. Unlike the regionalization of Western Europe and North America, Asian economies of APEC tend to be closed to one another in terms of exports, political, and ideological matters. Mutual political interests such as security seem to be totally absent, and, in fact, APEC explicitly took out any political items from its agenda. In particular, the three dominant powers of APEC -- i.e., the United States, Japan and China -- are divided among themselves politically, and are eager to pursue their own national economic interests without assuming a leadership role in helping APEC to become a more powerful institution in the new world order.

Prime Minister Mahathir Mohamad of Malaysia alluded that APEC inevitably would be dominated by the larger member economies, especially the United States. Prime Minister Mahathir's boycott of the Blake Island Meeting in Seattle sent a clear message of warning to the stronger economies to not dominate the APEC and to not weaken such regional organizations of Asia such as The Association of Southeast Asian Nations (ASEAN) and East Asian Economic Caucus (EAEC). He strongly advocated a unified effort among Asian economies to avoid the dominance of the Anglo Saxon nations. Although Mahathir did not, or could not, grasp the realism of power politics, and had to quiet his lone dissenting voice, he received sympathetic attention from the smaller member economies of APEC and ASEAN, albeit not openly.⁶

⁶ The Malaysian Prime Minister Mahathir Mohamad strongly blamed the international currency dealers of the advanced countries who exploited the current economic crisis at the 1997 Economic Leaders Meeting held in Vancouver, Canada. President Clinton commented that Mahathir's statement was "obscure." Summary of the Morning Sessions for APEC Leaders Meeting, 3-5 (ref. Korean Version).

TABLE 1. DATA OF APEC MEMBER ECONOMIES (1995)

APEC member	Population	Area	GNP/GDP	GNPpc/GDPpc	Export	Import
Australia	18.05	7,713	337,909	18,720	53.1	61.3
Brunei Dar	0.28	5.7	(D)4,996	(D)17,039	2.4	2.1
Canada	29.61	9,976	573,695	19,380	192.2	168.4
Chile	4.22	747	59,151	4,160	16.0	15.9
PR China	1,200.24	9,651	744,890	620	148.8	132.1
Hong Kong	6.19	1.1	(D)142,332	(D)22,990	173.9	196.1
Indonesia	193.28	1,905	190,105	980	45.4	40.9
Japan	125.21	378	4,963,587	39,640	443.1	336.0
R.O.Korea	44.85	99	435,137	9,700	125.1	135.1
Malaysia	20.14	330	78,321	3,890	74.0	77.7
Mexico	91.83	1,958	304,596	3,320	79.7	72.9
New Zealand	3.60	271	51,655	14,340	13.7	13.9
New Guinea	4.3	463	4,976	1,160	2.6	1.4
Philippines	68.59	300	71,865	1,050	17.5	28.2
Singapore	2.99	0.65	79,831	26,730	118.3	124.5
Taipei	21.30	36	258,347	12,439	111.7	103.6
Thailand	58.24	513	159,630	2,740	56.5	70.9
USA	263.12	9,809	7,100,007	26,980	583.9	771.3

Notes. Population: 1995 in millions; Area: thousands of square kilometers; GNP: 1995, 10 millions of US\$; GNPpc: 1995 (World Bank), in US\$; Exports and Imports: 1995, in billions of US\$

Sources: APEC SECRETARIAT, 1997 REPORT, which was based on the 1996 World Bank Report; WTO 1996 Annual Report; 1996 Statistical Data Book, Chinese Taipei; Brunei Darussalam Key Indicators, 1995/1996.

The issue of power imbalance is, indeed, real, and emerging as a potential conflict among the member economies. Mahathir's warning should not be brushed aside simply as a nationalistic complaint with an anti-American sentiment nor should it be called "obscure," as Clinton labeled it. No one can deny that there is tension between the institution-building impulses of the Anglo-Saxon participants and the consensus-building impulses of the Asian participants in the APEC organization. There are basic differences in value orientations among the APEC member nations, especially between Westerners and Asians. It is difficult for the North Americans of NAFTA, as well as Austrians and New Zealanders, to understand the value orientations rooted in the traditions of East Asian societies and the different historical experiences that Asian people have gone through. For example, Japan has modernized and is no longer a feudal society. However, "there is no doubt that the Japanese remain Japanese. Their homes are Japanese. Their souls are Japanese...their value systems, though changing, remain fundamentally Japanese. They bow deeply and behave reverentially toward their elders."⁷

APEC must find a way for a pragmatic spirit of accommodation and consensus-build-

⁷ Kishore Mahbubani, "The Pacific Way," *Foreign Affairs*, Vol. 74, No. 1, Jan/Feb. 1995, p. 107.

ing to overcome its diversity in size, wealth and cultural origin. As William Bodde, Jr., the first executive director of APEC has noted, the varying reactions of the APEC members to issues raised at the ministerial meetings "reveal underlying differences that will have to be worked out if APEC is to become a true Asian-Pacific economic community."⁸ It is a serious mistake if APEC members focus only on institution-building for economic integration without any concerted efforts for cultural understanding between East and West. At the same time, a policy instrument has to be developed by APEC to insure that the developing and smaller countries can maintain economic and political autonomy.

The idea of an "Asian view," on the other hand, argues that while there are many differences among the Asian members of APEC, there are also similarities which have produced an "Asian consciousness and identity." Japan, the Republic of Korea, Taiwan, and the original members of ASEAN (Indonesia, the Philippines, Malaysia, Singapore and Thailand) all have the recent common historical experiences of directly confronting communism. Another cultural commonality is found in the Asian view, which emphasizes that the group is the most important unit in a society with the individual's interests subordinated to the interests of the whole. The economic dimension of the Asian view highlights the strong links between the government and business, which usually leads and shapes economic development. Another distinctive Asian feature refers around informal and flexible "network-based" economies rooted in family ties, social relations and connections as opposed to the "firm-based" economies rooted in laws and binding contracts which are characteristics of the West.⁹

The Issue of Agreement For 2010/2020 Deadline

One of the major achievements of APEC has been the decision by the member economies to reach a total liberalization of trade and investment by 2010 for the developed member economies and by 2020 for the developing member economies. This bold agreement was reached at the Bogor Summit Meeting in 1994, a meeting specifically tailored for the developing and underdeveloped economy members. Here lies a dilemma for those Asian nations, which are currently struggling with economic difficulties. How can they attain the ambitious economic goals they have agreed to complete by the 2020 deadline? The problems with this agreement are that it is not legally binding, decisions in APEC are made through consensus, and the compliance with this agreement is also voluntary.

Some leaders of Asian member economies like Mahathir of Malaysia and Japanese officials have argued for a flexible "concerted unilateral" approach to reaching APEC's liberalization agreement. In other words, each member could move at its own pace according to different levels of economic development. They argue that liberalization "should come about fundamentally through the unilateral best endeavor and action without intimidat-

⁸ William Bodde, Jr., "View from the 19th Floor: Reflections of the First APEC Executive Director," Singapore: Institute of Southeast Asian Studies, 1994, p.38.

⁹ Nicole Gallant and Richard Stubbs, *op.cit.*, p.13.

tion" by advanced economies.¹⁰ This line of argument is certainly bothersome to the Anglo-Saxon member economies of APEC. The comprehensive approach is advocated by the United States, Australia and Canada, who feel that the interests of advanced members are not fully served and they may even consider pulling out of APEC unless the agreements are not followed fully. Sandra Kristoff, the U.S. Ambassador to APEC, expressed such a sentiment of the advanced nations, saying that "for many of us, to provide for sectoral exclusion because of domestic sensitivities would be to turn Bogor on its head and to call into serious question the continued interest of many of us to participate."¹¹

Asian member economies are much more comfortable with loose language for flexibility rather than a uniform fixed timetable, legally binding targets for all members, which is what the Western advanced member economies are proposing. These issues were addressed at the Osaka Meeting in 1995 and at the Subic Meeting in 1996. Agreement was reached in Osaka that each member's plan for liberalization including "specific concrete details" and "time frames" would be presented at the Subic Bay Meeting. At the Subic Meeting, again, the individual action plans (IAPs) were not clearly presented, and most of them were flexible guidelines, or frameworks, for liberalization, which can be revisited and revised on a continuing basis by each member economy.¹² APEC must find ways to balance different perspectives on this issue of agreement for the total economic liberalization deadlines of 2010/2020.

The Issues Of Security

As Donald C. Hellmann correctly points out, "although the Cold War is over, the post-Cold War interregnum still holds two of its unique features that remain particularly important for the United States and Asia. First, there has not been a multilateral military alliance like NATO in the Pacific, and bilateral arrangements with South Korea and Japan notwithstanding, regional containment was essentially supplied unilaterally by the United States."¹³ APEC faces a complex task in achieving the free and open trade and investment with the tariff reduction to 0 per cent by the year 2010 for the advanced countries, and by 2020 for the developing and underdeveloped economies. These long term objectives can only be achieved if an environment of regional, and indeed global, political stability is secured. The region will need to develop a collective responsibility for its long-term security. Of course, the complexity of the region with political and ideological differences makes the security issue very difficult to be included in APEC's agenda. For example, Japan, China, Australia and some ASEAN members are opposed.

There are three major arguments for opposition. First, the sensitivity of security issues could derail the organization before it can develop. Second, security discussion deflect

¹⁰ Nurordin Supriat, "Asian Approach Best Way to Build Enduring APEC," *The Strait Times*, September 1, 1994.

¹¹ "Deep Fracture May Destroy APEC: Says U.S. Official," *The Sunday Times*, November 5, 1995.

¹² "The Osaka Action Agenda: Implementation of the Bogor Declaration," November 19, 1995, Osaka, Japan, Section B, Singapore: APEC Secretariat, November, 1996.

¹³ Donald C. Hellmann, "America, APEC, and the Road Not Taken," in *From APEC to Xianadu*, edited by D.C. Hellmann and Kenneth B. Pyle, New York: M.E.Sharpe, 1997.

attention from the economic goals that have distinguished APEC to date, and thus hamper their implementation. Third, if APEC took up security issues, it would either duplicate the ASEAN Regional Forum or threaten its evolution.¹⁴ Yet, the issue of security arrangements by the APEC members must be taken seriously if the APEC's long term economic objectives are to be achieved. Leadership in the Asian-Pacific region must realize that security is indeed an inseparable from of economic concerns. Peace without security cannot last long in the Asia-Pacific region, as nationalism is still a conspicuous feature and two major powers (Japan and China) in the region are not assuming their share of leadership obligations. The Pacific region has the largest armed forces in the world: China, Russia, the United States, North Korea, Vietnam, South Korea, and Taiwan. The economically powerful nations will continue to build their military power, thus threatening the "pacific" state of the region. I would argue that APEC cannot function outside of the global and regional security framework in this age of globalization and regionalism. Unless security issues and conflict of interest are properly dealt with, APEC will be in great danger of faltering as a viable international community.

We have so far discussed three major issues faced by APEC including the issues of the diversity of its member and power imbalance, the agreement for 2010/2020, and security. There are a host of other issues faced by APEC, such as human rights, the structural consideration, institutionalization, etc. These issues could also create serious conflict of interest among the member economies of APEC, and they should be resolved in order to establish APEC as a desirable regional community, which can contribute to the global world order. Among the 10 working units of APEC, the human resources development programs can provide some countermeasures addressing the above-mentioned issues and conflicts.

HRD PROJECTS AND NETWORKS AS THE POTENTIAL OF HRD

APEC has set forth seven priorities for HRD activities. They are as follows:

- (1) provision of quality basic education for all;
- (2) analysis of the regional labor market to allow sound forecasting of the trends and needs in human resources development;
- (3) an increase of the supply and enhancement of the quality of managers, entrepreneurs, and educators/trainers in areas of the economy which are central to the fostering of economic growth and development (these areas include training in small and medium-sized enterprises, entrepreneurship, and management of sustainable growth incorporating economic and environmental considerations);
- (4) reducing deficiencies in skills and unemployment by designing industrial and other training programs for all stages of a person's development;
- (5) increasing the quality of curricula, teaching methods, and instructional materials;

¹⁴ C. Fred Bergsten, "APEC in 1997: Prospects and Possible Strategies." In *Whither APEC?*, op. cit. p. 15.

- (6) increasing the opportunities in the region for people, who seek skills required for economic growth and development of member economies and the region as a whole;
- (7) preparing organizations and individuals to remain productive in the face of rapid economic and technological changes in member economies, the Asia-Pacific region, and the global economy.¹⁵

At the 5th Ministerial Meeting in 1993, the APEC leaders decided to set up the HRD working plans to define the priorities for HRD activities in APEC as well as establish programs for their implementation in the immediate as well as longer terms. HRD's five network groups have selectively followed the APEC's plans for HRD. The first HRD network group met in Manila on January 1996, and called upon the working group to develop plans to analyze the regional labor market, manage and strengthen the small and medium-sized enterprises, facilitate the mobility of persons, liberalize and facilitate trade in services, and implement executive education. The recent HRD working group meetings were held in Sydney on January 20-23, 1997, and in Chinese Taipei on June 16-19, 1998. The Second APEC Ministerial Meeting was held on September 23-26, 1997 in Seoul, Korea.

At the Seoul Ministerial Meeting on HRD, it was declared that human resources are main assets in achieving and sustaining the economic dynamism of the Asian-Pacific region. The main theme -- The Strategy for Developing Human Resources under a New Environment and Challenges -- was broadly discussed during the meeting and it was noted that "all member economies in APEC are dedicated to human resources development, the most important resource available in the Asia-Pacific Region to sustain economic growth and development, in the end, to improve the quality of living for the people of the region."¹⁶ The active HRD projects of various member countries reported at the Taipei HRD Working Group Meeting were as follows:¹⁷

Australia	University Mobility in Asia and the Pacific (UMAP)
Japan	Japan-APEC Partnership for Education and Training (JAPET)
Korea	APEC Vocational Training Program
Korea	APEC Youth Skill Camp Program
Singapore	Proposed Framework for the Organization of the 2nd APEC Education Ministerial Meeting to be held in Singapore
Singapore	Update of APEC Education Hubs and APEC Scholarship for Study at NUS & NTU
Thailand	APEC Business Volunteer Program (APEC BVP)

The 1998 HRD Working Group Meeting also endorsed the following self-funded proposals. Each proposal was classified by various networks: Business Management Network

¹⁵ APEC Secretariat, 1995 Document, p.41.

¹⁶ APEC, General Information, The Second APEC Ministerial Meeting on HRD, 23-26

September, 1997, Seoul, Republic of Korea, p.21.

¹⁷ APEC, General Information, The HRD Working Group Meeting, op. cit., pp.4.14-15.

(BMN), The Education Forum (EdFor), Human Resources Development for Industrial Technology (HURDIT), Labor Market Information Group(LMI), Network for Economic Development (NEDM).

Australia	Mutual Recognition of Qualification -State III(Engineering) (EdFor)
Canada	Best Practices Workshop on School to Work Transition in APEC Member Economies for Youth at Greatest Risk of Unemployment (EdFor/HURDIT)
Japan	Alternative Dispute Resolution Executive Education Project(BMN)
Japan	APEC White-Collar Training Program on Production and Material Handling Management under the Total Management System(BMN/HRDIT)
Japan	Cross-Member Seminar on Social Development and Human Resources Development in the APEC Member Economies (NEDM)
Korea	APEC Youth Skill Camp Program (HURDIT)
Korea	Cross-Cultural Comparison on Open-Learning Suystem in APEC member Economies (EdFor)
Korea	Exchange of Education Professional Among APEC Member Economies(EdFor)
New Zealand	Workshop on Work Based Education and Training Reconsidering the Role of Government(NEDM)
Chinese Taipei	Economic Restructuring and Labour Market Dynamics(NEDM)
USA/China	Achieving High Performing Schools (EdFor)

The Working Group and Networks reviewed, assessed, endorsed and ranked new project proposals according to the process agreed upon at the 17th Meeting in Bali. The following proposals were endorsed, for APEC Central funding with the rankings as indicated:¹⁸

Of all the above projects and other unreported projects currently in operation and be implemented in the future, the five networks of projects may provide some countermeasures for the issues faced by APEC. They are The Education Forum (EdFor), Business Management Networks (BMN), Human Resources Development for Industrial Technology (HURDIT), Labor Market Information Group (LMI), and Network for Economic Development Management (NEDM). These networks have the potential for providing countermeasures to reduce the issues and conflicts of APEC, and eventually to bring economic development in the Asian-Pacific region. The Education Forum has the greatest potential for providing such countermeasures.

¹⁸ APEC, The 18th Meeting of the APEC Working Group on Human Resources Development, Chinese Taipei, June 16-19, 1998, pp.13-14.

TABLE 2. APEC CENTRAL FUNDING PROJECT PROPOSAL

Rank	Title	Sponsor	\$ Proposed Budget
1	Maintenance of the APEC LMI Database	Australia/LMI	\$ 50,000
2	Integration of Information and Communications Technologies Through Teacher Professional Development and Pre-Serve Training	Canada/EDFOR	\$ 12,413
3	Trainers Training Program in industrial HRD school-Industry Linkages for Industry Workers, Trainers and Supervisors	Philippines/HURDIT	\$ 18,850
4	Applications of Total Productive Maintenance(TPM) in Small and Medium Industry	Thailand/HURDIT	\$ 55,050
5	Successful Practices in Human Resources Development in Workplace: Contributions from Labor, Management, and Government	Canada/NEDM	\$ 57,330
6	Chief Human Resources Officer(CHRO)	Thailand/BMN	\$ 33,000

Network Project Phase II

The Working Group Endorsed the following for New Project Proposals for TILF funding

Rank	Title	Sponsor	Fund Sought
1	APEC Experts-Trainers-Executives Workshop on Internation Quality Assurance Systems	Philippines/Japan BMN	\$ 123,982

The Potential of The Education Forum (EdFor)

The report of the Task Force on the Human Resources and Social Impacts of the Financial Crisis was discussed at the 12th Meeting of the the EdFor. In terms of potential deliverable for 1998, the EdFor identified several specific projects which could enhance some mutual understanding and cooperation to reduce conflict based on diversity of membership.¹⁰ They are as follows:

- (1) We are APEC
- (2) APEC Regional Education Hubs
- (3) Utilization of Computer Network in Schools
- (4) Projects on Monitoring of School Performance
- (5) Best Practices Workshop on School to Work Transitions in APEC Member

¹⁰APEC. The 18th Meeting of the APEC Working Group on Human Resources Development, op. cit. p.5.

Economies for Youth at Greatest Risk of Unemployment

(6) Improving and Expanding Education Statistics (Phase II) Project

(7) Mutual Recognition of Qualification State II-Engineering

Of the various HRD's EdFor programs, APEC Leaders' Education Initiative (ALEI, hereafter) seems to be the best way to provide some countermeasures for the issues we have discussed so far. Proposed by the United States, ALEI will develop regional cooperation in higher education, study key regional economic issues, improve workers' skills, and facilitate cultural and intellectual exchange. ALEI's mission is to foster understanding of diversity in this region, and to direct other regional cooperative efforts in education and human resources development toward a better understanding of open regionalism and security issues such as the regional and global imperative of the new world order. ALEI is closely linked to the APEC Education Foundation.

The purpose of the APEC Education Foundation was to advance the cause of education and human resources development. As an important part of the practical implementation of ALEI, it will channel investments into the development of the human resources in the region. The APEC Education Foundation plans to establish a financial resource base which would permit it to carry out exchange programs and research and development in addition to maintaining a database on HRD-related activities and institutions.

At the present time, another important HRD education project called APEC EduNet is being developed at the Center for APEC Studies at the University of Washington. The objectives of the APEC EduNet are,

- (1) to tightly integrate the APEC EduNet Internet Suite with individual PC desktops, giving users a common platform for joint work on international projects;
- (2) to establish multiple points of presence for APEC EduNet application servers in order to improve access for users in APEC member countries;
- (3) to secure projects and individual communications from unauthorized access; and
- (4) to conform to users' working habits by presenting data and processes in a familiar manner.

The EduNet was endorsed at the Osaka Ministerial Meeting held in 1995 and it was launched during a 15-minute multimedia event at the Manila Ministerial Meeting in 1996. As the APEC EduNet matures in the next several years, it will be well positioned to leverage the exponential growth of the internet throughout the eighteen APEC member economies. Through the use of EduNet, the website of the networks and working groups, the HRD programs for EdFor will be revitalized for effective application to countermeasures for major issues of APEC such as diversity, open regionalism, the agreement of 2010/2020, and security.

The question is then how can the HRD's EdFor projects, including ALEI, Educational Foundation and EduNet, provide countermeasures for the issues and conflicts? These HRD EdFor programs cannot bring about immediate countermeasures and settlement to the issues. It may be, however, expected that various HRD educational projects may result in the alleviation of those issues of APEC. There are several other HRD educational

projects, which are conducted by the HRD Working Groups. ALEI, for instance, attempts to establish APEC Study Centers in all the APEC member countries in order to promote collaborative research on APEC related issues. APEC's Executive Education and Development stresses the development of human resources within the region so that the executives and managers can understand the emerging trends and realities in the APEC region.²⁰ Through Industrial Technology Education, HRD Working Group tries to improve the quality of curricula, teaching methods, and instructional materials related to industrial technology. Critical aspects of this program include cooperative efforts geared toward exchanges of information on training and skills, development policies, strategies, and programs, among member economies. Lifelong learning programs also attempt to improve labor productivity and flexibility for sustainable and equitable economic growth in the APEC region. This program emphasizes the significance of creating new approaches and HRD programs for application in all stages of a person's career. Information exchanges through EduNet will be very important for providing alternative channels of communication when confronted with conflicts. Effective and efficient communication of HRD activities to a wide range of audiences within the APEC member economies will certainly enhance mutual understanding and cooperative efforts. For instance, the website of each network and working groups of HRD may provide the necessary information for obtaining HRD Working Group publications for their project reports. "Communicating for Results" seems to be the most vital part of reducing misunderstanding and conflicts among the member economies of APEC.

As shown in the country reports at the Chinese Taipei HRD Working Meeting, the most active HRD projects are almost entirely in the area of EdFor Network, especially Australia's University Mobility in Asia and the Pacific, Japan's APEC partnership for Education and Training, Korea's APEC Vocational Training Program, and Singapore's APEC Scholarship for Study at NSU and NTU. Among the 11 proposed HRD's self funded projects, 5 are in the area of EdFor Network. Thus, EdFor Network, indeed, has great potential to reduce the issues and conflicts faced by APEC through various education and training projects.

The Potential of HRD's Other Networks and Task Force on Human Resources, and the Social Impact of the Financial Crisis

HRD's Networks on Business Management (BMN), Labor Market Information (LMI) and Human Resource Development for Industrial Technology (HURDIT) and Economic Development Management (NEDM) are all closely related to the Task Force on Human Resource and Social Impacts of the Financial Crisis (HRSIFC). The 18th Meeting on HRD Working Group of APEC endorsed the following specific recommendations for the Task Force on HRSIFC:²¹

²⁰ Through this program of Executive Education and Development, HRD Working Group undertook research and workshops on cross-cultural technology transfers in 1996. APEC Secretariat, 1995, APEC Document, p.46.

²¹ APEC, The 18th Meeting of the APEC Working Group on Human Resources Development, op. cit. pp. 8-9.

1. A project which examines the best practices of member economies in balancing market liberalization with labor market adjustment policies to respond to external shocks.
2. A study which emphasizes the importance of strengthening the dissemination of HRD Working Group projects, as well as undertaking periodic stock-taking so that the Working Group will become an ongoing source of information on the best practices.
3. The HRD Working Group will contribute to the efforts of APEC Finance Ministers to strengthen corporate governance in general, and financial sector supervision and regulation in particular, in the region, in order to support training programs as appropriate.
4. The HRD WG contribute to the Economic Committee's project to examine the impact of trade liberalization by undertaking specific analyses of human resources and its social impact.
5. International financial institutions and private sector investors can contribute much towards alleviating adverse human resources and the social impacts of the financial crisis.
6. The private sector should play a central role in the economic recovery of the region, and the HRD Working Group should develop stronger links with key private sector stockholders, including business, labor, women, youth and non-governmental organizations, to enable them to contribute toward the Working Group's activities.
7. The active participation of additional member economies in its activities, recognizing that the impact of the crisis goes well beyond the first-hit economies.

The Task Force on HRSIFC clearly recognized a sudden reversal in economic fortunes, rising unemployment and underemployment, declining real wages, the impact this has had on women and, limited social safety nets. In relation to the Labor Market Responses, the Task Force set up several common themes: integrated strategies; labor market information and analysis; short-term relief measures; social safety nets; retraining, participation and cooperation among sectoral stake-holders; improved working arrangement; and in particular, support for export sectors. With such common themes, the Task Force set up the following four objectives:

- Explore human and labor market impact
- Estimate the likely degree of restructuring required in labor markets
- Identify and share knowledge and especially for the "best practices"
- Recommend appropriate and realistic action to the HRD Working Group

The activities of the Task Force in relation to various HRD networks of economic concerns has great potential for reducing conflicts facing APEC such as the imbalance of economic power among diverse member economies, open regionalism, and free-tariff deadline of 2010/2020. Moreover, the future activities of the Task Force certainly has the potential for alleviating the financial crisis faced by most of the Asian member economies of APEC.

The Potential of the Project on Small and Medium Enterprises

Another of HRD project, which can provide countermeasures for the issues and con-

licts of APEC is the program for small-and medium-sized enterprises (SMEs). At the 1994 APEC Ministers' Meeting in Jakarta it was agreed that SMEs policy dialogue on human resources development, information access, technology sharing, the availability of finance, and market access, should be further enhanced. Subsequently, the APEC's HRD Working Group has adopted SMEs as a key in the workplan. Since SMEs are extremely important sectors in all of the developing and underdeveloped member economies of APEC, this issue can provide the countermeasures necessary to deal with the issues of diversity and power imbalance.

In order to maximize growth opportunities and enhance the competitiveness of APEC member economies, the HRD Working Group pursued many other projects that could promote the quality of management and entrepreneurial skills in human resources. For example, a cross-network Symposium on HRD for SMEs, a Symposium on Marketing Strategy For SMEs, Training Programs and Surveys To Enhance Productivity Among SMEs, and other projects for small and medium size companies were conducted in the past and will continue in the future. These programs all promote linkages and information exchanges on research and development along with the promotion of on-the-job training from mid to long-term.

One area where SME development is clearly beneficial is the development of a thriving local supporting industry. It could increase local procurement, increase local manufacturing and service sector capacity, and enhance the future competitiveness of developing economies. "It is, thus, a win-win situation for all concerned."²²

Close cooperation between large enterprise and SMEs could enable SMEs in developing economies to benefit from training in new technologies offered by SMEs in developed economies. At the same time, SMEs in developed economies can benefit from the additional manpower that such cooperation offers.

More specifically, the HRD activity for SMEs was realized by the project of APEC CENTER FOR TECHNOLOGY EXCHANGE AND TRAINING FOR SMEs (ACTETSME). The Center started "to perform the role of a resource center with distinct capabilities in information networking, mobilization of training opportunities for technical know-how absorptions and upgrading, and organizing specialized activities to reach out to SMEs for syndicating technology transfer projects in the spirit of intra-regional cooperation and business internationalization."²³

There are other HRD programs which could provide countermeasures for the conflicts faced by APEC: Infrastructure Development, Structural Adjustment Policies, and Best-Practice Benchmarking. The HRD Working Group, established in 1990, manages about 70 projects, which all promote better communication and cooperation among the APEC member economies. In one way or another, these projects have the potential to provide countermeasures for the conflicts APEC faces. Ministers at the 1997 Vancouver Meeting welcomed the results of the HRD Ministerial Meeting held in September 1997 in Seoul. They emphasized that life-long learning and school-to-work transitions are

²² APEC, Report on the Pacific Business Forum, A Business Blueprint for APEC, October, 1994, p. 20.

²³ APEC Secretariat, 1995 Selected APEC Documents, p.52

essential to create an adaptable workforce as well as to provide individuals with relevant skills; and that developing skills is one of the most important means for adjusting to the changes in the labor market and the broader economic environment.²⁴

CONCLUSION

More than other units of APEC, HRD with its various projects, programs and Task Force activities, has great potential to provide some countermeasures for alleviating the conflicts faced by APEC. Especially, HRD's Network for Education Forum (EdFor) with various projects such as APELL, EduNet, Youth Vocational Training may be able to generate mutual understanding through effective communication of informations and exchange of ideas and skills. The 18th Meeting of the APEC Working Group on Human Resources Development has launched and urged the HRD Working Group to continue working for Task Force on Human Resource and Social Impacts of the Financial Crisis in 1999. The Task Force along with various HRD's Networks on industrial and economic development (Business Management Network, Human Resource Development for Industrial Technology, Labor Market Information, Network for Economic Development) indeed has the great potential to make significant contributions to the economic cooperation among the member economies in the Asian-Pacific region.

It is difficult to make any concrete and specific policy proposals for directly linking the HRD programs to countermeasures for the issues of APEC. However, the HRD programs and projects should be coordinated with specific objectives for alleviating the issues and conflicts faced by APEC.

The common policy concepts will essentially consist of basic principles for cooperative action to create mutual understanding of diverse cultures and to minimize the power imbalance among the APEC member economies. HRD projects under "Cross Cultural Management" (Priority 3), which is one of the Eight Priorities, should emphasize cross cultural cooperation. Joint cooperative activities shall be developed to promote the complete liberalization of trade and investment with different timetables for each member economy according to the level of development and economic capacity. Moreover, the HRD Working Group and other HRD fora should develop a system for continuous review and assessment on security issues in relation to the possible threat of war and regional conflict in the Asian-Pacific region. APEC will work more effectively for the social economic development in the Asian-Pacific region, if and when the issues and conflicts faced by APEC are alleviated through the cooperative activities of the various units of APEC, especially through the Human Resources Development Unit.

²⁴ The Ministry of Foreign Affairs and Commerce, Republic of Korea, [1998 APEC], pp. 236-237.

REFERENCES

- Asia-Pacific Economic Cooperation. 1993. "A Vision for APEC: Towards an Asia Pacific Economic Community." Report of the Eminent Persons Group to APEC Ministers compiled by the APEC Secretariat. Singapore, October.
- Asia-Pacific Economic Cooperation. 1994a. "Manila Action Plan for APEC (MAPA)." Report compiled by the APEC Secretariat. Singapore, November.
- Asia-Pacific Economic Cooperation. 1994b. "Report on the Pacific Business Forum: A Blueprint for APEC." Report compiled by the APEC Secretariat. Singapore, October.
- Asia-Pacific Economic Cooperation. 1997a. "APEC Member Economy Data." Report compiled by the APEC Secretariat. Singapore.
- Asia-Pacific Economic Cooperation. 1997b. "Morning Session of the Vancouver Economic Leaders Meeting." Summary compiled by the APEC Secretariat. Singapore.
- Asia-Pacific Economic Cooperation. 1998. The 18th Meeting of the APEC Working Group on Human Resources Development. Chinese Taipei.
- Bergsten, C. Fred. 1997a. "Open Regionalism." In *Whither APEC: The Progress to Date and Agenda for the Future*, Special Section 9, ed. C. Fred Bergsten. Washington, D.C.: Institute of International Economics.
- Bergsten, C. Fred. 1997b. "APEC in 1997: Prospects and Possible Strategies." In *Whither APEC: The Progress to Date and Agenda for the Future*, Special Section 9, ed. C. Fred Bergsten. Washington, D.C.: Institute of International Economics.
- Bodde, William, Jr. 1994. "View from the 19th Floor: Reflections of the First APEC Executive Director." A General Secretary Report compiled by the Institute of Southeast Asian Studies. Singapore.
- Gallant, Nicole, and Richard Stubbs. 1997. "APEC's dilemmas: Institution-Building around the Pacific Rim." *Pacific Affairs* 70(2): 203-218.
- Ha, Yong Chool, and Taehyun Kim. 1997. "Reflections on APEC: A Korean View." In *From APEC to Xanadu*, eds. D. C. Helmann and K. B. Pyle. The National Bureau of Asian Research. New York: M. E. Sharpe.
- Hollmann, Donald C. 1997. "America, APEC, and the Road Not Taken: International Leadership in the Post-Cold War Interregnum in the Asia-Pacific." In *From APEC to Xanadu*, eds. D. C. Helmann and K. B. Pyle. New York: M. E. Sharpe.
- Mahbubani, Kishore. 1995. "The Pacific Way." *Foreign Affairs* 74(1): 100-111.
- Republic of Korea. 1997. General Information on the Second APEC Ministerial Meeting on Human Resources Development. Seoul, Korea.
- Sopiee, Norordin. 1994. "Asian Approach: Best Way to Build Enduring APEC." *The Sunday Times*, November 5.
- Yoo, Jang-Hec. 1997. "Membership and Participation in APEC." In *Whither APEC: The Progress to Date and Agenda for the Future*, ed. C. Fred Bergsten. Washington, D.C.: Institute of International Economics.