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**The APEC ECOTECH Agenda: Maximizing  
Partnership Opportunities for  
Social Development**

*Fernando T. Aldaba*



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**The APEC ECOTECH Agenda:  
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Social Development**

**Fernando T. Aldaba \***

**I. SEARCHING FOR A NEW RELEVANCE**

The recent Kuala Lumpur Summit saw a failed effort to fast-track free trade. An agreement on the early voluntary sector liberalization (EVSL) in nine important industries was not reached. Japan refused to endorse faster tariff cuts in fish and forestry. The proposals were referred to the World Trade Organization (WTO).

The summit also tried to develop a new “financial architecture” to improve openness and accountability as well as to improve coordination and involvement of private sector so that governments can deal with financial collapses. The proposals however were too vague and the consensus was to leave the details to G-22 (The Economist, November 21 to 27, 1998).

What then is APEC For? Dr. Alan Oxley of the Australian APEC Study Center commented, “APEC leaders now face the criticism that APEC has failed. They have a serious PR problem. They so heavily promoted trade liberalization that most people think that is all APEC does. The reality is that most of the work in APEC is not trade liberalization. There are substantial programs of policy development in eight sectors, ranging from telecommunications to energy...”

APEC critics say that the EVSL was doomed from the very start. With the current crisis, many APEC member countries will have great difficulty in accelerating tariff reductions. Dr. Oxley rightly adds that “the leaders of APEC deluded themselves into believing that they could collectively liberalize without binding rules. They were encouraged by ivory-towered academics around the region who do not understand the politics of trade liberalization and were serviced by officials who should have given fearless advice. Agreements with binding rules are made deliberately to enable governments to sell trade liberalization at home.”

What then should APEC’s role be? Maybe it should rethink its major thrusts given the recent global economic environment. Some say that it is timely to shift the priority in APEC away from trade liberalization and onto broad economic development. Today the focus is on one of the three pillars of APEC – Economic and Technical Cooperation.

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\* Executive Director, ACSPPA and Assistant Professor, Economics Department, Ateneo de Manila University. The paper was presented during the *Third Annual PASCN Symposium-Meeting*, 10-11 December 1998.

## II. APEC's ECOTECH AGENDA

### A. Past and Current Activities

APEC since its beginnings in 1989 has paid due attention to economic cooperation identifying the following key areas: economic studies, trade liberalization, investment, technology transfer, human resource development and sectoral cooperation to provide the basis for a work program and seven work projects<sup>1</sup> which commenced in the Second Ministerial Meeting in Singapore. Three work projects<sup>2</sup> were added in the third Ministerial Meeting at Seoul. (Yamazawa, 1997).

The APEC economic leaders in Bogor 1994 acknowledged that development cooperation as one of the core element aside from liberalization and facilitation. According to them, through development cooperation, the human and natural resources of the Asia-Pacific region will be developed more effectively to attain sustainable growth and equitable development.

At the Osaka summit in 1995, the APEC agreed to “work through policy dialogues and joint activities to broaden and deepen intra-regional cooperation” in the various areas of economic and technical cooperation. By this time, the consensus was to use “economic and technical cooperation” instead of “development cooperation,” to avoid the perception that the traditional concept of development assistance will be adopted in APEC (Villacorta and Manzano, 1997). Three more additional work projects were proposed -- small and medium enterprises, economic infrastructure and agricultural technology.

The Osaka Action Agenda presented a new mode of cooperation veering away from the traditional donor–donee relations. It was also agreed that APEC economies shall contribute voluntarily based on their capabilities while the benefits of the cooperation shall be shared broadly. They also agreed to develop an environment favorable to the effective operation of market mechanisms and encourage private sector participation. The Framework Declaration for Ecotech was adopted in Manila 1996<sup>3</sup>. It set four goals namely:

- to attain sustainable growth and equitable development
- to reduce economic disparities
- to improve economic and social well being
- to deepen the spirit of community

It also adopted the following principles:

- mutual respect and equality
- mutual benefit and assistance
- constructive and genuine partnership
- consensus building

The priorities identified in the Declaration include:

- development of human capital
- development of stable, safe and efficient capital markets
- strengthening of economic infrastructure
- harnessing technologies for the future
- safeguarding the quality of life through environmentally sound growth
- development and strengthening the dynamism of SMEs

**Table 1** presents the activities of the APEC ECOTECH agenda as compiled by Yamazawa (1997) from various reports<sup>4</sup>. From the table, human resource development is the leading activity (86) with energy (43), industrial science and technology (41), agricultural technology (35) as other most frequent type of endeavor.

**Table 1. 13 ECOTECH Areas and their Numbers of Activities (as of November 1996)**

AREAS	TOTAL NO.	COMPLETED
Trade and Investment Data (TID)	5	2
Trade Promotion (TP)	13	8
Industrial Science and Technology (IST)	41	20
Human Resource Development (HRD)	86	29
Regional Energy Cooperation (Energy)	43	30
Marine Source Conservation (Marine)	7	4
Fisheries	12	6
Telecommunication (Telecom)	26	7
Transportation (Transp)	13	1
Tourism	10	7
Small and Medium Enterprises (SME)	20	10
Economic Infrastructure (Infra)	9	1
Agricultural Technology (Agr. Tech)	35	3
<b>Total</b>	<b>320</b>	<b>120</b>

Source: Compiled by Yamazawa (1997) from MAPA Part IV, Progress Report on Joint ECOTECH activities.

In November, 1997 at Vancouver, the APEC Ministerial Meeting created a Senior Officials' Meeting (SOM) Sub-committee on Economic and Technical Cooperation (ESC), to coordinate and oversee APEC's ECOTECH activities and ensure the implementation of the 1996 Manila Declaration on an APEC Framework for Strengthening Economic Cooperation and Development. The major task of the ESC is to assist the SOM in coordinating and managing APEC's ECOTECH agenda, as well as identifying value added initiatives for cooperative actions.

At the initial meeting of the ESC in April 1998, the following work program was adopted for 1998:

- Review APEC ECOTECH activities in consultation with relevant Working Groups/Fora;
- Identify areas where relevant Working Groups/Fora should intensify work, notably pertaining to the 1998 priority themes of Human Resources Development and Harnessing Technologies for the Future;
- Oversee the follow-up on decisions taken on 1997 priority themes of Infrastructure Development and Environmentally Sustainable Growth;
- Review the ECOTECH component of Early Voluntary Sectoral Liberalization (EVSL); and
- Make recommendations to SOM including on the formulation of an APEC Agenda for Science and Technology Industry Cooperation into the 21st Century and enhancing the involvement of the private/business sector in APEC ECOTECH activities.
- (APEC Secretariat Website)

Other highlights of the Vancouver meeting aside from organizing the sub-committee on Economic and Technical Cooperation include:

- specific proposals for economic and technical cooperation, facilitation and liberalization of trade in nine sectors (EVSL) for consideration in the next ESC meeting
- endorsed the Vancouver Framework for Enhanced Public-Private Partnerships in Infrastructure Development
- ABAC's decision to establish the Partnership for Equitable Growth (PEG), a non-profit organization that will promote a new framework of private sector participation in economic and technical cooperation in areas where governments and markets cannot meet regional needs.
- mandated the ESC to set well defined and understood targets for ECOTECH activities in the short term and to monitor and evaluate the effectiveness of ECOTECH activities.

(Foundation for Development Cooperation, 1997)

In the Kuala Lumpur Meeting, specific human resource development and technological capacity building activities were proposed (e.g. scholarship plan, education loan scheme, university network, technical exchange program and employment opportunities exchange).

### *B. Immediate Challenges and Tasks*

Given the global economic situation, one of the most important challenges faced by APEC today is its search for a new relevance. The failure of the EVSL to take-off in the Kuala Lumpur Ministerial Meeting has shifted the focus of attention to other potential roles of APEC. This has profound implications for the ECOTECH agenda of this soon to be ten-year old Asia-Pacific organization.

The ECOTECH Agenda is seen by some observers as key to a new rationale for APEC. In fact, members coming from Asia are keenly interested in promoting

economic and technical cooperation as an important pillar of APEC. Meetings in Bogor, Osaka, Manila and Kuala Lumpur had given emphasis to the role of ECOTECH in promoting regional growth vis-à-vis trade liberalization. Nevertheless a popular complaint has continued to be heard in Asia that trade and investment liberalization prevails in APEC's agenda while Asian members are primarily interested in economic cooperation. (Yamazawa, 1997) Also, a comment was made at a recent PECC meeting that ECOTECH is the part of APEC's Programme where the greatest gap exists between rhetoric and performance (Scollay, 1998).

Given the current crisis, some experts even say that ECOTECH may be more relevant in promoting growth than trade liberalization. Oxley (1997) rightly notes, "In the short term say the next five years ... will further reduction of trade barriers or better provision of infrastructure contribute more to growth and modernization of economies in the region? The answer must be in the latter." Scollay(1998) adds: "...the Asian crisis is giving rise to demands for a very significant expansion of ECOTECH activities in some areas , to assist some member economies in repairing the economic and social damage caused by the crisis and in carrying out painful and difficult adjustments, and to assist also in remedying deficiencies in technical and institutional capacity which have been exposed by the crisis... reinforc(ing) the importance of improving the over-all management of the ECOTECH Programme."

Given this new perspective on economic and technical cooperation, APEC through the ESC should start reviewing the ECOTECH thrusts and activities especially with regard to actual impact on member nations. There should be better focus and prioritization to achieve greater relevance on a regional basis. For example, Yamazawa (1997) comments that, "Six priority areas suggested by the Manila Framework Declaration help to pinpoint the selection but they are still broad enough to include almost all ongoing ecotech activities. Goal oriented and explicit performance criteria sound good but they are still abstract." A more focused ECOTECH agenda will clearly manifest its contribution and significance to economic growth and development among member nations.

Another important challenge for APEC is to catalyze involvement of the business/private sector and public sector development agencies in economic and technical cooperation activities.<sup>5</sup> Note that the term "private sector" does not only refer to the business sector as the Foundation of Development Cooperation (FDC) enumerates in its report entitled "Forging New Partnerships: Economic and Technical Cooperation and the APEC Process". Private sector also includes the NGOs which comprise private foundations, research organizations and non-governmental development organizations.<sup>6</sup> In the same document, FDC notes that NGOs may be tapped to manage or evaluate specific economic and technical cooperation activities and to be part of a communications network for prioritizing ECOTECH activities as input to the ESC.

However, a notable segment of Asia Pacific NGO community<sup>7</sup> believe that the APEC Process is biased for the business sector noting that in the Osaka Ministerial Meeting, the creation of the Asia Pacific Business Advisory Council (ABAC) was formally endorsed. In fact, some groups even conclude that the trade and investment

liberalization agenda is being dictated by transnational corporations from the more developed member nations. According to the Policy Working Group of the Canadian Organizing Network in 1997, "Virtually, all APEC documents, working groups, committees and official declarations and publications pay special attention to the business community's needs and priorities." In November 1996, one parallel NGO conference, the Asia Pacific Sustainable Development Network (APSUD) even proposed in Manila the creation of a "civil society advisory council" vis-à-vis ABAC.

A recent Johns Hopkins study of the non-profit sector estimates that the total expenditure worldwide of this sector is \$1 trillion and the movement if viewed as a nation would rank eight in economic power (Manila Times, November 9, 1998). A study of civil society<sup>8</sup> in the Asia Pacific region also notes the increasing size of the sector, its expanding range of activities and its active networking within and across countries (Yamamoto, 1995) These developments are clear indications that APEC should begin to recognize the potential of harnessing these civil society sectors in its work on economic and technical cooperation.

According to the Foundation for Development Cooperation, a strategy of forging partnerships with the business/private sector and public sector development agencies in the Asia Pacific region is the key towards identifying the relevant and focused areas of ECOTECH in APEC. However, partnerships should go beyond such sectors and include the blossoming civil society sector. The following section discusses the rationale for a broader type of partnership which is inclusive of civil society in the pursuit of economic development.

### **III. THE RATIONALE OF PARTNERSHIP IN DEVELOPMENT**

#### *A. The Economics of Partnership*

In the global and local economy, various types of goods exist. Some are excludable and subtractable while others are not. Private goods are characterized by both while public goods are not. Toll goods enjoy the first but not the second while common resource goods the second but not the first.<sup>9</sup> Since non-private goods are typically beset with externalities, provision of such goods through the market are often times problematic. For example, public and common resource goods are open to the free rider problem or to the tragedy of the commons. Thus, government typically provides the good (e.g. Roads) or creates a regulatory framework (e.g. taxation or definite property rights). The main implication of these types of goods is the need for coordination and partnership between and among business, government and civil society for the provision of such goods. (e.g. BOT for business involvement in infrastructure; -- NGO cooperation in immunization programs.)

In the global context, the emerging scenario for the provision of private goods is to expand the markets and make them more competitive such that global welfare is maximized. One important strategy is the promotion of free trade through liberalization, APEC's avowed major goal. However, because of the very heterogeneous nature of the member economies, the effective provision of non-private

goods like industrial and agricultural technology, infrastructure, environmental management, gender non-discrimination and human capital training will require inter-country cooperation or partnerships. This also requires the involvement not only the private sector but also segments of civil society which have comparative advantage in delivering some of such goods (e.g. environmental management, gender concerns, and human capital training). Thus, while liberalized markets in a global economy take care of the allocation of private goods and services, cross country and multi-sectoral partnerships are needed to socially distribute the provision of public, common pool and toll goods.

Partnerships and cooperation become more important as market liberalization is accompanied by adjustment costs and dislocations. Compensation of losers by winners is easier said than done. Multi-country and multi-sector cooperation facilitates such a process and mitigates social costs. Failure to achieve such partnership and cooperation however may even exacerbate already high adjustment costs.

### *C. Partnerships and Development*

What then is partnership? It is a cooperative relationship towards mutually agreed objectives involving shared responsibility for outcomes, specific accountabilities and reciprocal obligations. And at the current situation, World Bank President Jim Wolfensohn, speaking at the Bank and IMF annual meeting in Hongkong opined that the “challenge of inclusion” is now at the center of development agenda for the international community”. Thus, partnerships are required to further global economic development.

While competition is key to effective market operation, cooperation is also required. The need for cooperation arises out of the benefits of specialization and the consequent need for coordination within a firm. Outside the firm, however, cooperation or coordination is needed especially if the market fails.

“Economic and social development is highly dependent on partnership. Sustainable and social development requires the creation of infrastructure, policies and knowledge and the husbanding of natural resources in socially and ecologically responsible ways. This means that the production of private goods is inseparable from the complementary production of public, common pool and toll goods in appropriate balance with private goods. Such goods are scarce in poor developing countries. Thus, development consists in building institutions capable of investing in basic infrastructure, designing appropriate policies and producing knowledge needed for a modern and an equitable society. There is mounting evidence that harmonious coexistence and collaboration between and among the private sector, civil society, and the state are characteristic of developed societies. Institutions to share financial risks and provide safety nets are essential to encourage investment and ensure social harmony... cooperation in the social sphere is twinned with innovation and competition in the private sphere... In sum, the development process is inseparable from the construction of partnerships capable of delivering the appropriate mix of goods needed for balanced broad based growth.” (Picciotto 1998).

Each of the three major sectors play important roles toward sustainable human development. The public sector provides the framework of economic, political and social rights which are the bases for regulatory frameworks, the provision of social and physical infrastructure, safety nets and national security. Business, on the other hand, is the engine of economic growth and development through investments (physical, human and social) and trade (of goods and services) that create employment and build the foundations for greater prosperity. Civil society provides the foundations of liberty, responsibility and self expression through social cohesion, the promotion of culture, advocacy for democratic participation and governance and voluntarism in social delivery. Governance requires partnerships and ...so does competitiveness: not only economic or commercially driven partnerships but multi-stakeholder partnerships at every level of society that help to determine the political, social, cultural and environmental strengths and opportunities of a country and which, ultimately underlie its economic strengths and opportunities. (Prince of Wales Business Leaders Forum, Supplement to the Financial Times, 1998)

Even poverty reduction and eradication, one of the world's major concern can only be achieved through a broad partnership. The success of political mobilization against poverty hinges on winning broad and diverse support. Poor people alone however well organized cannot force policy shifts for poverty eradication. All groups in society must be involved – not just those representing the poor. Alliances, partnerships and compromises are the only viable vehicles for peaceful sustained reform. (United Nations Development Programme Human Development Report 1997)

#### **IV. CIVIL SOCIETY PARTICIPATION AND CRITIQUE OF THE APEC PROCESS**

##### *A. Civil Society Parallel Conferences<sup>10</sup>*

For the last ten years, NGOs have organized parallel conferences on various global summits including the 1992 Environmental Conference in Rio, 1993 Human Rights Conference in Vienna, 1995 Social Development Summit in Copenhagen and the 1995 Women Conference in Beijing. With regard to APEC, environmental NGOs and labor organizations organized a small parallel gathering during the 1993 Seattle summit. At Bogor in 1994, NGOs attempted to hold a press conference but their booked venue was canceled presumably by the Indonesian military. In 1995, 100 NGOs and trade unions from various parts of Asia and the Pacific gathered in Kyoto to discuss and debate about APEC. The Forum produced a declaration which “unanimously rejected the basic philosophy, framework, and assumptions of the model of the free market and trade liberalization...”.

In Manila during the 1996 Ministerial conference, four NGO parallel conference were organized:

- Manila People's Forum (MPF) on APEC
- Asia Pacific Sustainable Development Initiative (APSUD)
- People's Conference Against Imperialist Globalization (PCAIG)

➤ Solidarity of Labor Against APEC (SLAM-APEC)

The first two groups assert that participating in efforts trying to influence the APEC agenda is relatively useful especially in the context of the Bogor Declaration's identification of sustainable development, equitable development and national stability as the pillars of APEC. The other two were highly critical and fully reject APEC. The APSUD group claimed that they were able to inject in the Philippine Individual Action Plan (IAP), a statement that calls for "sustainable development to govern all offerings of Philippine government to APEC."

In Vancouver, a People's Summit was organized and hosted by a consortium of Canadian NGOs and Labor Unions. According to their working paper, "NGOs and labour do have similar critiques of APEC, particularly the non-viability of its economic agenda (i.e. trade and investment liberalization), its failure to address human rights and its undemocratic and non-transparent structures." However, the working paper was optimistic in that the "...Summit being held in a democratic country, with a strong history of public consultation, will provide an opportunity to open up the APEC process by facilitating official and unofficial contacts,...thereby broadening the perspectives ...pursued so far by APEC."

The recent parallel NGO Conference in Kuala Lumpur pushed through although it did not figure much in the press because of the Anwar Ibrahim case and the call for APEC to respond to the current economic crisis in the region. A source mentioned that the radical critique of APEC was again highlighted though two NGO fora on Food Security and the Financial Crisis were organized separately from the main conference.

*B. The Crux of the NGO Critique of APEC and its Process*

The NGO critique of APEC's economic agenda should not be surprising. In a comprehensive study of civil society in Asia and the Pacific, many of the country reports point out, paradoxically, that the rise of non-profit sector in Asia is related to the negative consequences of rapid economic development in these countries. They point out that governments have not been able to bring about equitable economic development, thus the NGOs struggled for alternative development strategies leading towards sustainable development and many activists perceive that the national development programs favored the growth of large industries and mortgaged the welfare of future generations for the benefit of a few today (Yamamoto, 1995).

Thus, many NGOs particularly in the developing economies are very wary of an early liberalization for their countries. According to them in the Osaka Declaration, "This is because the countries of APEC are at different stages of development. Countries that are smaller or weaker require more time to build up their domestic economic enterprises to be able to withstand the full weight of competition from bigger foreign firms. If countries that are weaker are rushed into opening up their economies before their domestic firms and farms are strong enough to compete with the bigger foreign firms, then they will suffer serious adverse effects."

The declaration also adds that “APEC developing countries are well justified in demanding that the liberalization process be carried out gradually, in an unforced manner. The nature and pace of liberalization will have to differ from country to country, depending on the level of development, the structure of the economy, the strength and weakness of various sectors, and the development vision, objectives and strategy of each of the countries...The same feeling of uneasiness is also understandable should there be compulsory rapid liberalization in the services sectors, on which a very large proportion of the labour force of APEC developing countries depend.”

Furthermore, NGOs at the Osaka meeting assert that detailed scientific studies be conducted to review the economic, social and environmental implications and impacts that the various liberalization measures will have on each APEC country. Until the results of such studies are carried out, governments of APEC countries, especially of developing countries, should be very cautious in their attitude towards liberalization.

## **V. POSSIBLE AREAS OF NGO PARTICIPATION IN APEC**

However, the NGO Community is a heterogeneous one. Increasingly, as globalization becomes more inevitable, more and more NGOs also see the need to dialogue and even collaborate with other sectors of society to resolve increasingly complex issues and problems (e.g. HIV-AIDS epidemic, global warming, etc.)

An APSUD Working paper rationalizes NGO involvement in the APEC Process, “...The state is not homogeneous...there are government officials even at the level of Ministers who are working for change within...towards sustainable development...” In addition they believe that “APEC has not reached the rigidity of the GATT-WTO. It is still in the process of determining what its final form will be, whether it will be a binding free trade area, a loose forum for regional cooperation or a body with still other objectives.”

The Philippines when it hosted the Ministerial meeting in Subic in 1996, was able to move the ECOTECH agenda to the same level as trade liberalization and facilitation. In fact a senior official<sup>11</sup> even believes that the ECOTECH area is a rich field by which to influence the APEC process as well as to bring in the agenda of sustainable and social development.

The APEC ECOTECH strategy of broadening participation from other sectors is also consistent with the desire of some NGOs to participate meaningfully in the APEC process. Even the critical NGOs have a role to play in that APEC officials and spokespersons must be able to defend the relevance of APEC to the various publics vis-à-vis the criticisms of such NGOs. Besides, APEC’s thrust of liberalizing the markets should include the market for ideas.

NGOs can participate in the following activities:

1. Policy development: as was mentioned by the FDC, NGOs may be able to influence the prioritization of the new ECOTECH Agenda
2. Organizing networks and people to people linkage: socio-economic and cultural exchanges and regional networking.
3. Sharing of resources, financial and human: NGOs facilitate the mobilization of financial and human resources for specific issues and concerns.
4. Participation in specific projects and programs of APEC: the nature of NGOs give them a comparative advantage in working with committees and grassroots.

NGOs may also participate in working groups dealing with:

#### 1. Environment and Sustainable Development

Within the past five years, APEC has made impressive gains on environmental issues. It has accepted the principle that environment issues are a legitimate part of APEC, an organization which remains pre-eminently focused on economic and trade issues. It has defined a framework and developed an integrative, development oriented approach which have spawned a host of initiatives and avoided political stalemate. And it has sparked the interest of a widening sector of civil society. Nonetheless there is little to show for all the verbiage in terms of implementation let alone measurable improvements in environmental performance. Three key areas where it can focus in the next few years: linking trade and environment tracks, participatory mechanisms, and resource management (Zarsky and Hunter, 1996)

NGOs are in the forefront of environmental advocacy. In fact, many sustainable development initiatives originate from the NGO community. Thus environmental concerns in APEC will need much input from NGO experience and resources.

#### 2. Human Resource Development

HRD involves all efforts which result in better skilled and knowledgeable workers. Emphasis on HRD as a growth strategy implies rejection of the assumption of a trickle down effect which must occur spontaneously. While the private sector is needed to ensure human resource development efforts are responsive to industry requirements, the state and political commitment are no less essential. There is also scope for intergovernmental cooperation, both bilateral and multilateral. HRD has moved on from basic education and literacy to keeping up with structural and technological changes in the world economy. One implication arising from these trends is that the more open the economies are, the better --- they can avail themselves of opportunities for improved technology and domestic R&D. (Low 1998)

APEC's ECOTECH activities are dominated by HRD projects. The current crisis situation is some sort of "a blessing in disguise" for HRD since an

economic slowdown could alleviate scarcity of skilled labor and encourage human capital investments which are needed for further industrial restructuring in the Asia Pacific region.

NGOs can actively participate in this area because they are also heavily involved in HRD especially those related to community building and strengthening people's organizations.

### 3. Gender and Women's Issues

The Asia Pacific Women Leaders Network consider as highly significant the 1996 Declaration of APEC Leaders in Subic (Paragraph 18), which directed Ministers to "put special emphasis on the full participation of women and youth" in the implementation of the economic and technical cooperation agenda. It also commended the Economic Committee for recognizing some of the challenges to women's full participation in the labour market in their 1996 report and APEC for taking steps to implement its commitment, including agreement at the 1996 Small and Medium Enterprises (SME) Ministerial Meeting to address the specific needs of women entrepreneurs in APEC. Other breakthroughs include:

- ◆ agreement at the 1996 APEC IST Ministerial Meeting on Regional Science and Technology Cooperation to recognize gender as a cross-cutting concern with implications in other APEC fora and to establish an ad-hoc group on gender;
- ◆ agreement at the 1997 Transportation Ministerial Meeting to identify training and development initiatives to prepare women for career opportunities in the transportation sector;
- ◆ the recognition of gender in the medium term priorities of Human Resources Development Working Group (HRD WG); and
- ◆ increased gender-related activities in various APEC Working Groups.
- ◆ the convening of a Ministerial Meeting in the Republic of the Philippines in 1998, bringing together Ministers whose responsibilities cut across women's issues, in order to address women's concerns more effectively in APEC

NGOs are also very much involved in women's concerns and issues. In fact, they have provided important inputs to various international conferences on women.

### 4. SMEs and Microenterprises

Aside from on agriculture, a majority of the poor in developing countries depend on their incomes on the informal sector-typically microenterprises in services, manufacturing and trading in both rural and urban areas. People all over the world have shown their creativity and energy in exploiting market opportunities in the informal sector. But seldom do governments provide an environment favorable to microenterprises. Access to financial credit and savings mechanisms are lacking. Security of housing rights are rarely provided

by the state. And provision of infrastructure especially for water energy, roads is limited. All are ingredients critical to successful microenterprise.

Microenterprises are incubators for industrialization. East Asian economies reduced poverty through agricultural intensification first then through labour intensive industrial development.(Human Development Report 1997). However, only .2% of global commercial lending reaches the poorest billion, 20% of the world's poor. Microcredit programs only reach about 8 million very poor people in developing countries. The Microcredit summit in 1997 set the target of reaching the 100 million poorest families (63% come from Asia Pacific) by 2005. This requires an estimated \$21.6 billion.

NGOs play critical roles in the provision of microfinance and in building microenterprises. All over the world, they have contributed in reducing poverty by assisting microentrepreneurs reach the mainstream of business, graduating into SMEs.<sup>12</sup> During the crisis, microenterprises are “safety nets” for workers laid off from the formal sector. ABAC in the last Kuala Lumpur summit called for setting up financial institution to support SMES including provisions for micro-lending as a response to the crisis.

## **VI. APEC AND ECOTECH IN NEW ZEALAND: CONSTRUCTIVE ENGAGEMENT WITH THE NGOS**

The coming APEC Ministerial Conference in New Zealand will be an important opportunity for APEC's ECOTECH Agenda to gain further ground by having more focus and attracting more participation especially from the private sector and the NGO Community. Today mainstream development organizations like the OECD, World Bank, Asia Development are looking at new ways of development cooperation. OECD in its DAC Report notes that “Partnerships are becoming more complex... Today we are working with more partners to meet demands for greater efficiency, respond to more pluralistic and decentralized political systems, and recognize the importance of a dynamic private sector, local ownership and participation by civil society,...” (Omura, 1997) Even the World Bank and the Asian Development Bank have institutionalized NGO participation in their important activities.

A Ministers' briefing in New Zealand in June 10 this year noted that APEC will be a focus of considerable attention over the next fourteen months by a wide diversity of NGOs, both domestic and international, broad-based and single-issue, APEC-related and otherwise. There are already indications that, an NGO "People's Forum" will be organised again next year. The New Zealand Government has adopted the following principles for constructively engaging the NGO community: Open democracy, transparency, public education and timely information, hospitality, and cost-effectiveness (limit to dialogue given resource and time constraints).

It will adopt “a dual strategy of constructive engagement where the target is not just NGOs per se, but also the wider group of "middle" New Zealand who will want to see NGO voices given a fair hearing.” This will require engaging effectively

with responsive groups and helping to meet, as far as possible, their own objectives of being seen to influence outcomes, through such means as:

- ◆ input to policy processes
- ◆ involvement in official and semi-official events
- ◆ information about what is going on
- ◆ access to political leaders and officials, along the controlled lines employed successfully during Commonwealth Heads of Government meetings.

(New Zealand-APEC Website)

NGOs wanting to influence APEC's ECOTECH Agenda must grab the opportunity by organizing this early in collaboration with their New Zealand counterparts and by identifying key areas for advocacy.<sup>13</sup> The openness being manifested by the New Zealand government is an important factor in making APEC reach a broader constituency and for it to assume greater relevance among the general public.

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<sup>1</sup> These include review of trade and investment data, trade promotion, expansion of investment and technology transfer, multilateral human resource development initiatives, regional energy cooperation, marine resource conservation and telecommunications.

<sup>2</sup> Fisheries, transportation and tourism

<sup>3</sup> The Foundation for Development Cooperation took the lead in formulating the draft.

<sup>4</sup> The Department of Trade and Industry has a copy of the most recent ECOTECH Report submitted to the Kuala Lumpur

<sup>5</sup> A typical example given in various documents is infrastructure as in Build Operate and Transfer Projects.

<sup>6</sup> The NGO community also includes environmental and human rights NGOs.

<sup>7</sup> These groups include the major organizers of parallel NGO Conferences since 1994.

<sup>8</sup> Including research institutions and philanthropic organizations.

<sup>9</sup> N. Gregory Mankiw calls "toll goods" as natural monopolies.

<sup>10</sup> Gathered from the materials of the Canadian Organizing Network 1997 People's Summit and the Asia-Pacific Sustainable Development Initiative (APSUD).

<sup>11</sup> Assistant Secretary of the Department of Trade and Industry, Edcel Custodio.

<sup>12</sup> In 1997, NGOs even organized a Global Summit on Microfinance.

<sup>13</sup> Including the four areas discussed above: environment, gender, microenterprises and SMES, and HRD.