

THE 25TH APEC ECONOMIC LEADERS' MEETING

Da Nang, Viet Nam 11 November 2017

Da Nang Declaration

Creating New Dynamism, Fostering a Shared Future

1. We, the Leaders of APEC, gathered in Da Nang, Viet Nam under the theme *Creating New Dynamism, Fostering a Shared Future*, determined to take bolder and sustained collective actions to inject new dynamism into APEC cooperation to promote sustainable, innovative and inclusive growth, deepen regional economic integration, realize the full potential of the business sector, particularly micro, small and medium-sized enterprises (MSMEs), and enhance food security and sustainable agriculture.
2. A quarter-century after the first APEC Economic Leaders' Meeting, APEC has proven to be the premier economic forum in the Asia-Pacific, a driver of economic growth and integration, an incubator of ideas for future economic cooperation, a coordinating mechanism of trade agreements, and a global leader in addressing pressing problems. For nearly three decades, APEC has contributed to sustaining growth and advancing economic integration in the Asia-Pacific region, a process that has created millions of jobs and lifted hundreds of millions out of poverty.
3. We meet at a time when the regional and global landscapes have experienced complex and fundamental shifts, coupled with the emergence of far-reaching challenges and opportunities. Regional and global economic recovery is on firmer footing, but medium and long-term risks remain. The Fourth Industrial Revolution and advancements in technology are altering the nature of work, transforming our societies and the ways we connect and interact. Trade and investment have brought unprecedented prosperity to the Asia-Pacific region, but serious challenges persist.
4. We, therefore, recommit to our common purpose – to foster a shared future of a peaceful, stable, dynamic, inter-connected and prosperous Asia-Pacific community. We reaffirm our support for the 2030 Agenda for Sustainable Development, as a framework for inclusive growth.
5. We reaffirm our long-standing commitment to APEC's mission of supporting sustainable economic growth and prosperity in the Asia-Pacific region. Recognizing the significant challenges our economies face, we pledge to work together and take the following actions:

I. Promoting Innovative Growth, Inclusion and Sustainable Employment

Quality Growth, Structural Reform and Innovation

6. We reaffirm our aspirations towards balanced, inclusive, sustainable, innovative, and secure growth in the APEC region through monetary, fiscal and structural policies, individually and collectively, and highlight the importance of achieving quality growth.
7. We underscore that structural reform, including competition policy, ease of doing business, regulatory reform, strengthening economic and legal infrastructure, corporate and public sector governance, and promoting human capital development, is key to balanced, sustainable, innovative and inclusive growth, job creation, productivity and competitiveness. We reaffirm our commitment to foster integrity in the public and private sectors and fighting corruption and bribery, and denying safe havens for corrupt officials and stolen assets. We instruct economic and finance officials to work jointly on the 2018 APEC Economic Policy Report on Structural Reform and Infrastructure.
8. We emphasize the importance of innovation, science and technology as key drivers for economic growth and international trade and investment in the APEC region. We

recognize the vital importance of continuing to work for quality and equitable education to enable people of all ages to meet the challenges of rapid changes in today's world. We commit to promoting science, technology, engineering and mathematics (STEM) education and the pursuit of STEM-based entrepreneurship.

9. We resolve to enhance energy security to sustain economic growth in the APEC region. We encourage the facilitation of energy-related trade and investment, enhancement of access to affordable and reliable energy, and promotion of sustainable, efficient, and clean energy sources, which, in particular, would contribute to reducing global greenhouse gas emissions.
10. We note the need for urbanization to be people-oriented, sound and sustainable and encourage knowledge sharing and policy exchange in this area.

Economic, Financial and Social Inclusion in a Globalized World

11. Recognizing new opportunities and emerging challenges presented by globalization and digital transformation, we resolve to advance economic, financial and social inclusion, with a vision to build an inclusive, accessible, sustainable, healthy and resilient APEC community by 2030, consistent with the 2030 Agenda for Sustainable Development. We endorse the APEC Action Agenda on Advancing Economic, Financial and Social Inclusion (Annex A) to guide our efforts moving forward. We commit to advance progress towards achieving full, productive and quality employment and equal pay for equal work; ensure access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance; and progressively achieve and sustain income growth for all members of society, especially women, and youth, persons with disabilities and other vulnerable groups, and enable them to seize global opportunities. We encourage APEC economies to invest in their health systems to increase productivity and economic growth.
12. Acknowledging that greater economic participation by women spurs economic growth, we encourage economies and the private sector to implement initiatives that enhance women's economic empowerment, improve women's access to capital, assets and markets, increase women's participation in high-growth and high-wage sectors, and promote women's leadership, entrepreneurship, skills and competencies.

Quality Human Resources Development in the Digital Age

13. We place importance on the need to prepare our people and all workers, especially vulnerable groups, for the changing world of work. We endorse the APEC Framework on Human Resources Development in the Digital Age (Annex B). We are committed to strengthening human resources development, including through education and life-long learning, technical and vocational education and training (TVET), and up- and re-skilling to increase workers' employability, mobility and preparedness for the digital age; and ensure that active labor market policies can better match the needs of the labor market with various aspects of skills training and development.

II. Creating New Drivers for Regional Economic Integration

Advancing Free and Open Trade and Investment

14. We commit to attaining the Bogor Goals of free and open trade and investment in the Asia- Pacific region. We agree to accelerate efforts to address WTO-inconsistent barriers to trade and investment and take concrete actions towards the achievement of the Bogor Goals by 2020. We also note the importance of non-discriminatory, reciprocal and mutually advantageous trade and investment frameworks. We will work together to make trade more inclusive, support improved market access opportunities, and address unfair

trade practices. We urgently call for the removal of market-distorting subsidies and other types of support by governments and related entities.

15. We are committed to carrying out further actions to promote an enabling and conducive environment for investment in the Asia-Pacific region.
16. We will work together to realize the potential of the internet and digital economy, including through appropriate regulatory and policy frameworks, and taking into account fair competition to encourage investment and innovation. We welcome the adoption of the APEC Internet and Digital Economy Roadmap and the APEC Framework on Cross-border E-commerce Facilitation. We will consider actions to facilitate the development of the internet and digital economy, including e-commerce and digital trade.
17. We are committed to further actions to increase APEC's competitiveness in the services sector by 2025 and intensifying our efforts to address barriers that inhibit our businesses from competing or trading in services markets.

Free Trade Area of the Asia-Pacific (FTAAP)

18. We reaffirm our commitment to advance in a comprehensive and systematic manner the process toward the eventual realization of an FTAAP to further APEC's regional economic integration agenda. We commend the efforts of economies to advance work related to the eventual realization of an FTAAP, including capacity building initiatives and information sharing mechanism. We encourage economies to make further progress and to develop work programs to enhance APEC economies' ability to participate in high quality, comprehensive free trade agreement negotiations in the future.

Multilateral Trading System

19. We welcome the entry into force of the World Trade Organization (WTO) Trade Facilitation Agreement (TFA) and call for its full implementation, recognizing that it helps bring about meaningful and widespread benefits for all economies and businesses. We commit to work with other members of the WTO towards a successful 11th WTO Ministerial Conference.
20. We underline APEC's crucial role in support of a rules-based, free, open, fair, transparent, and inclusive multilateral trading system. We commit to work together to improve the functioning of the WTO, including its negotiating, monitoring, and dispute settlement functions, to adequately address challenges facing the system, bringing benefits to all of our people and businesses. We will work to ensure the effective and timely enforcement of the WTO rules.
21. We note the importance of bilateral, regional and plurilateral agreements, and commit to working to ensure they complement the multilateral trade agreements.
22. We will strive for a climate conducive to investment and job creation. We will work to ensure a level playing field through continuing APEC's leadership in pursuing open markets. We recall our pledge to extend our standstill commitment until the end of 2020 and recommit to fight protectionism, including all unfair trade practices, recognizing the role of legitimate trade defence instruments.

Fostering Regional and Sub-regional Comprehensive and Inclusive Connectivity

23. We reaffirm our commitment to build a seamless and comprehensively connected and integrated Asia-Pacific by 2025. In this regard, we welcome economies' efforts in promoting cooperation to advance policy collaboration, trade facilitation, connectivity, financing, and people-to-people exchanges. We reiterate the importance of quality infrastructure for sustainable economic growth and pledge to promote infrastructure in terms of both quantity and quality through adequate investment and strengthened public-

private partnership. We encourage further collaboration and synergy among various connectivity initiatives and work on advancing economic development and integration of sub-regional, rural and remote areas in the region, including efforts to develop safe, secure, resilient, efficient, affordable and sustainable transportation systems.

24. We underline the need to develop policies that take full advantage of global value chains. We encourage further actions to enable better participation, greater value added and upward mobility of developing economies and MSMEs in GVCs. We appreciate initiatives such as Asia-Pacific Model E-port Network and APEC Green Supply Chain Network and their positive contribution to supply chain connectivity.
25. We commit to promote sustainable tourism, and explore its potential for development in remote areas as an important part of APEC economic growth strategies and enhanced people-to-people connectivity. We are determined to reach the target of 800 million APEC tourist arrivals by 2025.
26. We express concern over the growing threat of terrorism in the APEC region, which stems from ISIL, Al-Qaida and other terrorist organizations, and is exacerbated by the cross-border travel of foreign terrorist fighters and emerging sources and channels of terrorist financing. APEC economies commit to continually and effectively respond to the terrorist challenges in the region and their economic impact, as guided by APEC's strategy to secure supply chains, travel, finance, and infrastructure.
27. As the Asia-Pacific is highly exposed to natural disasters, we commit to strengthen cooperation, including with the private sector, to enhance resilience to disasters through effective mitigation, preparedness, disaster risk reduction, response and recovery efforts. This includes advancement in policy, innovation, science and technology, business continuity planning, early warning systems, and search and rescue. We underline the importance of financial instruments and policies against disaster risks.

III. Strengthening the Capacity and Innovation of MSMEs

28. We commit to strengthen the ability of MSMEs to compete in international markets and participate in global value chains through the following actions:
 - Increase MSME's innovation capacities, including by facilitating their access to finance, technology and capacity building, especially for women and youth-led businesses;
 - Improve access to the internet and digital infrastructure;
 - Enhance MSMEs digital capabilities, competitiveness and resilience;
 - Create an enabling environment for MSMEs, including by promoting business ethics; and
 - Support start-ups through establishing an innovative start-up ecosystem with conducive regulatory frameworks that promote a business-friendly environment, ensuring access to resources, and building start-up networks and partnership.
29. Acknowledging efforts to promote supporting industries, we encourage economies to enhance competitiveness and facilitate industries' participation in global value chains.
30. We welcome the endorsement of the APEC Strategy for Green, Sustainable and Innovative MSMEs.

IV. Enhancing Food Security and Sustainable Agriculture in Response to Climate Change

31. We underscore that APEC can play a key role in ensuring food security and sustainable agriculture, aquaculture and fisheries in the Asia-Pacific region and beyond, particularly

in the context of climate change and rural-urban development. We reiterate our commitment to achieve a sustainable APEC food system by 2020. We welcome the adoption of the Food Security and Climate Change Multi-Year Action Plan 2018-2020. We urge economies to work together to promote sustainable agriculture, aquaculture and fisheries to assess and reduce food loss and waste, enhance food safety, agricultural productivity and resilience against climate change, and reduce greenhouse gas emissions, where appropriate.

32. We commit to take actions to enhance regional food markets, food standards and supply chain connectivity to reduce costs of food trade, improve market transparency and help both importing and exporting economies adapt to food price volatility. We recognize that APEC can contribute to addressing challenges to food security, including by taking steps to integrate food producers into domestic and global food supply and value chains, address chokepoints arising from infrastructure gaps, and burdensome and unnecessarily restrictive trade measures. We underscore the need for an enabling policy and regulatory environment to facilitate investment in rural infrastructure, logistics and agro-industry to improve the connectivity of food markets. We support public-private partnerships on strengthening rural-urban development at the economy and regional levels. We welcome the adoption of the APEC Action Plan on Rural-Urban Development to Strengthen Food Security and Quality Growth.
33. We reaffirm our commitment to promote sustainable management of natural resources in achieving sustainable food security and higher productivity of the agriculture, aquaculture and fisheries sectors. We commit to continue to foster APEC cooperation on sustainable use and integrated management of land, forest, marine and water resources, through trans-boundary cooperation and collective efforts.

V. Fostering a Shared Future

34. We appreciate deliberations on APEC toward 2020 and beyond that started in Peru in 2016 and furthered in Viet Nam, as the Bogor Goals target date approaches and APEC is about to enter its fourth decade. We look forward to APEC intensifying efforts to achieve free and open trade and investment in the region by 2020 and setting a strategic, aspirational and action-oriented vision for its future.
35. We reaffirm our enduring commitment to underwrite dynamism, inclusiveness and prosperity of the Asia-Pacific region and to build a responsive, responsible and people- and business-centered APEC toward a shared future – resilient to challenges and accountable to its businesses, workers and people. We pledge to uphold the Asia-Pacific partnership based on mutual respect and trust, inclusiveness and mutually beneficial cooperation. We recognize APEC's contribution toward achieving sustainable development. We further encourage the participation of relevant stakeholders in APEC cooperation so that cooperation achievements can benefit larger population across the Asia-Pacific.
36. We are committed to carrying out further concerted actions to maintain APEC as a key driver of regional and global economic growth and integration and a major contributor to the regional economic architecture. We welcome members' initiatives that promote trade and investment in the region. In an increasingly interconnected world, we pledge to enhance synergy and complementarities with other regional and international institutions and fora. In this connection, we congratulate the ASEAN on its 50th Anniversary and commend its contributions to regional development and prosperity. We will strengthen APEC's global leadership in addressing the most pressing economic challenges.
37. We welcome the establishment of the APEC Vision Group to assist Senior Officials in shaping the post-2020 Vision, including through consultations with relevant stakeholders.

This Vision would build upon past achievements, addresses unfinished business, and explore new areas of cooperation to better respond to new and emerging challenges and pressing issues in the coming decades.

38. We highlight the importance and welcome the contribution of capacity building efforts by member economies. In this regard, we note with appreciation new initiatives, including the establishment of the Women and the Economy Sub-fund, and encourage more contributions, especially untied contributions.
39. We thank Viet Nam for its leadership this year, eleven years after its first hosting of APEC, in advancing the APEC process built on the vision and work of the previous APEC hosts.

We look forward to meeting again in Papua New Guinea in 2018.

Source: https://www.apec.org/Meeting-Papers/Leaders-Declarations/2017/2017_aelm

Annexes:

ANNEX A: APEC ACTION AGENDA ON ADVANCING ECONOMIC, FINANCIAL AND SOCIAL INCLUSION IN THE APEC REGION

1. We, the Leaders of APEC, reiterate the call for effective economic, financial and social inclusion, which has become all the more necessary in the Asia-Pacific. Expanded trade and investment and digital transformation have spurred significant economic growth and employment, but the gains have been spread unevenly to different segments of our societies. Our region is faced with challenges to economic, financial and social inclusion, such as persistent inequality and unemployment, enduring multi-dimensional poverty affecting health, education and living standards, and impacts of technological progress. Moreover, significant demographic changes in some APEC economies, such as aging populations and the rise of the middle-income segment of the population, pose other challenges to inclusive growth.
2. We share the view that advancing inclusion is critical to achieving inclusive growth with far-reaching impacts on both developing and developed economies, large and small, from the Southern and Northern hemispheres and both sides of the Pacific. While many APEC initiatives already work toward supporting inclusion and aim to capture the emerging regional and global trends, significant gaps remain to be addressed. It is imperative that APEC develop a holistic set of policies and measures to promote the multiple dimensions of inclusion. This endeavor is part of our collective efforts in alignment with the 2030 Agenda on Sustainable Development.
3. This Action Agenda on Advancing Economic, Financial and Social Inclusion draws together work currently under way in APEC relating to inclusion and adds new elements to ensure that efforts are relevant and responsive to the fast-changing global and regional landscape. Our overarching goal is to achieve a more inclusive APEC community by 2030.
4. The three key pillars of the Action Agenda include:
 - a. Economic inclusion refers to equality in being informed of and having access to economic opportunity for all members of society to meaningfully participate in their economy.
 - b. Financial inclusion implies that individuals and businesses have appropriate access to useful and affordable financial products and services that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.

- c. Social inclusion is defined as the process of improving the terms of participation in society for people who are at risk of poverty and social exclusion and enhancing equity.
5. This Action Agenda aims to achieve the following APEC aspirational objectives:
 - a. Economic inclusion: Advance progress towards achieving full and productive employment and decent work for all, including young people, the elderly, and persons with disabilities, and equal pay for equal work; progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the average level in each economy as envisioned in the 2030 Agenda on Sustainable Development.
 - b. Financial inclusion: Strengthen the capacity of financial institutions to encourage and expand access to banking, insurance and financial services, and increase financial literacy and capability of all to access finance; and
 - c. Social inclusion: Empower all members of society to take advantage of economic opportunities.
 6. We identify the following priority areas of work:
 - a. On economic inclusion:
 - Increasing equal access to new opportunities and employment by progressing structural reform in the key areas of competition policy, ease of doing business, good regulatory practices and cooperation, and public sector and corporate governance; strengthening institutional capacity, transparency and anti-corruption efforts; spurring innovation and creativity; and increasing the competitiveness of the services sector;
 - Enhancing economic opportunity and labor force participation, including for underrepresented and vulnerable groups - such as youth, women, the elderly, persons with disabilities and rural communities - by taking measures to remove barriers to training and employment, strengthening active labour market policies, and supporting human capital development that bridges educational competencies with labour-market demand.
 - Deepening regional integration, trade and investment, including by improving trade facilitation, access to markets, and internationalization of MSMEs.
 - Accelerating investment in infrastructure in terms of both quantity and quality; improving access to energy; and enhancing physical, institutional and people-to- people connectivity, including to under-developed, remote and rural areas; and
 - Promoting the internet and digital economy, start-ups and entrepreneurship; capitalizing on opportunities and overcoming challenges presented by the Fourth Industrial Revolution.
 - b. On financial inclusion:
 - Accelerating financial infrastructure development, particularly digital infrastructure and legal frameworks to enable e-payment transactions, credit information sharing, secure transactions, valuation and insolvency ecosystems to promote broader MSMEs' access to credit; enhancing availability of microfinance and supply-chain finance for MSMEs; establishing an enabling environment for MSMEs to access financial

services and providing capacity-building and technical assistance to allow them to do so;

- Promoting financial products and services appropriate for the unserved and underserved financial consumers, especially those from rural areas and the agricultural sector as a means to promote sustainable development and poverty alleviation;
- Ensuring a conducive regulatory environment that enables microfinance providers to more easily provide access to services in an efficient and cost-effective manner and secures appropriate levels of consumer protection;
- Developing and implementing APEC member economies' financial inclusion strategies, including capacity building, financial education and digital tools to improve financial literacy and human resource development in the financial sector; developing safe and well-regulated digital finance (especially, digital banking and Fintech); providing support to help financially vulnerable citizens gain access to formal financial services; and
- Promoting international cooperation, including harmonization of standards and policies; building a financial inclusion and literacy database; sharing knowledge and enhancing capacity building.

c. On social inclusion:

- Developing eco-systems for harnessing the benefits of digitalization and better understanding the impacts of technological innovation, including improving access to education, training and childcare opportunities; and strengthening human resource development policies for the digital age and the future of work, including by intensifying efforts for re-skilling and life-long learning and targeting workers displaced by structural changes;
- Enhancing the social empowerment of women, youth, the elderly, persons with disabilities, rural communities and other underrepresented and vulnerable groups, including by enabling access to digital platforms and quality social services; and promoting social investment approaches;
- Strengthening social safety nets; improving access to social protection, including by promoting floors in line with ILO Recommendation 202 on Social Protection Floors; and promoting the Fundamental Principles and Rights at Work and safe and healthy workplaces.

7. To implement the Action Agenda, we commit to the following actions:

- Encourage APEC Committees, fora and sub-fora to incorporate economic, financial and social inclusion in their work plans or strategic plans if and where relevant;
- Call on APEC fora to collectively propose in 2018 a total of at least six new initiatives, two initiatives for each of the economic, financial and social inclusion areas.
- Strengthen cross-fora coordination, particularly between SOM and SFOM, in developing and implementing initiatives to strengthen economic, financial and social inclusion;
- Enhance collaboration and synergies with important regional and global institutions, where appropriate, particularly those that are focused on fostering economic, financial and social inclusion, such as the G20, OECD, World Bank, IMF, ERIA, PECC and APEC study centers; and

- Task officials to begin implementing the Action Agenda beginning from 2018, with a mid-term report of progress in 2024, and a final review in 2030. This initiative should be coordinated through the SOM Steering Committee on Economic and Technical Cooperation.

Source: https://www.apec.org/Meeting-Papers/Leaders-Declarations/2017/2017_aelm/Annex-A

ANNEX B: APEC FRAMEWORK ON HUMAN RESOURCES DEVELOPMENT IN THE DIGITAL AGE

I. Background

The emerging digital age and fourth industrial revolution is having an unprecedented impact on the way people live and work. Recognizing that all economies face challenges in meeting human resources demands in this new era, in 2016 APEC committed to strengthening efforts to ensure decent work and work life quality for all, especially socially vulnerable groups, by providing access to quality inclusive education and vocational training; boosting entrepreneurship; improving social protection; and enhancing regional cooperation.

The world of work is going through major structural changes, with technological advancement, increased fragmentation of production, growing demand for new skills and shifting employment relationships. Technology, digitalization and automation promise to improve productivity, increase economic output and create high-skilled jobs – bringing immense economic and social opportunities in all economies. Adopting digital technologies and automation techniques can not only increase labour productivity but also enable the development of new business models, new markets and job opportunities.

However, at the same time, digital technology may be disruptive with far-reaching effects on productivity, employment and well-being. These changes will likely render some occupations obsolete and expose more workers to vulnerable employment^{*1} (e.g. own-account and unpaid family workers, which already account for 50 per cent of jobs in Southeast Asia and the Pacific, and 40 per cent in East Asia). Furthermore, industry sectors, such as manufacturing are at risk. Evidence shows that the risk of automation could deny poorer economies the opportunity for economic development resulting in new digital divides and greater inequality. This could result in “premature de-industrialization” in many developing economies before reaching the threshold of industrialization achieved by developed economies. (Rodrik, 2015).²

Advancement in technology has led to a pressing need for human resources development including research into the implications for the labour market, education, training and reskilling. This coupled with on-going labour market analyses will support targeted investment consistent with economic needs. Evidence-based policy is required to ensure that labour market participants are employable and prepared for the challenges and opportunities in the new digital age.

II. Purpose

The Framework puts forward an appropriate set of policy directions and measures to support economies to prepare labour market participants for the challenges and opportunities in the world of work today and beyond. In view of the challenges and opportunities associated with digitalization, it is important for APEC to be used as a regional platform for policy dialogue and cooperation on Human Resources Development in the Digital Age.

The Framework complements existing initiatives, such as the APEC Education Strategy and contributes to global efforts including the ILO’s “future of work centenary initiative” and the United Nations’ Sustainable Development Goals as well as fostering shared

prosperity for our region, particularly Goal 4 to ensure inclusive and equitable quality education for all and promote lifelong learning and Goal 8 to create new dynamism for growth, achieve sustainable, innovative, and inclusive growth, employment and decent work for all.

III. Objectives:

Objectives of the framework are to:

- i. provide high-level strategic direction on strengthening regional cooperation in human resources development in the digital age;
- ii. outline common policy challenges in building human capital in the face of rapid technological change; and
- iii. identify and take action in priority areas of collaboration where APEC can add value.

IV. Priority Areas and Actions

APEC members will boost regional cooperation in the following priority areas to address common policy challenges in building and adapting human capital in the digital age:

1. *Future of work in the digital age and labour market policy implications*

- i. *Joint and Regional/ APEC research activities to:*
 - examine the impacts of new technology and digitalization on the world of work; and to provide APEC member economies a good indication of where, when and how digitalization and new technology will change production processes. This will include examining the opportunities and challenges from “Industrialization 4.0”, “Digital trade” and “E-commerce”.
 - assess the impact of digitalization and automation on labour market outcomes, demand and supply, and policy intervention, including structural adjustment policies to increase workforce participation, support the reintegration of displaced workers and sectoral, occupational and geographical mobility;
 - examine labour market challenges for vulnerable groups and policy measures that support their adaptability to structural change; and
 - identify new growth sectors and business models for job creation and opportunities for labour market policy reforms to encourage workforce participation.
- vi. *Regional/ APEC policy discussions to:*
 - generate policy-relevant discussion among APEC economies in order to identify clear recommendations for public interventions as appropriate;
 - identify approaches to government-wide policies that support labour market adaptability, employment, life-long learning and workforce participation; and
 - initiate policies to promote innovation and entrepreneurship in the digital age.
- x. *Development of joint programs, projects and initiatives to promote cooperation and exchanges of best practices to:*
 - explore the role of labour market information system and data, and the role of public and private employment service in addressing the challenges and

opportunities caused by globalization and digitalization as well as the way these institutions can be improved through Information and Communication Technology;

- examine the impact of structural adjustment on human resources development and to take into consideration the recommendations of the forthcoming APEC Economic Policy Report on Structural Reform and Human Capital Development;
- underscore the impact of the governance of work on APEC economies, considering gaps in decent work and increasingly fragmented production processes, as well as to examine new forms of employment relations and workers' association in the context of polarization and personalization of work;
- assess new forms of work arising from increased digitalization, including the growth of virtual work and the “gig economy”³ under which the demand and supply of working activities is matched online or via mobile apps and its implications on the changing nature of employment relationships, social protection and labour mobility; and
- exchange good practices and innovative approaches in improving public employment service which will better respond to the diversified needs of workers in the digital era.

2. Skills education and training

. *Joint and regional research activities to:*

- anticipate and identify the future skills and competencies in the region that will be required to meet the need of emerging technologies and digitalization across the life- long learning continuum; and
- investigate and share information on the best means and best practice in teaching, learning, and distance-learning of those skills in need in the digital age.

iii. *Regional/ APEC policy discussions to:*

- share views on the need for and implications of the adaptation of education and training systems;
- draw from the experiences of APEC member economies on how to improve implementation of TVET systems including quality assurance system that are better aligned to the needs of the labour market toward inclusive society;
- consider models for public private partnerships that will enable relevant institutional and local/central coordination mechanisms and structures to support skills systems to meet labour market needs;
- develop and implement industry-demand-driven 21st century competencies including technical and soft skills; and
- enhance the use of technology in expanding collaboration between government, academia and industry to develop 21st century competencies and entrepreneurship.

ix. *Development of joint programs and projects to promote cooperation and exchanges of best practices related to:*

- developing flexible and innovative training programs to fill any gap in the supply of new skills and higher-skills for the digital age, including implementing domestic/local/ sectoral qualification frameworks;
- initiating formal skills recognition for some medium-skilled occupations in migrant intensive sectors such as construction and domestic work;
- identifying how innovation and technology can be used to strengthen institutional capacity of Technical and Vocational Education and Training (TVET) system;
- striving to lift the quality of teaching, and participation at all levels in learning STEM disciplines; and
- expanding the use of information and communication technology to improve workforce employability in the digital age, including through lifelong learning.

3. Social protection

- . *Joint and regional research activities to:*
 - study new social risks (intensification of work, effects on health and safety, blurring of the boundaries between work and private life, or discrimination) in order to inform new social protection policies and programs; and
 - study new forms of social assistance (such as income support/replacement and community programs); and identify how digitization/new technological change will create circumstances that will require social protection solutions.
- iii. *Regional/ APEC policy discussions to:*
 - consider how participatory social insurance schemes will need to adapt to new forms of employment;
 - explore options that support the development of adequate social protection policies in the changing world of work, to ensure that social protection coverage for workers reflects diverse forms of employment; and
 - promote access to social protection for women, the elderly, workers in the informal economy and in the sharing economy.
- vii. *Development of joint programs and projects to promote cooperation and exchanges of best practices to:*
 - map out suitable social protection solutions that are adaptable to new forms of work in the digital age; and
 - share experience on how social protection systems may need to be changed or adapted to meet new forms of work.

V. **Implementing the priority areas of action through platforms for cooperation**

The platform for cooperation should be through the existing HRDWG and complement existing Ministerial Statements such as the APEC Education Ministerial Statement adopted in Lima 2016 and HRD Ministerial Statement adopted in Ha Noi 2014. This could include:

- Strengthening cooperation through collaboration, representation and social dialogue.

Taking into account various levels of development amongst APEC economies, the framework will provide a platform to promote best

practices, share information and strengthen capacity-building among APEC economies on human resources development in the digital age in cooperation with relevant partners. In particular progress in new technology may have implications for dialogue with social partners.

- Promoting linkages with other APEC initiatives.

Initiatives under this framework can be enriched and built from various initiatives under the APEC Strategy for Strengthening Quality Growth; Renewed APEC Agenda for Structural Reform; APEC Connectivity Blueprint; Framework for Youth Education, Employment and Entrepreneurship; APEC Education Strategy; and other relevant frameworks, to ensure mutual benefits among APEC economies on human resources development in the digital age.

- Promoting linkages with other APEC sub-fora, such as ECSG, GOS, PPSTI, PPWE, and GOFD.

VI. Proposed timeframe for the implementation of the framework

The proposed timeframe for implementation of the Framework is from 2017 to 2025 with progress to be reviewed in 2022 by the Ministers responsible for human resources development.

¹ According to 2016 (ILO) report: "ASEAN in Transformation: How Technology is Changing Jobs and Enterprises?", automation could have significant implications for labour-intensive manufacturing sectors. It could result in large displacement of mostly low-skilled workers. In the auto sector alone, over 60% of salaried workers in Indonesia and 73% in Thailand could be displaced by automated production. In Viet Nam, about 75% of workers in electronics and 86% in apparel and footwear are also at risk of automation.

² Rodrik, D. (2015). "Premature Deindustrialization," NBER Working Paper No. 20935.

³ The "gig economy" includes two forms of work "crowd work" (jobs through online platforms) and "work-on-demand via apps" (e.g. Uber, Taskrabbit etc.)

Source: https://www.apec.org/Meeting-Papers/Leaders-Declarations/2017/2017_aelm/Annex-B