

**Part Two:**  
**Beijing Initiative on APEC Human  
Capacity Building**

## BEIJING INITIATIVE ON APEC HUMAN CAPACITY BUILDING

---

The APEC High Level Meeting on Human Capacity Building in Beijing on 15-16 May, 2001 was initiated at the APEC Leaders meeting last November by H.E. President Jiang Zemin of the People's Republic of China, and H.M. Sultan Haji Hassanal Bolkiah, the Sultan and Yang Di-Pertuan of Brunei Darussalam and supported by all APEC Leaders. The initiative had its origins in the vision laid out by APEC Leaders in Brunei who committed to put in place a policy framework which would enable all people in APEC economies to have individual or community-based access to the services of the Internet by 2010 and to treble the number with access in APEC economies by 2005. They placed particular stress on the importance of human capacity building to ensure that all people could benefit from these goals and on partnerships across the widest spectrum of stakeholders to develop the necessary policies and programmes to respond to this human capacity building challenge.

The High Level Meeting was chaired by H.E. Zhang Xuezhong, Minister of Personnel of the People's Republic of China and H.E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources of Brunei Darussalam.

More than 500 participants including Ministers and their representatives, government officials, business leaders, and experts from the education, academic and training sector from all 21 APEC economies met to address the theme *New Economy, New Strategy: Co-operation and Innovation to Build Human Capacity for Common Prosperity*. They worked together to reach a deeper understanding on the role of human resources in the economic and social development of the new economy. The participants also identified strategic options to strengthen human capacity building and to create partnerships across all stakeholders.

### ***Challenges Ahead: Moving from Old to New for Stakeholders***

The new economy is primarily a knowledge-based economy. It is a strategic combination of many factors. They include organizational and structural changes, an appropriate combination of technologies, policy settings and capacity building based on the innovation and creativity promoted by expanded international trade and global networked information technologies. Sustainability of the new economy is in part an effect of sound macroeconomic foundations, particularly in terms of fiscal stability and a commitment to openness in trade and investment.

The new economy offers unprecedented opportunities for economic growth, employment and higher living standards. It is also posing new challenges for APEC economies to respond to the management, policy, social and human resource impacts of globalisation and

networked information technologies.

APEC comprises a diverse mix of economies requiring different approaches to the new economy: some are leaders in innovation and creativity; others are capable of adopting and adapting those technologies; and there remain some that have yet to engage fully with those technologies. APEC is able to support the development of effective responses to the new economy's challenges by promoting and facilitating human capacity building partnerships among all the stakeholders, in particular governments, businesses and education and training sectors.

The challenges created by the new economy emerge at many levels. Businesses of all sizes from international corporations to micro-enterprises, and family businesses must enhance their capabilities to participate in and take full advantage of the global economy. Individuals from their student days and throughout their working lives face the need to continually update their knowledge and skills as part of a life-long learning society. The challenges require stakeholders to question many traditional ways of thinking about, for example, technological change, work organization, management practices, employment practices, education and training and market behaviour, and adopt a new concept of development to step up human capacity building. What is most needed for APEC human capacity building currently is to bridge the digital divide, and in return, convert "digital divide" into "digital opportunities" so as to benefit all economies.

### ***Strategic Options: Working to Reach All People***

Building human capacity must be based upon clear and dynamic strategies which can effectively respond to the rapid changes taking place. There is a critical need to set objectives, principles and priorities, and formulate and carry out effective policy measures. Participants identified some key elements which could be considered in developing strategic options. These include the importance of policies that foster innovation and entrepreneurship, promote a broad distribution of the opportunities of the new economy, encourage engagement with all stakeholders, strengthen education as the foundation of life long learning, seek equal access and opportunity for women, and facilitate the diffusion of information and communication technology through regulation and measures to enhance access and public confidence.

Within the APEC agenda, human capacity building must be among the highest priorities. As one of the pillars of the new economy, it must be integrated with the overall economic, social and human resources development strategies of member economies. APEC should develop an integrated strategy for human capacity building through evolving cooperation, drawing on the experiences within the region and taking into account the diversity of APEC members in terms of development experiences, cultures and traditions.

To take up the opportunities from the new economy, it is important for all sectors of the community to view resources allocated toward developing human capacity as an

investment rather than a cost. At the economy level, individuals, firms and governments should all be encouraged to allocate a larger share of resource to developing human resources.

### ***Innovative Co-operation: Better Policy Approaches***

The meeting heard of many existing programs and activities to develop human capacity which are now underway in the region in response to the demands of the new economy. In many cases these were initiated outside of government but involved cooperation among government, business and education institutions. The meeting believed that these should be given strong support and that governments should reflect upon the policy environment which would facilitate these programs and enable them to be expanded.

All APEC member economies will benefit from promoting human capacity building through comprehensive, widespread and flexible partnerships and networks, engaging all sectors of the community, in particular government, business and education and training sectors. While these partnerships are likely to be based on the commercial, social and educational interests of stakeholders they should ultimately be targeted toward mutual benefit and common prosperity. An innovative and flexible cooperative approach would enable better identification of needs for human capacity building, a more transparent policy environment and more effective provision of public services, tailored to specific needs.

Participants agreed that all parts of the community could play a constructive role in the development of APEC wide human capacity building strategies. Participants shared a rich diversity of perspective and experiences that demonstrate that partnership approaches to policy development and program delivery are successful.

### ***The Way Forward: Calls to Action***

The meeting called for further action by APEC stressing that APEC economies would benefit from actively broadening the various cooperation channels, exploring new cooperation approaches, and undertaking various kinds of activities in the principle of mutual benefit, complementary endeavour and sharing resources.

Taking a market-based approach to many of the challenges posed by human capacity building is likely to provide an effective way forward. Resources must be mobilised and allocated and difficult choices must be made. Markets will not always successfully achieve social outcomes but they can provide the necessary incentives and signals.

The meeting believed that government must continue to play an important role even with a market-oriented approach. There are market failures and governments must provide a clear and transparent regulatory environment. Governments are both buyers and providers of technology and services and the choices they make will have a significant impact on the ability to use these services for effective capacity building.

In the context of the globalising economy, open international markets are crucial for many elements of human capacity building. They enable cross border flows of services and information. High levels of complementarity among APEC members in education and education services provide the potential for all APEC economies to gain access to the highest quality education, training and skills.

APEC can build upon the region's diversity. APEC includes some of the world's most advanced economies with substantial technological bases, strong and proven institutions and well developed human resources. It also includes developing economies which are in earlier stages of engagement with the new economy. APEC can play a significant role in bridging the digital divide by enabling all economies to tap the region's expertise and resources through the exchange of information, best practices and policy options.

The great diversity among APEC economies means there is no one best strategy for taking up the challenges of the new economy. Interaction within APEC can enable member economies to understand the strategic options open to them and develop appropriate policies and sets of actions.

The meeting recommended that this year's APEC Economic Leaders' Informal Meeting and Ministerial Meetings integrate human capacity building as a central issue and take into consideration the outcome of this meeting. APEC fora should shape the agenda for actions and policies ahead and accelerate human capacity building so as to further facilitate trade and investment liberalization and facilitation and sustainable economic growth for common prosperity in the Asia and Pacific region.

## **Opportunities for Further Work**

During the course of discussions at the APEC high level meeting on human capacity building, representatives from the government, business and education and training sectors of APEC economies shared experiences and practices, explored better approaches and came up with series of innovative and interesting ideas on human capacity building within the region. These ideas offered opportunities for further actions by APEC.

### **1. Bridging the Digital Divide and Expanding Internet Access**

- Develop a program to provide technical assistance to developing member economies in consistence with their specific situations in shortening the digital divide between APEC members;
- Develop and implement cooperative HCB projects in a joint partnership approaches between developed and developing economies to bridge the digital divide among member economies;
- Develop programs and policies to promote investment in and application of IT and access to the internet in all APEC economies to bridge the 'digital divide' with an effort to enable more people to benefit from information and internet technology. Among these policies are appropriate pricing mechanisms to encourage greater access to the internet;
- Address impediments to greater Internet usage, and time spent online should be addressed and, where applicable, APEC economies should consider competitive and flexible pricing policies that allow flat rate (unmetered) access to the Internet;
- Build on the Knowledge Network launched by Leaders in Brunei in 2000, by establishing an APEC education component of the Network to make available on the World Wide Web the best resources in education and training from all APEC economies, creating a community of practitioners via communication technology.
- Expand projects for IT skills application and Internet access;
- Exchange research findings on appropriate policies to enhance Internet access and usage;
- Assist in building the human resources information network in high tech parks;
- Maintain open access in digital trade, and;
- Develop a pilot e-learning promotion program with cooperation of government, business and education and training sectors to expand network knowledge training in member economies in order for them to become more adapted to the new economy and new tech revolution.

### **2. Setting up a Life-long Education and Building a Learning Society**

- Establish accessible wide- and multi-dimensional learning networks to enable the whole community, in particular, the disadvantaged groups to have access to learning throughout their work and life;
- Endeavor to convert education and training systems that are supplier-centered into consumer-oriented systems, in response to current demands;
- Establish a sound life long learning system to include pre-employment education, continual training and upgrading of knowledge and skills for workers;
- Enhance the skills and responsiveness of government employees to better equip governments to design policy infrastructure in a changing environment;

- Support collaboration between regional organizations involved in IT literacy and skills development through EduPACT and other appropriate mechanisms;
- Provide joint training in business management, trade, finance, securities, insurance, customs, law, accounting and human resources management, and;
- Encourage the opening of education and training facilities, including facilities which transcend national boundaries.

### **3. Strengthening the Managerial and Employee Training and Enhancing Enterprises Competence in the Context of Economic Globalization**

- Develop a package of liberalization measures to ensure continued open access including various elements of e-commerce (tariffs, services, IPR protection). Review this package within APEC with a view to developing consensus on implementation and an implementation timetable;
- In development of highly skilled executive, managerial and technical personnel focusing on strengthening their adaptability, effectiveness and creativity. This could be accomplished through development of high quality, accessible and flexible education systems for the future, as well as other training programs for the development of managerial and professionals skills, entrepreneurship and leadership competencies;
- Provide retraining for both employees and employers in developing economies to help them catch up with the requirements of New Economy for sustainable growth and equitable development within APEC community fostering sustainable growth and equitable development within APEC community, and
- Reduce relevant legal and regulatory restrictions to facilitate the exchange of human talent across the APEC region;

### **4. Integrating the Resources and Promoting the Overall Human Capacity Building**

- Integrate human capacity building within their overall social and economic development strategy, recognizing the critical importance of human capital by developing more integrated approaches to capacity building, innovating in policy development and program delivery, and increasing inputs from all channels;
- Develop relevant program to enhance entrepreneurial and management skills, particularly among small and medium enterprises to meet the new demands from globalization and the new economy;
- Develop policies to provide incentives for the business sector to participate in the development of human capacity building facilities and infrastructure, ensuring that access is maintained for the development of e-commerce and exchanges in a digital environment;
- Facilitate mutual recognition of education and professional qualifications which should be based on standard of achievement and outcomes that are mutually agreed between economies;
- Facilitate access for students from APEC members economies to access to education and training opportunities which they need to play their part in the new economy that are available in the APEC region;
- Develop APEC programs under the “Evolving Cooperation Initiative” scheme, which consists of series of projects based on regional needs, cooperation plan and review process, to enhance capacity building cooperation more successively and strategically;
- Enhance the industry-academic partnership between businesses, as end users of the workforce as well as providers of financial resources, and universities, educational

institutions, and vocational training institutions, as suppliers of the workforce, so that they produce an IT workforce that is readily available to high-tech businesses;

- Establish mutual *linkages* between sectoral networks including business, education, training sectors and government to draw out synergy effect to the human capacity building;
- Encourage trade union to develop and implement relevant training programmes, and motivate and mobilize workers to undertake life long learning, and;
- Establish an APEC Human Capacity Building Network Center.