

EXISTING APEC HRD PRIORITIES AND THE SHORT TERM

▶ *The desired outputs from HRD—for example, higher productivity, improved quality, increased flexibility, greater job satisfaction, skill mobility—all imply a medium- to long-term orientation.*

▶ *HRD is primarily about medium- to long-term capacity building: its policy horizons begin in the three- to five-year range. In contrast, labour market adjustment commences in the short term and, in part adapting to HRD considerations, takes on a longer-term framework.*

The work of the Task Force should be considered in terms of the established priorities of the Working Group. HRD is usually understood conceptually in terms of medium- to long-term policies and activities. HRD takes place in many arenas, for example, schools, tertiary institutions of various types, technical training operations, on-the-job and employment-based training. Equally, the HRD target groups are schoolchildren, young people making the transition into work, lifelong learners in changing technological and production circumstances, managers at various career stages, and so on. The desired outputs from HRD—for example, higher productivity, improved quality, increased flexibility, greater job satisfaction, skill mobility—all imply a medium- to long-term orientation. Interventions in these arenas are predominantly strategic, and often reflect major structural shifts in economic circumstances. They must be strategic because the costs involved in implementing change, the lags consequent upon change, and the potential downside of poorly conceived HRD initiatives are such that policy makers must move cautiously and judiciously, even conservatively.

This medium- to long-term perspective is central to the basic principles of HRD endorsed by APEC Leaders and to the priorities which have been determined over time for the Working Group (see Appendix B). The principles focus on medium- to long-term impacts of HRD on economic growth and development in the region; all eight priorities are equally medium- to long-term in focus—the key emphases lie in the development of education systems, training provision in various contexts, and skill mobility, with the role of SMEs, sustainable development and trade and investment liberalization and facilitation providing important contexts.

Until 1996, the primary focus of APEC was on HRD and not on labour market adjustment. However, particularly since the First HRD Ministerial in the Philippines, the emphasis of the Working Group has been gradually broadened to include labour market issues. For example, the creation of the labour market Information Network within the Working Group is complemented by a growing emphasis on the participation of labour and management in HRD, both involving a more explicit focus on labour market issues. HRD is primarily about medium- to long-term capacity building: its policy horizons begin in the three- to five-year range. In contrast, labour market adjustment commences in the short term and, in part adapting to HRD considerations, takes on a longer-term framework. However, both have come to be important to the task of the Working Group. We should also note that labour market adjustment encompasses issues not of immediate consequence for the HRD agenda (for example, collective bargaining regimes and the power relations between bargaining parties, the short-term impacts of labour market adjustment and so on) but which indirectly or over time will have important HRD effects. Thus, while they are not identical, their concerns overlap, and their interests are complementary.⁸

Politically, this raises some interesting issues. HRD policy formation can involve a degree of political controversy, but its long-term orientation customarily permits the creation of consensus around its implementation. The consensus usually combines the state, education and training providers, families, employers and employees in joint approaches to the development and implementation of appropriate HRD practices. Labour market adjustment, particularly short-term, is less

⁸ A matrix describing how the relationship between short-term and medium-long term activities within the Working Group might be constructed is laid out in Appendix B.

likely to define a consensus, specially in circumstances where major structural adjustment takes place, or, importantly, where changes are driven by crisis. From an APEC perspective, therefore, bringing together HRD and labour market issues within the Working Group requires some conceptual clarification. One potentially useful way of understanding this relationship is to understand APEC's

perspective in terms of the creation of a seamless transition from short- to medium-long-term standpoints, by means of an effective integration of both. The advantages of a seamless transition are transparent in a stable economic environment; it is particularly welcome in crisis situations where the immediacy of economic difficulties may overshadow medium- to long-term perspectives.