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Assessing APEC's Progress

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A Project of the APEC International Assessment Network (APIAN)

Assessing APEC's Progress Trade, Ecotech & Institutions

Edited by
Richard E. Feinberg and **Ye Zhao**

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INTRODUCTION

This book is the result of two years of planning and research that began in January 1999, when a group of scholars held a brainstorming session in La Jolla, California. We all had a strong interest in APEC (Asia-Pacific Economic Cooperation) and were seeking ways to increase the linkages between the scholarly and non-governmental communities and APEC officials. We felt strongly that APEC could benefit from such expert interaction, from the knowledge and experience scholars and outside experts can bring to the table, from their independent, critical perspectives, and from their channels of influence with broader public opinion.

APEC has from time to time expressed its interest in working more closely with outside experts, and in 1993 APEC established APEC Study Centres (ASCs) to promote research, dissemination and regional cooperation. In the intervening years, some APEC Working Groups have drawn on external expertise. But often APEC has kept non-governmental experts at arms length, perhaps fearing that such interactions might be shallow or contentious. Some APEC members expressed concerns that interactions with outside groups might favour some APEC economies over others. Questions have also been raised about the representativeness of possible interlocutors.

At the La Jolla meeting, we came up with a formula that we believe provides APEC with the benefits of expert input while avoiding the potential pitfalls. We have involved leading experts with years of experience in their areas of research, and in studying the economic and political trends in the Asia-Pacific. Many have dedicated themselves to advancing the causes of regional integration and cooperation, and hence share the fundamental purposes and aspirations of APEC. There would be no

reason, therefore, for tedious or contentious exchanges. We dealt with the issue of potential asymmetries by forming a balanced, comprehensive group with members from throughout the Asia-Pacific: industrial and developing countries, North and South, Asia and the Western Hemisphere. And we solved the potential problem of representation by basing our activities on ASCs which enjoy the official imprimatur of the APEC leaders.

At the La Jolla meeting, representatives from ASCs located in nine APEC member economies decided to launch the experiment we call the APEC International Assessment Network — APIAN, for short. APIAN's mission statement is straightforward: to track and assess the design and execution of select APEC initiatives, to enhance knowledge among government officials and the general public with regard to APEC activities, to encourage the fulfilment of APEC objectives and commitments, and to identify ways for APEC to improve its performance.

Since the seminal La Jolla conclave, many other ASCs have joined in APIAN activities. APIAN has met on the margins of the annual ASC international consortium meetings, and in October 2000, the Institute of Southeast Asian Studies (ISEAS) in Singapore hosted an important APIAN workshop.

Section 1 of this volume includes APIAN's first major Policy Report, *Learning From Experience*. Its 22 signatories are leading scholars at ASCs from 13 APEC member economies: Australia, Canada, Chile, China, Hong Kong, Japan, New Zealand, Philippines, Singapore, South Korea, Chinese Taipei, Thailand, and the United States.

With the generous assistance of the APEC Secretariat, *Learning From Experience* received wide distribution at the Leaders' Meeting in Brunei in November 2000. Press attention included opinion editorials written by APIAN members. In response to the Policy Report, the February 2001 Senior Officials Meeting (SOM) formally took note of APIAN, and the Ecotech Sub-committee of SOM officially invited a representative of APIAN to its next meeting to discuss *Learning From Experience* and to suggest how to proceed on the future evaluation of Ecotech activities. *Learning From Experience* is posted on the official APEC Secretariat website, and APIAN is listed on the website's glossary of key abbreviations. The first APIAN Policy Report has also been posted on many ASC websites, and has been translated into Chinese.

Learning From Experience assesses APEC's successes and failures and advances 12 major policy recommendations to improve APEC's performance, with regard to Trade and Investment Liberalization and Facilitation (TILF), Economic and Technical Cooperation (Ecotech), and Institutional Structures. The recommendations — which are summarized in the Policy Report's Executive Summary — are specific and action-

oriented and APIAN intends to track APEC's reactions and to continue to press for their full implementation.

Learning From Experience was informed by a series of Issue Reports on specific APEC activities. These Issue Reports are made public in revised and updated form for the first time in Section II of this volume. Issues covered include services, investment policy, competition and regulatory reform, mobility of business people, human resource development, food and agriculture, industrial science and technology, energy, economic infrastructure, corporate governance, financial stability, and APEC as an institution. Prepared by APIAN participants, these Issue Reports generally follow a common format: a summary of the key initiatives in the issue area that have been approved by APEC; actions taken at the international level; actions taken at the level of member economies; evaluation of progress; assessment of strengths and weaknesses; and recommendations. To augment existing information sources, the authors of the Issue Reports designed and circulated questionnaires to other experts in APEC member economies; for illustrative purposes, one such questionnaire is included as an appendix to the Issue Report on financial stability.

This volume contains the products of APIAN's first phase. We will continue to monitor and evaluate APEC's performance, with the ultimate objective of enhancing mutual prosperity and cooperation in the Asia-Pacific. In addition to issuing periodic policy reports, we will look for new ways to interact with official APEC to encourage the fulfilment of APEC objectives and commitments. In these activities, we welcome the participation of other scholars and non-governmental experts that share APIAN's purposes, just as we look forward to productive interactions with APEC officials.

APIAN's progress and this volume would not have been possible without the sincere collaboration of many institutions and individuals. The APIAN project has enjoyed the generous support of the Institute on Global Conflict and Cooperation (IGCC) of the University of California and the Japan Foundation Centre for Global Partnership (CGP). The preparation of this book benefited from the support and encouragement of the ISEAS Director, Professor Chia Siow Yue, and the Institute's superb editorial staff. My co-editor, Ye Zhao, was an outstanding project manager and a joy to have as a colleague. Xin Wang, Research Assistant at the APEC Study Centre, University of California at San Diego, was responsible for the Chinese translation of *Learning From Experience*.

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