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**Mapping of Issues Development in Asia Pacific Economic Cooperation (APEC) and
Indonesia Agenda toward 2013: A Historical Perspective**

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Mapping of Issues Development in Asia Pacific Economic Cooperation (APEC) and Indonesia Agenda toward 2013: A Historical Perspective[☆]

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Abstract

APEC (Asia-Pacific Economic Cooperation) is one of the international economic cooperation which was established 1989. In the beginning of APEC, it was focused only for economic issues, especially related to the trade and investment; however, overtime the issues in APEC have moved into the non-economic issues. This study is aimed to analyze the development issues in APEC, in particular: first, analyzing the process and factor that affect the issues in APEC; second, mapping or grouping issues in APEC that accumulated from 1989 until 2010; third, analyze the potential agenda of APEC meeting in Indonesia 2013. Methods of data collection and information are based on literature studies of APEC meeting documents, interviews with resource persons from within and outside the Indonesia, and Focus Group Discussions (FGD of stakeholders). Method of analysis is based on descriptive analysis and simple statistics. Some findings are: First, issues development in APEC are influenced by two factors:(i) the events or factors related to the development of economic, social, political, and security in global, regional of APEC and APEC host country; (ii) the role of agents that bring the issues to the APEC also plays an important role apart from the government of a country/economy are PECC (Pacific Economic Cooperation Council), ASEAN (Association Southeast Asian Nations), WTO (World Trade Organization), ABAC (APEC Business Advisory Council), ASCC (APEC Study Centre Consortium), EPG (Eminent Persons Group) and PBF (Pacific Business Forum). Second, even though the issues are very broad in APEC which moves from the economic into broader of non-economic issues, the issues are still focused on the achievement of the APEC economic integration, particularly related to the Bogor Goals, as the nucleus of the whole issues. Third, all issues that evolved in APEC are part of the development issues in Indonesia in general; however, from the official documentation development plan document in Indonesia during the period, attention to issues in economic in the APEC begins to decline during the crisis and reform in Indonesia. By putting attention of the latest of issues development in APEC, the possible specific agendas of Indonesia in 2013 summit are inclusive economic growth (developments), connectivity (especially related to infrastructures), and blue economy (especially related to ocean related). All those agendas are inter-related issues of developments that have been developed since the establishment of APEC.

JEL Classification: F0, F15, F55

Keywords: APEC, Economic Integration, Non-Economic Issues

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1. Introduction

1.1. Background

APEC idea was formally proposed by the Prime Minister of Australia, Bob Hawke, in a speech in South Korea in January 1989. Later in the same year, APEC was officially established in Canberra, Australia. APEC (Asia-Pacific Economic Cooperation) is a forum for dialogue among countries of the Asia-Pacific region started from 1989. Number of countries (economies) of APEC are 21. Initially, APEC was started with only 12 founders: United States of America (US), Canada, Japan, South Korea, Australia, New Zealand, Indonesia, Malaysia, Thailand, Singapore, Philippines, and Brunei Darussalam. Until 2012, there are 21 economies that involve in APEC as shown in the table below.

The attention on the APEC had been faded since the Asian Financial Crisis in 1998; however, it has been started to be in the stage again since 2009 because of the economic growth among APEC economic growth during the year of the crisis. In terms of economic size of the GDP (Gross Domestic Product) in 2009, APEC economies reached 54.5% of world GDP. In addition, there are three largest economies in the world in APEC: United States of America, Japan, and China. Based on 2009 data, contribution of the three economies to world GDP are as followings (in current prices): 24.5%, 8.7%, and 8.6%. Their contributions in APEC are 44.9%, 16%, and 15.7%. Furthermore, the contribution of Indonesian economy is around 1% of world GDP and 1.7% of APEC. During the World Financial Crisis in 2009, APEC growth as a whole had decreased more dramatically compared to the world although there are several economies that experienced positive growth: China, Vietnam, Indonesia, Papua New Guinea, Australia, The Philippines, Peru, and South Korea as shown in the figure below.

Trade relations between APEC economies are large. The contribution of exports within APEC economies about 70%¹ and on the import side

within APEC are also around 70%. In addition, the intra-APEC exports have shown fluctuation². If we see the share of export to APEC economies data started from 1993 (as the beginning of APEC summit as formal institution), the highest share was in 1994 at the time of Bogor Goal achieved and Uruguay Round concluded (around 75%), while the lowest were at the time of Asian Financial Crises in 1998 (around 66%) and Global Financial Crises in 2008 (around 68%).

Since 1989-2010, a high-level meeting of APEC, namely APEC Economic Leaders' Meeting (AELM) has been held 18 times. The meetings of 1989-1992 were informal meetings but since 1993, AELM has been conducted regularly each year.

During the AELM, the leaders have discussed various important issues relating to Asia Pacific economies. However, attention to APEC fluctuated. Some important meetings of APEC 1993 that considered become the best years of APEC are Black Island (USA) in 1993, 1994 in Bogor (Indonesia), 1995 in Osaka (Japan), 1996 in Manila (Philippines), and 1997 in Vancouver (Canada). Since the Asian Financial Crises, attention to the APEC seems to decline. APEC has attracted attention again since Global Financial Crises such as the meeting in Peru (2008), and especially in Singapore (2009) and Japan (2010). Asia-Pacific Economies are expected to play a major role in maintaining the stability of world economic growth and also in facing protectionism. For a more comprehensive discussion of the issues are shown below (APEC Outcome and Outlook, APEC Secretariat, 2010):

- 1989, Canberra, Australia: Informal Meeting Dialogue by APEC founders (12 economies)
- 1993, Black Island, US: APEC Vision by AELM "stability, security, and prosperity for our people"
- 1994, Bogor, Indonesia: Bogor Goals: "free and open trade and investment in the Asia-Pacific by

(Maddaremmeng A. Panennungi)

¹One of the explanatory factors of the magnitude of the economic contribution of each APEC economy in both exports and imports are relatively close distance apart, also the growth of APEC economies in general in the last 20 years is quite high. In addition, the roles of various regional and bilateral cooperation, including cooperation in APEC are also give the impact on the magnitude of the trade share.

²Some explanation of this are first, the APEC exporter (is mainly affected by China) switch its export from APEC to European Union economies; second, the price of oil and other primary commodities soared where most of the producers are non-APEC economies. Some explanation of this are first, the APEC exporter (is mainly affected by China) switch its export from APEC to European Union economies; second, the price of oil and other primary commodities soared where most of the producers are non-APEC economies.

Table 1: APEC Members

No	Members	Started
1	Australia	6-7 November 1989
2	Brunei Darussalam	6-7 November 1989
3	Canada	6-7 November 1989
4	Chile	11-12 November 1994
5	People Republic of China	12-14 November 1991
6	Hongkong, China	12-14 November 1991
7	Indonesia	6-7 November 1989
8	Japan	6-7 November 1989
9	South Korea	6-7 November 1989
10	Malaysia	6-7 November 1989
11	Mexico	17-19 November 1993
12	New Zealand	6-7 November 1989
13	Papua New Guinea	17-19 November 1993
14	Peru	14-15 November 1998
15	Philippines	6-7 November 1989
16	Russia	14-15 November 1998
17	Singapore	6-7 November 1989
18	Taiwan, China	12-14 November 1991
19	Thailand	6-7 November 1989
20	US	6-7 November 1989
21	Vietnam	14-15 November 1998

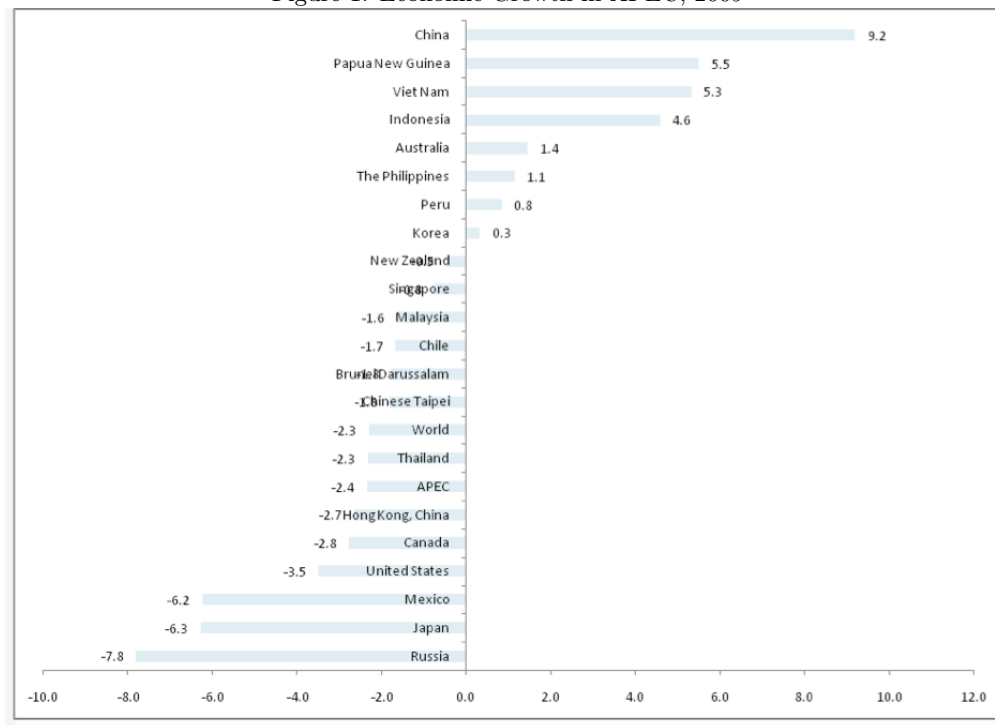
Source: APEC Secretariat

2010 for industrialized economies and 2020 for developing economies”

- 1995, Osaka, Japan: Osaka Action Agenda (OAA) for Bogor Goals and the establishment of ABAC (APEC Business Advisory Council)
- 1996, Manila, Philippines: Individual and Collective Action Plans to achieve Bogor Goals
- 1997, Vancouver, Canada: Introducing EVSL (Early Voluntarily Sectoral Liberalization) in 15 sectors.
- 1998, Kuala Lumpur, Malaysia: Paperless trading for developed economies by 2005 and for developing economies in 2010
- 1999, Auckland, New Zealand: Improving regulation especially financial sector to confront Asian Financial Crises.
- 2000, Bandar Sri Begawan, Brunei: Improving of internet access in APEC
- 2001, Shanghai, China: Strengthening the cooperation in APEC economies to counter-terrorism
- 2002, Los Cabos, Mexico: Action plan for trade facilitation and Secure Trade in APEC Region (STAR)
- 2003, Bangkok, Thailand: Implementation on facing SARS and improving health security
- 2004, Santiago, Chile: Proposal for structural reform such as corporate governance, regulatory reform, public governance, and competition policy. There was also a commitment in facing corruption.
- 2005, Busan, Korea: Roadmap to Bogor Goals
- 2007, Sydney, Australia: Attention on environment started: climate change, energy security, and clean development
- 2008, Lima, Peru: APEC confront Global Financial crises: growth stability, refuse protectionism, and promotion on CSR (Corporate Social responsibility)
- 2009, Singapore, Singapore: Focus on sustainable growth, REI (Regional Economic Integration), and economic recovery
- 2010, Yokohama, Japan: Change and Action, especially for Bogor Goals and growth (balance, secure, green, inclusive, and sustainable growth).

If we look at such issues that exist in the AELM meeting above, the issues/agenda that emerges are

Figure 1: Economic Growth in APEC, 2009



Sources: WDI, processed

ranging from issues of trade and investment, economic structural reform, to the environment, SARS (Severely Acute Respiratory Syndrome), and terrorism. Therefore, it is important to trace more about issues/ agenda to accumulate and see the process as well as things that influence it. The question that then arises is how the process and the factors that influence the issues/agendas/policies as contained from 18 meeting of the above? How the mapping of issues/agendas/policies when viewed from the accumulation of 18 meetings? Then what are the interests of Indonesia in APEC issues?

1.2. Objectives of the Study/Research

This study aims at *first*, to analyze the process and factor that affect the issues within APEC; *second*, mapping/grouping issue in APEC accumulated from years 1989-2010; *third*, to analyze the interests of Indonesia in the issues that exist within APEC

1.3. Methodology

The methodology is divided into the methodology of data collection and analysis

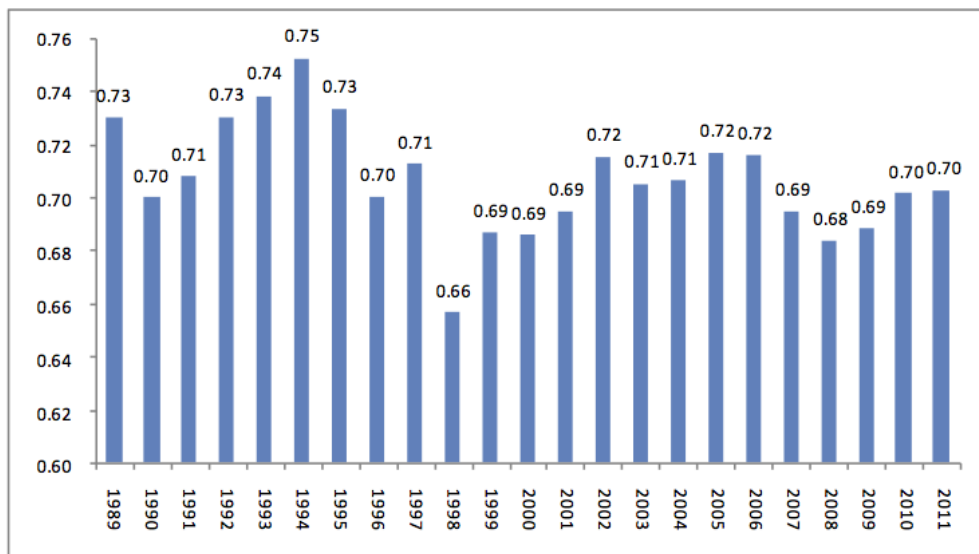
1.3.1. Method of Data Collection

First, literature study is the first step in this study. This literature study was focused on the meeting documentation published by the APEC Secretariat, national documentation relating to APEC, especially documents that are relevant ministries (Ministry of Foreign Affairs, the Ministry of Trade, and National Planning Agency or *Badan Perencanaan Pembangunan Nasional* (BAPPENAS)), several previous studies of APEC, as well as newspapers/magazines related with APEC news. *Second*, interview method is trying to search information from the parties related to the APEC from academics, government (some departments / sections) and related research institutes. The interview was an in-depth interview. *Third*, Focus Group Discussion (FGD) aims to get feedback from the preliminary results obtained from the literature study and interviews as well as discussions about things related to this research.

1.3.2. Method of Analysis

Analysis is based on the descriptive analysis. This analysis use tables, graphs, and simple data to help explain things that are being studied. This analysis method will combine the information from the litera-

Figure 2: Share of Export from APEC to APEC Economies



Source: UNCOMTRADE, processed

ture study, interviews, and simple statistics.

2. Literature Review

The evolution of economic integration was started from the integration in trade in goods and services; however, some economies improve their integration by integrating factors of production such as labor and capital, and also in the highest level by integrating their economic policy. Economic integration is actually based on market forces, but the government could influence it to pursue deeper economic integration.

Conceptually, the sequence of economic integration is as followings: first, starting with the Free Trade Arrangement/Agreement (FTA) in which each member economy lowering their trade barriers but still keeping the previous barrier to the other economies. Secondly, is the Custom Union (CU) occurs if a member country of lowering barriers among member economies and have a common treatment barrier that applied to other economies. Third is the Common Market (CM) that includes not only the decrease in barrier of the movement of goods and services among members but the barrier of the movement of factors of production such as capital and labor are also lowered. Fourth, the most complex or most recent is the Economic Union (EU) which not only reducing barriers to movement of goods/services and factors of

production but also including the harmonization of policies such as monetary and fiscal policy and other economic policies. The highest integration is actually the integration of politic or political union, which means a single country, while economic integration alone is not within one country or political union.

Until nowadays the European Union (EU) is the example of the most sophisticated economic integration which not only reducing barriers to the movement of goods, services, labor, capital, but also the EU provide integration or harmonization of monetary and fiscal policies applied (for further discussion see for example the ADB (2005) and Jovanovic (2006)).

The economic integration by a group of economies/countries sometimes could create problems that so-called "trade diversion". For example, there is a diverting transaction from other countries or economies (outside the member which is more efficient) to the transactions with member countries/economies (due to a significant reduction in barriers but less efficient). It means that the world will become less efficient because the changing transactions from an efficient economy to the less inefficient economy. This problem will not occur if economic integration is multilaterally, in this case for multilateral trade integration through the WTO. This trade diversion could be one of the reasons why APEC since the beginning of its establishment is not intended to be a close economic cooperation and will

not follow the EU model which has an Economic Union today.

For example the APEC Economic Leaders Meeting in Bogor 1994, Indonesia, APEC statement has made significant contributions in the Uruguay Round and determined to conclude it. As a form of support for multilateral liberalization and avoid the closed regional liberalization, APEC emphasizes the following points in AELM 2 1994 in Bogor, Indonesia: *"We wish to emphasize our strong opposition to the creation of an inward-looking trading block that would divert from the pursuit of global free trade. We are determined to pursue an open and free trade and investment in Asia Pacific in a manner that will encourage and strengthen trade and investment liberalization in the world as a whole "*.

The APEC activities during the years 1993-2010, especially in AELM could be divided into six phases: first, the activities of APEC which was started since 1989 and continue to increase from 1993 and peaked in 1997. It seems there was a high optimism generated by this first phase: Visions APEC Bogor Goals, Osaka Action Agenda, the Manila Action Plan, and Early Voluntarily Sectoral Liberalization (EVSL). Second, it entered the phase of the crisis in Asia or AFC (Asian Financial Crisis) 1998-2000. This crisis is very quick and the most severe economic crisis reached Indonesia, in political, and social in 1998-1999. Third, the phase of 2001-2005, which at this phase the problem of terrorism to SARS, to the problems of rising prices of primary goods were arises. However, the 2005 Busan meeting is relatively quite reminiscent of the Bogor Goals. Fourth, in 2006 was seen only repetition from the previous meetings. Fifth, in the phase 2007-2008, the environmental issues as a new subject to the Global Financial Crisis that hit the United States affect this meeting. Sixth, the phase 2009-2010 is a new starting point for APEC to be more important and attract world attention because some countries/economies in APEC that could create positive economic growth during the period of the GFC (Global Financial Crisis) in the United States such as Indonesia, India, and China. Although the 2009-2010 has showed an increase attention in APEC, it has not reached the same level in the first phase of which is filled with the nuances of economic issues mainly related to the Bogor Goals.

3. Results and Discussion

The results and discussions will be divided into 3 (three) part based on the research objectives: section 3.1: a process that occurs and the factors that influence in the emerging of issues in APEC over the years 1989-2010; section 3.2: mapping issues cumulatively from 1989-2010, and section 3.3. Indonesian interest in APEC issues and the possible agenda for 2013 APEC summit in Indonesia.

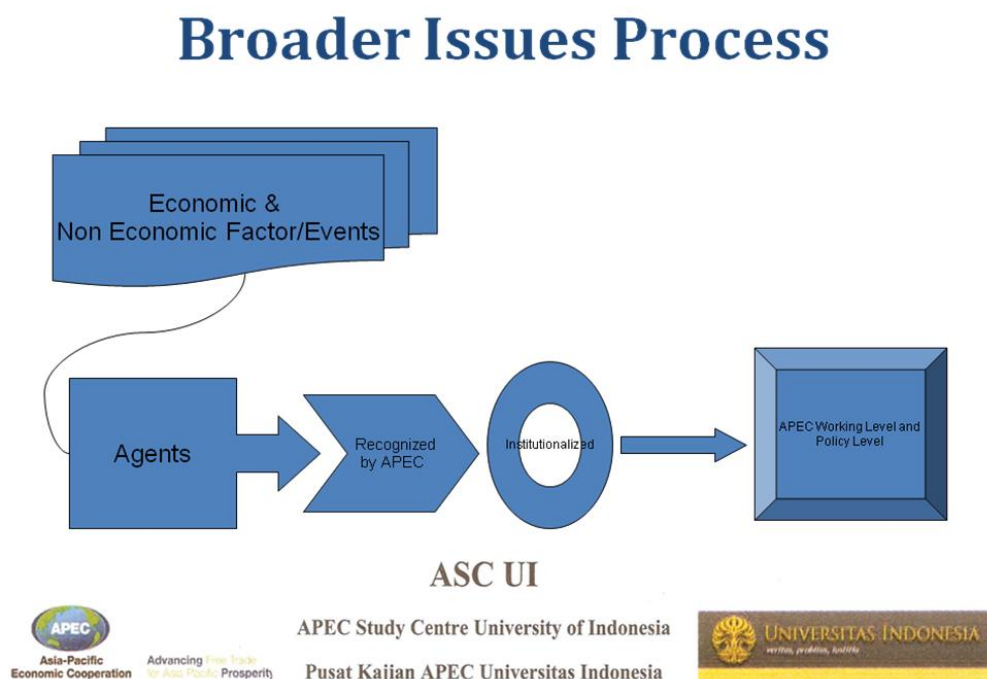
3.1. Processes and factors that affect the issues in APEC during the years 1989-2010

Figure 3.1 below shows how issues have emerged in the APEC process in general. It appears that the role of factors/events (economic and non economic) and also the agents (other than the government institutions) to the APEC plays important roles. In this analysis, the agents will be emphasized to the institutions outside government of an economy/country, which means not only the government formal institutions that hold major role as we know but also there are other agents that make significant contributions to the issues developments, especially economic issues. Furthermore, after the issues recognized by APEC then there will be an institutionalization by setting such as a task force or another ad-hoc institution. And it usually will be transformed into more formal institutions such as working group. If it has been institutionalized, it will enter the process of formal/official issues in APEC from the working level to policy level process.

3.1.1. Structure and Work Processes of APEC

Structure and Process formally inside APEC is presented in the following figure. The process is divided into the policy-level and working-level. At the policy level (in blue), showing the decision-making policy on issues agreed: (1) The policy direction is determined by the 21 APEC Economic Leaders in AELM (APEC Economic Leaders' Meeting) held one meeting each year. Strategic recommendations are given by the APEC Ministers (as representatives of the government /economy administration) together with ABAC (APEC Business Advisory Council) as the representative of the business in APEC. (2) APEC Ministerial Meeting (AMM) is an annual meeting between the chief minister relating to APEC, the Minister of Foreign

Figure 3: Issues Development Process in APEC

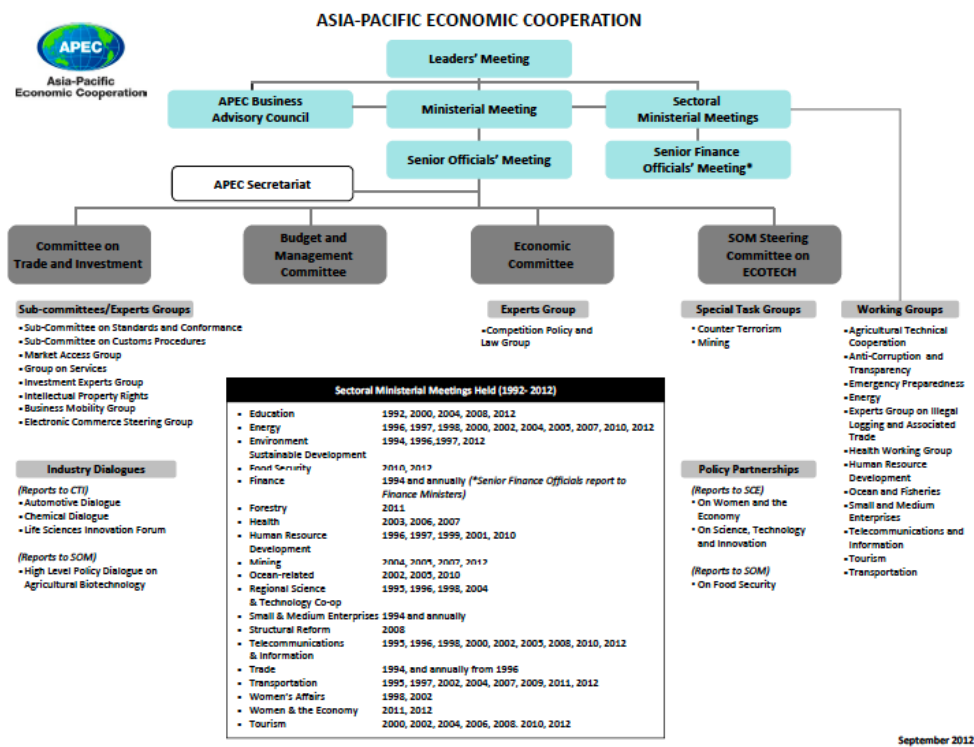


Affairs and Minister of Economy/Trade before the summit. This meeting aims to provide recommendations to the APEC Economic Leaders based upon consideration of the activities undertaken in the year. (3) APEC Sectoral Meetings Ministerial a meeting for sectoral/topic/specific issues conducted on a regular basis. Recommendations of this meeting will be a consideration for the importance of issues/APEC Economic Leaders. For example the meeting of: education, energy, environment and sustainable development, finance, human resource development, regional science and technology cooperation, small and medium enterprises, telecommunications and information industry, tourism, trade, transportation and woman affairs. (4) ABAC (APEC Business Advisory Council) is an effort to obtain the views of the business world to be a consideration for the APEC Economic Leaders. ABAC meets four times per year and make an annual report on how to improve the business climate and investment in the APEC region. (5) SOM (Senior Official Meetings) are meeting at the direction of the Minister of APEC which aims to provide inputs to the Minister of APEC and the APEC Economic Leaders. This meeting is usually done about 2 or 3 times a year, led by the host country. SOM provides clues to the activities

of the Committees, Working Groups and Task Forces.

At the working level, activities and projects are divided into four high level committees: Committee on Trade and Investment (CTI), Senior Official's Meeting Committee on Economic and Technical Cooperation, the Economic Committee (EC), and Budget and Management Committee (BMC). At a more detailed level, there are Sub-Committee, the Expert's Group, Working Groups, and Task Force which is a supporter of the activities of the four high-level committees are: (1) CTI (Committee on Trade and Investment) aims to enhance the liberalization and facilitation of trade and investment. CTI has a Sub-Committee and Experts' Group. (2) SOM Committee on Economic and Technical Cooperation aims to help APEC Senior Officials in coordinating and setting the agenda of economic and technical cooperation in APEC and identify initiatives for cooperative action of member states/economies. (3) EC (Economic Committee) aims to promote structural reform in APEC economies with policy analysis and action-oriented work. (4) BMC (Budget Management Committee) aims to provide input to budget, administrative, and managerial issues. In addition, BMC also monitors and evaluates project

Figure 4: Structure and Process of APEC



Source: Downloaded from www.apec.org on date May 29, 2011.

management aspects of the activities of Committee and Working Groups and provide recommendations to the efficiency of SOM in order and effectiveness. (5) Working Groups aim to implement the sector/agenda/specific issues regulated by APEC Economic Leaders, APEC Ministers, APEC Sectoral Ministers and Senior Officials. (6) SOM Special Task Groups/Ad-hoc Groups established by the Senior Officials to identify issues and provide recommendations on something that is important for APEC's consideration. Ad-hoc Group was also formed to fulfill the task that cannot be categorized into the other group.

In Indonesia, the Ministry of Foreign Affairs (MOFA) became the coordinator for the whole process of APEC. Ministry of Trade (MOT) is focused on CTI, BMC is under MOFA, Economic Coordinator Ministry supervises EC, and National Planning Agency (Bappenas) is focused on EcoTech. ABAC is usually associated with the representation of Indonesian Chamber of Commerce Industry (Kadin).

3.1.2. Economic and Non Economic Factors/Events and Issues Development in APEC 1989-2010

Events/condition/circumstances such as economic conditions, political, social, and security in the APEC host country/economy, the APEC region, and the world affect the development issues in APEC. This study tried to create a matrix³ of events 1989 and 1993-2010 for economic, social, political, and security at global level, regional APEC, and the host of APEC meeting (host country). Summary of the matrix that suits the APEC issues is shown in the table below.

The influence of economic conditions, political, social and security on the development issues in APEC as shown in the table are: (1) The 1980s to mid 1990s, the Asia Pacific region experienced remarkable high growth of both economic and international trade. It is shown that from 1989 (the establishment of APEC) to the 1997 (Asian financial crisis) there are much

³This matrix is very long. It could not be attached in this short paper; however, the table summary is assumed could reflect the content of the matrix.

Table 2: Factors/Events and Main Issues in APEC 1989-2010

Year	Main Issues	Main Factors/Events
1989-1997	Economic integration, especially trade and investment liberalization (Bogor Goals and its action plans)	APEC high economic growth; APEC high internal trade; the birth of WTO; and NAFTA development
1989-2000	Social impact of the crises, competition and regulatory reform	Asian Financial Crises; and the Economic and Political Crisis in Indonesia
2001-2002	Counter-terrorism; STAR (Secure Trade for Asia Pacific Region)	Terrorists attack in US (September 11, 2001) and Indonesia (Bali Bombing in 2002)
2003-2004	Health, especially contagious disease	SARS in some APEC economies
2005	Emergency preparedness	Tsunami in Aceh, Indonesia, December 2004
2006-2007	Climate change, energy security, and clean development	United Nations conference in Bali about Climate Change; Emission Trading Scheme in Australia
2008-2010	Focus on high quality of economic growth: Balance, Innovative, Sustainable, Inclusive, and Secure	Global Financial Crises; Global imbalances

Source: APEC Secretariat

progress in decisions relating to the economy, particularly related to trade and investment liberalization. The factors that influence are higher APEC economic growth, APEC higher internal trade, NAFTA establishment, and the WTO establishment. It is then seen to slow down and begin to turn to how to maintain economic stability and tackle economic crisis in the next period; (2) 1998-2000 Asian financial crisis was affecting the decline of the attention on APEC economic issues compared to the previous period. In this period, Asian Financial Crises affected APEC, especially Indonesia, turn into the economic and political crises; (3) The Terrorist Attacked 2001 in the United States and Bali Bombing in the next year have forced APEC to respond to this events with a variety of policies to anticipate security problems/terrorism; (4) SARS that threat APEC economies in 2003 was also responded with a variety of policies/agenda on health; (5) The Aceh earthquake and Tsunami in late 2004 issues have affected the Emergency Preparedness issues in 2005; (6) 2006-2007 issues on Climate Change, Energy Security and Clean Development which is influenced both by the Conference of the United Nations and the host country agendas in Australia at that time and (7) The Global Financial Crisis that drive APEC as a bridge to prevent protectionism and maintain economic growth.

In general, it seems that the issue before the Asian Financial Crises APEC 1997 is more dominated by economic issues are closely related to the Bogor Goals, but after 1997 the domination over the non-economic issues, especially since the terrorist attacked in US in 2001.

3.1.3. Agent of Issues in APEC

This study lists the agents/institutions that become the carrier of the issues in APEC other than government institution of the APEC members. Below are the list of agents/institutions other than government institutions/agencies in each country/economy who became an agent or bring events/factors to be an issue and influence APEC issues based on interview and literature review: Committee Pacific Economic Council (PECC), the Association Southeast Asian Nations (ASEAN), the World Trade Organization (WTO), APEC Business Advisory Council (ABAC), and APEC Study Centers Consortium (ASCC). At the earlier APEC establishments, EPG (Eminent Persons Group) and PBF (Pacific Business Forum) that were set up by APEC have a very big influence since the early 1990s until today.

3.1.3.1 Committee of Pacific Economic Council (PECC)

PECC was initially started from the seminar in the Asia Pacific region held in Canberra, Australia, in 1980 at the initiative of Masayoshi Ohira (Prime Minister of Japan) and Malcolm Fraser (Prime Minister of Australia) which was attended by 11 countries/economies (Australia, Canada, Indonesia, Malaysia, Japan, South Korea, New Zealand, Philippines, Singapore, Thailand, United States) as well and Pacific countries (Papua New Guinea, Fiji, and Tonga). Each delegation consists of three components or tri-parted: intellectual/academic, business, and government. The meeting was also attended by ADB (Asian Development Bank), PBEC (Pacific Basic Economic Council) and PAFTAD (Pacific Trade and Development Conference). Until now, PECC

Table 3: Agent and Its Role in APEC Issues Development

No	Agent and its Position in APEC	Main Roles
1	Eminent Persons Group (EPG). Appointed by AELM until 1995	Providing guidance for APEC: A Vision for APEC: Towards an Asia Pacific Economic Community (October,1993); Achieving APEC Vision: Free and Open Trade in the Asia Pacific (August, 1994), and Implementing the APEC Vision (August, 1995)
2	Pacific Business Forum (PBF).Appointed by AELM until 1995	A Business Blueprint for APEC: Strategies for Growth and Common Prosperity (October, 1994); the Osaka Action Plan: Roadmap to Realizing APEC Vision (1995)
3	APEC Business Advisory Council (ABAC). Appointed by AELM until now	As Business Representation in APEC since 1995
4	Pacific Economic Committee Council (PECC). Outside APEC	Main force of APEC establishment; APEC Observer; and tri-parted (government, private, and academician)
5	APEC Study Centre Consortium (ASCC). Outside APEC	Universities Researcher in APEC

Note: ASEAN and WTO are included, but omitted in the table above

consists of 23 member economies (full members): Australia, Brunei Darussalam, Canada, Chile, China, Colombia, Ecuador, Hong Kong / China, Indonesia, Japan, Korea, Malaysia, Mexico, Mongolia, New Zealand, Peru, Philippines, Singapore, the Pacific Island Forum, Taiwan /China, Thailand, United States, and Vietnam. Plus an Associate Member (French for the Pacific region), and two Institutional Member (PAFTAD and PBEC). The purpose of the PECC is a medium /forum for cooperation and policy coordination in promoting economic development in the Asia Pacific region. Each country will be represented by a tri-parted: government, business, and academic/intellectual. PECC has a role in APEC decision making: *First*, APEC is one institution that originally started based on the proposal of PECC in 1989. Until now the PECC is one of the observers of APEC. *Second*, the tri-parted in PECC in each country have also the initiators in APEC. Most of the members have a very influential in the APEC decision making in each member.

As a concrete contribution PECC to APEC can be traced through the writings Soesastro (2005), PECC's Intellectual Contribution to APEC: Some Case Studies and writing of Elek (2005), in *Back to Canberra: Founding APEC* is an article in the PECC (2005), *The Evolution of PECC: The First 25 Years*. In addition, writing of Dysdale (2009), *APEC's Origins and Its Future* in Kesavapany and Lim (2009), *APEC at 20: Recall, Reflect, and Remake*.

3.1.3.2. Association Southeast Asian Nations (ASEAN)

At the beginning of the birth of both PECC and

ASEAN played an important role. Directly or indirectly ASEAN have a role in APEC because the main economies in ASEAN are also in APEC. It could be seen that some of APEC and ASEAN issues are go hand in hand.

3.1.3.3. World Trade Organization (WTO)

APEC actually played a role in the success that gave birth to the WTO Uruguay Round in 1994, but the journey of the WTO and APEC has mutual influences, especially when it comes to multilateral trade issues.

3.1.3.4. APEC Business Advisory Council (ABAC)

ABAC is an institution established under the AELM 1995 in Osaka, as a form of participation of the business within the framework of implementation of the Osaka Action Agenda (OAA). Its membership consists of three members from each country/economy government-appointed country/economy and reflects representatives of the business world, including medium and small business. One of the agenda is quite a central theme today is about the establishment of high quality FTA, with the proposal of FTAAP (Free Trade Area of the Asia-Pacific). This institution directly provides input/view in the AELM and an influential partner in the determination of the government's decision AELM.

Position in the APEC structure is directly under the AELM. In the dialogue in AELM on 14 November 2010 in Yokohama, Japan, ABAC provides recommendations to adopt policies relating to the FTAAP. Likewise, effective means of achieving FTAAP through TPP (Trans-Pacific Partnership), ASEAN +3 and ASEAN +6. According to the official website of ABAC, the plan in 2011 fo-

cused on: (1) Regional Economic Integration Working Group (REIWG) which includes the FTAAP, next-generation trade issues, and the movement of goods/services, investment, and people, (2) SME Working Group and Entrepreneurship (SMEEWG): policies that promote the establishment of new businesses and business models, policies that promote resilience of SMEs, and promoting inclusive economic policies, including issues concerning women, (3) Sustainable Growth Working (SGWG): food security, energy security, and environmental goods and services, (4) Finance and Economics Working Group (FEWG): Defining and developing financing-related such as SME financing, monitoring and assessing the implications of the development of the G20, as well as collaboration on capacity building in the APEC program, (5) Action Plan and Advocacy Working Group (APAWG): Searching for APEC action on the recommendation of ABAC, develop advocacy strategies to promote the recommendations in ABAC, in collaboration with APEC's capacity building program.

3.1.3.5. APEC Study Centre Consortium (ASCC)

In the APEC Economic Leaders Meeting (AELM) at Blake Island in 1993, agreed on the establishment of a network of universities and research institutions which then formed the APEC Study Centre Consortium (ASCC) or Consortium of APEC Study Center. This is based on the decision of AELM in Bogor in 1994.

Later in Indonesia, the Government through the Ministry of Education and Culture in 1995 founded the APEC Study Center, University of Indonesia (APEC Study Centre of University of Indonesia), located at the University of Indonesia. Approximately 100 universities and research institutes belonging to the ASCC in APEC economies. The funding is from government sources, but the selection depends on the individual assessment of each country. The role of these institutions is to conduct research and disseminate information relating to the APEC where every year called the regular meeting of APEC Study Centre Conference. In the structure of APEC, APEC Study Center Consortium has no direct link with the formal structure of APEC. However, several factors that enable the Consortium of APEC Study Center decisions affecting the APEC: first, because this institution was founded by the government/universities, then most likely results of its research will be informed for the state government/economy. Second, the possibility of researcher/economist involved in the

assessment center is also a government representative in negotiations in APEC. Third, the researchers give various opinions / opinions to government agencies relating to the APEC.

3.1.3.6. Eminent Persons Group (EPG)⁴

The influences of both the Eminent Persons Group (EPG) and the Pacific Business Forum (PBF) have provided direction for the development of APEC in the beginning.

EPG was established by APEC for a specified period. As a concrete manifestation of its influence can be seen from the EPG reports, which until now very influential particularly those related to multilateral trade agreement. Eminent Persons Group (EPG) which is formed during the Ministerial Meeting on 4th September 1992 in Bangkok is mandated to explain the vision of trade in the Asia Pacific region through 2000 and identify barriers and issues that need to be considered by APEC. Broadly speaking, the important things are discussed for achieving APEC's vision includes four important aspects, namely trade liberalization, trade facilitation programs, technical cooperation, and APEC institutionalization. From the fourth aspect, the EPG first report provided 15 recommendations that are expected to contribute to help the considerations to be made at the 5th Ministerial Meeting in Seattle, USA. Asia-Pacific region need to develop regional cooperation as did Europe with the European Community and the Western European Community, the Atlantic with NATO and the OECD, and the Americans with NAFTA. In addition to discuss the potential, the report explains the threats to the region as a global trading system is at risk, foresight about regionalism, APEC and the new vision. Meanwhile, the benefits to be gained from the economic community that there is an additional benefit greatly from trade, investment, regional groups can play a role in other areas, trade liberalization and facilitation, leveling the direction of development in the Asia Pacific region, and the movement toward APEC will facilitate consultation and cooperation beyond trade such as environmental protection and public infrastructure.

⁴Sources: Report of the Eminent Persons Group (1993, 1994, and 1995): A Vision for APEC: Towards an Asia Pacific Economic Community (October, 1993), Achieving the APEC Vision: Free and Open Trade in the Asia Pacific (August, 1994), and Implementing the APEC Vision (August, 1995).

The second report of the Eminent Persons Group (EPG) in 1994 to respond to the mandate given in Seattle is to present a more specific proposal for answers on how to realize the vision of long-term recommendations. EPG guide with several principles: the principle of free trade and investment; principles of international cooperation; the principle of regional solidarity; the principle of mutual benefit; the principle of mutual respect and egalitarianism; principle of pragmatism; the principle of making decisions by consensus, based on the flexibility of implementation, and the principle of open regionalism. Based on these principles, the EPG recommends that APEC adopt a comprehensive program to realize the vision of free and open trade in the region. EPG provide input to the meeting in Indonesia, Leaders and Ministers need to adopt long-term goal of "free and open trade and investment in the region"; cooperation on financial and macroeconomic issues; cooperation on environmental issues; make labor practice charge for critical issues anti-dumping; create a dispute mediation service (APEC Dispute Mediation Services - DMS); and technical cooperation. EPG gives an outline of recommendations divided in points: achieving the vision of which discusses the global trading system and trade and investment facilitation; APEC DMS, trade liberalization, and technical cooperation.

The third report of the Eminent Persons Group (EPG) in 1995 is seeking initiatives that have been built by APEC Leaders in Seattle and Bogor. The challenge is how to translate the vision embodied in this initiative a reality that means and can be achieved by varying membership. Recommendations will include the implementation of the Bogor declaration with the substance of the "down payment" of the determination step of individual components of the "action agenda" should be adopted at a meeting in Osaka in November 1995; accelerate the liberalization of the Uruguay Round; service mediation problem (Dispute Mediation Service - DMS); expand and deepening the Uruguay Round agreements with a focus on the problem of anti-dumping, competition policy, as well as product standards and testing; private investment by strengthening and applying non-binding investment principles (NBIP); to open sub-regionalism; monetary and macroeconomic cooperation; and development and technical cooperation.

3.1.3.7. Pacific Business Forum (PBF)⁵

APEC also established the PBF for a particular time that ended in 1995. PBF from the side of employers are also very influential, especially that related to what we often call the Osaka Action Agenda. PBF 1994 report is a follow-up to the APEC Economic Leaders meeting in Blake Island on 20 November 1993 asking it to set up a Pacific Business Forum (PBF). Therefore, PBF was created in June 1994 and consists of representation of each APEC economy. PBF gives vision and some recommendations are offered as a blueprint for a direction for APEC in the 21st century into a community with no barriers to the flow of goods, services and capital among APEC members without discrimination. The recommendations given by the PBF includes free trade and investment liberalization, business facilitation, Human Resources (HR) and business development policies, and cooperation between the government / business and business networks. The vision that brought the dynamic growth will continue for decades to benefit all sectors of the economy and contribute to improvement of living standards of all communities in the Asia Pacific region. To achieve this, the business sector/private APEC liberalization and deregulation should conduct trade and investment; provision of facilities for the existing business and future; development of support mechanisms for business and human resources such as infrastructure and technology information exchange, structural adjustment programs, education and training and strengthening of SMEs in the region; and cooperation between business and government.

Increasing globalization of business means the APEC community should establish practices and policies to facilitate the free flow of goods, services and capital into the region. Liberalization of the economy and business environment should be structured, therefore APEC member economies have the benefit of increased growth and sustainable development into larger economic equality among the members. PBF Report 1995 approved the underlying theme of their 1995 report to make APEC more relevant to business. In 1994, the policy objective is to stimulate regional economic growth. To assist APEC Economic Leaders purpose in promoting economic growth, PBF

⁵Sources: Pacific Business Forum (1994, 1995): A Business Blueprint for APEC: Strategies for Growth and Common Prosperity (October, 1994), the Osaka Action Plan: Roadmap to Realizing the APEC Vision (1995)

divide it into 15 recommendations, the famous are 10 things that have been submitted in Osaka, named Osaka Action Agenda (OAA) and this action is still influential until now in APEC.

3.1.4. Institutionalization of Issues in APEC

If the factors/events is quite important and it can be delivered by agents into APEC and recognized, then it usually followed by establishment of institutions of these issues. For examples, APEC has established the Task Force, Expert Group, Dialogue or Working Group to institutionalize this issue. All of them under the coordination of APEC under the APEC Secretariat, especially in the four committees: BMC, CTI, EC, and SOM-Ecotech. All of which is coordinated by the SOM.

The figure below shows the evolution of institutionalization of issues in APEC. It seems that the longer the accumulation of issues become more complex⁶. It seems that this institutionalization process create a ladder staircase which rising progressively (accumulated). So it can be seen that the APEC meeting in Indonesia in 2013 will be more complex than the APEC meeting in 1994.

Based on the finding from some APEC documents from APEC website, the institutionalization of issues are shown in the list below:

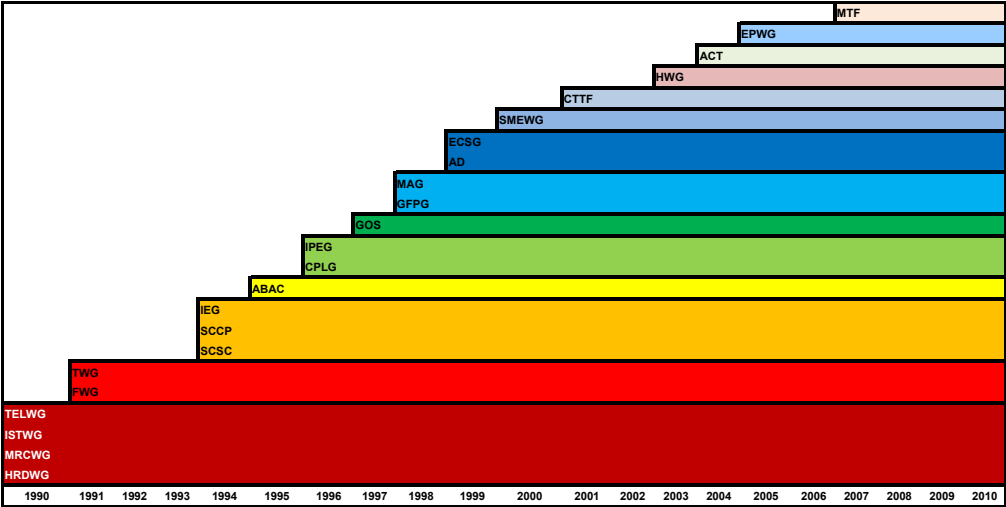
1. EWG (Energy Working Group) was established in 1990 to maximize the contribution of the energy sector in APEC's economic prosperity as well as minimize the impact on the environment. EWG is supported by the four Experts' Group (Clean Fossil Energy, Efficiency & Conservation, Energy Data & Analysis, New & Renewable Energy Technologies) and the two Task Force (Bio-fuels and Energy Trade and Investment);
2. FWG (Fisheries Working Group) was founded in 1991 that aims to optimize the economic value of sustainable for fisheries;
3. HRDWG (Human Resource Development Working Group) was founded in 1990 on the mandate of the APEC Economic Leaders in order to develop the education, labor, and capacity building of human resources. HRDWG implement
4. Established in 1990, MRCWG (Marine Resource Conservation Working Group) aims to promote the sustainability of the environment by conserving resources related to marine;
5. Industry, Science and Technology Working Group (ISTWG) began in 1990 in Singapore by the name of the Working Group on Expansion of Investment and Technology Transfer. ISTWG assist APEC member economies in getting a positive impact of increased access to knowledge/technology industry;
6. Telecommunication Working Group (TELWG) was established in 1990 which aims to improve telecommunications and information infrastructure in the APEC region, including supporting the Asia-Pacific Information Society. Work Program is divided into 3 steering groups: Liberalization Steering Group (LSG), ICT Development Steering Group (DSG), as well as the Security and Prosperity Steering Group (SPSG). LSG was established under the Mutual Recognition Arrangement Task Force (MRTAF);
7. Tourism Working Group (TWG) was established in 1991 within the framework of sustainable tourism development in the Asia Pacific region to support sustainable economic development. This is done by exchanging information, views, and the development of policy cooperation and tourism;
8. Sub-Committee on Standards and Conformance (SCSC) was established in 1994 in reducing the negative effects of differences in standards and treatment in the Asia Pacific region in trade and investment as well as direct equality and treatment standards internationally;
9. Sub-Committee on Customs Procedures (SCCP) was established in 1994 to the simplification and harmonization of customs in APEC for the movement of goods / services that are efficient, effective, and safe;
10. Investment Experts' Group (IEG) was established in 1994 by the CTI in order to develop non-binding investment principles and the continuing efforts of APEC for trade and investment facilitation efforts;

⁶it needs to be noted here that the figure shown only based on the documents found, while others are not listed because this study has no information obtained from documents available year when initiated

11. ABAC (APEC Business Advisory Council) was established in order to assist in the consultation concerning the activity. ABAC then become an official institution established in 1995 to give consideration from a business perspective to AELM;
12. Competition Policy and Law Group (CPLG) was established in 1996 with the name of Competition Policy and Deregulation Group, which later became CPLG in 2008 under the Economic Committee. Aiming for the implementation of competition policy and deregulation for efficiency. Meeting once a year;
13. Group Intellectual Property Rights Experts Group (IPEG) was initiated in 1996 when the CTI founded the Intellectual Property Rights Get-Together (IPR-GT), to enforce property rights based on the so-called WTO TRIPS (Trade-Related Aspects of Intellectual Property Rights). In 1997, officially changed to IPEG (Intellectual Property Expert's Group) which aims to deepen the dialogue, information exchange, implementation, and facilities related to IPR;
14. Group on Services (GOS) was established by the CTI in 1997 to TILF (Trade and Investment Liberalization and Facilitation) for services on instructions of APEC Leaders, Ministers, Senior Official, and CTI. GOS in collaboration with APEC Working Groups related to services: Telecommunications, Transportation, Tourism, and Energy;
15. Gender Focal Point Network (GFPN) was established in 2002 which is a continuation of the Ad Hoc Advisory Group on Gender Integration), founded in 1998 in Makati, Philippines. GFPN aims to provide a mechanism to integrate gender considerations in APEC activities;
16. Market Access Group (MAG) Founded in 1998 by CTI aimed at improving success in overcoming tariff and non tariff barriers. MAG involves the business community (including ABAC), ICTSD (International Centre for Trade and Sustainable Development), WCO (World Custom Union), including with other groups such as the Sub-Committee on Customs Procedures (SCCP), GOS, EWG, SCCP (Sub-Committee on Customs Procedures), and ECGs.
17. Automotive Dialogue (AD) began in 1999 in Indonesia and continued meeting every year. Is a forum between government and industry for APEC members to work together in improving the integration and development of the automotive sector in the APEC region.
18. Electronic Commerce Steering Group (ECSG) Founded in 1999 as Special Officials' Special APEC Task Force and later became part of the CTI in 2007.
19. Originally called the Ad Hoc Policy Level Group on SMEs (PLGSME) which aims to assist SMEs in improving the investment environment competitiveness amid an increasingly open trade. In 2000, turned into a Small and Medium Enterprises Working Group (SMEWG) and since then, done for the annual meeting of the relevant Minister since 1994.
20. Counter-Terrorism Task Force (CTTF) was established in order to confront the danger of terrorism is sabotage of economic development and /or who commit money laundering. CTTF was formed in 2001 following the terrorist attacks of 11 September 2011 in the United States
21. Health Task Force (HTF) was established in 2003, at which time it develops an infectious disease SARS (Severe Acute Respiratory Syndrome). In 2007, after evaluated and then changed as a Health Working Group.
22. Awareness of the importance of fighting corruption in 2004 in a meeting in Santiago in Chile. Subsequently in 2005 the ACT (Anti-Corruption and Transparency Experts Task Force) was established which aims to fight corruption and maintain transparency in APEC economies.
23. Emergency Preparedness Working Group (EPWG) was established by APEC Senior Officials in 2005 as APEC's Task Force for Emergency Preparedness (TFEP) in providing coordination and information in dealing with disasters in APEC, such as the Tsunami of 2004 in the APEC region. In 2010, a Working Group which TFEP in 2009, when the APEC Economic Leaders stressed the need for human security.
24. Mining Task Force (MTF) Founded in 2007, MTF is responsible for carrying out the mandate relating to a separate Minister of Energy Mines.

It is shown that the longer the APEC, the more time and cost for the meeting in towards the summit. All the institutions that formed above under the coordination of SOM and later became the ingredients for the APEC sectoral ministerial meeting. Then this will be a key factor that will affect the decision of

Figure 5: Evolution and Accumulation Institutionalization Issues in APEC 1990-2010



AELM.

3.2. Mapping Issues in APEC 1989-2010

Regarding the complexities of APEC issues, it is very difficult to map the whole issues. From the range of issues, there are very broad and in the same time one issue could be very detail one. After many consideration, this study employ the issues in the level of Sectoral Ministerial Meetings 1993-2010 as the best way to map the issues; however, some issues that considered very important but has never been in the Sectoral Ministerial Meeting, will be taken from working level both Working Group and Task Force. There are some reasons why the Sectoral Ministerial Meetings are suitable in this study for mapping the issues: first, this meeting is included into policy level in APEC process which mean the issues is considerable in the implementation; second, most of the working level issues have a direct connection with the sectoral ministerial meetings; third, the intensity/frequency of the meetings could be used as the indicator of the importance of the issue in APEC. The figure above shows the frequency of the meeting of each issue. This study find out 20 issues which become the most important issues in APEC: Finance, Small & Medium Enterprise (SME), Trade, Energy, Telecommunication & Information, Transportation, Tourism, Education, Human Resource, Regional Science&Tech., Environment, Health, Mining, Ocean-Related, Woman Affairs, Structural Reform, Food Security, Anti-Corruption, Counter-Terrorism,

and Emergency Preparedness. The issue of Anti-Corruption and Counter-Terrorism are taken from Task Force, and Emergency Preparedness is taken from Working Group.

The issues above are divided into 4 groups based as shown below. The group is divided based on the function in APEC development.

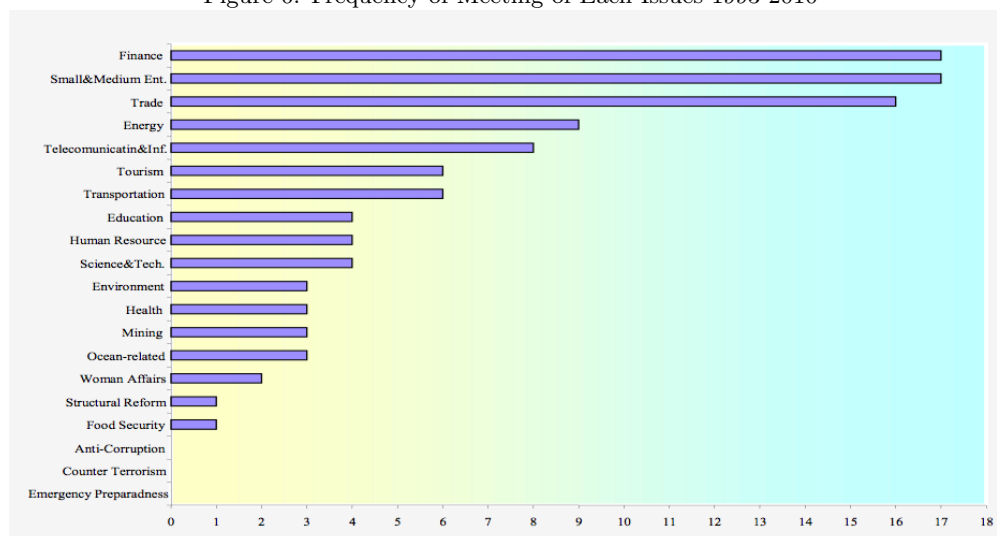
Group 1 is the issues that become the direct measures **to achieve the Bogor Goals**. In broader terms, these issues are **related to the direct objectives of APEC integration (especially economic integration)**⁷. There are 7 issues are considered in the Group I: Finance, Small & Medium Enterprise (SME), Trade, Energy, Telecommunication & Information, Transportation, and Tourism. The frequency of the meeting of the 7 issues has the highest among 20 issues that could reflect the importance of the issues for APEC.

Main statements of the ministerial meetings are shown in the table below:

Group 2 is the issues that become **the main supporters to achieve Bogor Goals/APEC economic integration or main supporters of group 1**. There are 3 issues are considered in the Group 2: *Education, Human Resource Development, and Regional Science&Tech*. Main statement of the ministerial meeting is shown in the table below:

⁷As we know that globalization promotes the integration of economy through TTIS (Trade, Tourism, Investment, and Services)

Figure 6: Frequency of Meeting of Each Issues 1993-2010



Source: APEC Secretariat, processed.

Table 4: Issues of Group 1 and Its Main Statements in Sectoral Ministerial Meeting

No	Issues and Number of Meeting	Main Statements
1	Finance (17 meetings)	•Understanding the current situation of the global and APEC regional economy •Supporting the development of financial and capital market infrastructure •Strengthening the financial development that could facilitate the achievement of the Bogor Goals
2	SME (17 meetings)	•Strengthening the SME cooperation within APEC, especially sharing the information, technology, and human resources •SME could help APEC members to reduce poverty, enhance innovation cooperation, economic growth, and regional economic integration
3	Trade (16 meetings)	•APEC should support and strengthen the multilateral trading system •To encourage the intensity of effort in achieving Bogor Goals •To drive the business environment that could lead to a better growth, trade, and investment.
4	Energy (9 meetings)	•Energy sustainability for APEC economies (energy security) •The usage of environmental friendly energy
5	Telecommunication and Information (8 meetings)	•Developing Asia Pacific Information Infrastructure (APII) •Supporting APII by declare about TI in each meeting
6	Transportation (6 meetings)	•Developing principle and priorities of transportation development in APEC economies •Transportation that support trade should be safe, secure, and liberalized.
7	Tourism (6 meetings)	•Developing the deeper tourism cooperation within APEC economies •Enhancing the tourism role in increasing the quality of life in APEC economies

Source: Document of Joint Ministerial Meeting Statements of Each Sector/Issue, processed

Table 5: Issues of Group 2 and Its Main Statements in Sectoral Ministerial Meeting

No	Issues and Number of Meeting	Main Statements
1	Education (4 meetings)	•The urgency of cooperation and standardized education in APEC economies that enhance the human resource (broader than labor development) •The urgency of the micro education development that support human resource such as reformation of education system, improvement of teaching in specific subjects (English, Math, Science), and teaching methods and tools.
2	HRD(4 meetings)	•Development of LMI (Labor Market Information) •Enhance the cooperation to increase the skills of labors, managers, and entrepreneurs
3	Science & Technology (4 meetings)	•Developing social safety nets and security in the working place •Enhancing APEC cooperation in knowledge and technology •Information exchange of database on researchers, experts, and scholarship in knowledge and technology •Encourage the usage of knowledge and technology in SME

Source: Document of Joint Ministerial Meeting Statements of Each Sector/Issue, processed

Group 3 is the issues that become **supporter for the business environment for economic growth or development**. This group has a wider broad range of issues, especially in the non economic issues which support group 1 and group 2. There are 6 issues in the Group 3: Environment, Health (preventing infectious disease), Mining (mining good governance), Ocean-Related, Woman Affairs, and Structural Reform. Main statement of the ministerial meeting is shown in the table below:

Group 4 is the issues that become **the anticipation of temporary threat to the achievement of all other groups**⁸. There are 4 issues in Group 4: Food Security, Anti-Corruption, Counter-Terrorism, and Emergency Preparedness. Food Security was included in Ministerial Meeting. Anti-corruption and Counter-terrorism are based on Task Force while Emergency Preparedness is based on Working Group. Main statement of the ministerial meeting is shown in the table below:

The figure below shows that issues in Group I is the nucleus of the issues in APEC which is mainly the economic issues that related to the Bogor Goals. Group II, III, and IV are the issues which support the achievement of the Group I. Based on these facts, it could be concluded that even though the issues of APEC are very broad, the main objective is still in

economic issues especially achieving Bogor Goals or economic integration of APEC. The other issues are needed to support of the APEC economic integration/Bogor Goals.

To support this conclusion, this study tried to seek the average age of each group. It is assumed that the older issues will become the first wave of issues which mean those issues are considered more important. The younger issues or the next waves are the issues that either less important than the previous ones or the younger issues support the previous issues. The table below shows the age of the issues: the average age of Group I (14.57 years) is the highest among groups, followed by the Group II (13.10 years), Group III (8.6 years), and Group IV (6.25 years).

3.3. Latest trend in APEC issues and Indonesia APEC Agenda toward 2013

The Global Financial Crisis in 2008 and followed by world negative economic growth in 2009. This condition affect negatively on the world trade and intra trade of APEC. This condition is the second lesson for APEC economies, after the Asian Financial Crisis in 1998: that increase or maintain high integration of APEC economies should be started from increasing or maintaining high economic growth of APEC economies first. And the APEC Leaders put more attention on economic growth.

In addition, the APEC Economic Leaders have realized that economic growth should be accompanied by “high quality of economic growth”; therefore the AELM in 2010 (The Yokohama Vision: Bogor and

⁸This group could be seen as the anticipation on what so-called “Malthusian Positive Checks” which mean the threat to the human population

Table 6: Issues of Group 3 and Its Main Statements in Sectoral Ministerial Meeting

No	Issues and Number of Meeting	Main Statements
1	Environment (3 meetings)	●Concerning on the importance of the sustainable development comprehensively in APEC economies
2	Health (3 meetings)	●Encouraging the development of cooperation on How APEC economies could face the countagious disease, such as HIV and SARS
3	Mining (3 meetings)	●Enhancing on How APEC could improve the good governance in mining
4	Ocean-related (3 meetings)	●Encouraging the development of coastal societies and conservation of ocean resources
5	Women Affairs (2 meetings)	●Improving the gender equity in all aspect of life in APEC economies, especially in the business affairs
6	Structural Reform (1 meeting)	●Improving structural reform of APEC economies: competition policy, regulation reform, public sector management, coporate governance, and enhancing legal and economic infrastructure

Source: Document of Joint Ministerial Meeting Statements of Each Sector/Issue, processed

Table 7: Issues of Group 4 and Its Main Statements in Sectoral Ministerial Meeting

No	Issues and Number of Meeting	Main Statements
1	Food Security (1 meeting)	●Driving APEC economies to develop its food sustainability
2	Anti-corruption (0 meetings, only in Task Force)	●Supporting APEC economies to fight corruption
3	Counter-Terrorism (0 meetings, only in Task Force)	●Fostering APEC economies to develope cooperation in facing terrorism
4	Emergency Preparedness (0 meetings, only in Working Group)	●Supporting the urgency of cooperation in facing natural disasters in APEC economies

Source: Document of Joint Ministerial Meeting Statements of Each Sector/Issue, processed

Figure 7: Group and Its Issues in APEC 1898-2010

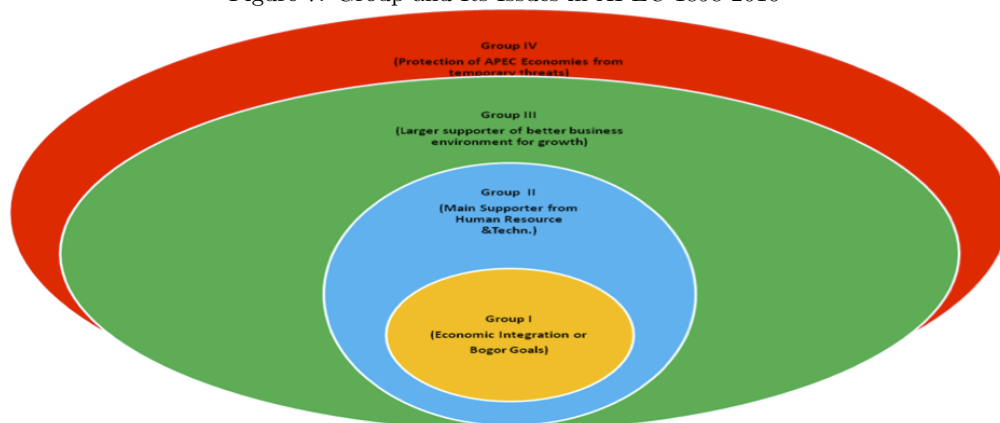


Table 8: Average Ages of Issues in APEC

Groups	Issues and Year of First Meeting	Age in 2010
Group I	Energy (1995); Finance (1994); SME (1994); TI(1995); Trade (1995); Transport (1995); and Tourism (2000)	Average age of 7 issues is 14.57 years
Group II	Education (2000, but informal meeting was in 1992); HRD (1995); and Science & Technology (1995)	Average age of 3 issues is 13.10 years
Group III	Environment (1994); Mining (2004); Health (2003); Ocean-related (2002); Structural Reforms (2008); Woman Affairs (1998)	Average age of 6 issues is 8.60 years
Group IV	Anti-corruption and Transparency TF (2005, recognized in 2004 in Santiago, Chile); Counter-Terrorism TF (2003, recognized in 2001 in Shanghai, China after 9/11 in US); Emergency Preparedness WG (2005, recognized in 2005, Busan, after Tsunami in Aceh 2004); Food Security (2010)	Average age of issues is 6.25 years

Source:calculated based on APEC Secretariat information, processed.

Beyond) has accomplished a comprehensive of the attribute of economic growth in APEC: balance, inclusive, innovative, secure, and sustainable. The simple definition of those attributes are based on the AELM 2010 is shown above. To scrutinize the ingredients of the growth attributes, the lists below have revealed that the growth attributed of APEC are highly correlated with the development of APEC issues that was discussed previously.

The changing of the attention on APEC issues in Indonesia is correlated with the changing issues in APEC. Before the Reformation, the issues both in APEC and Indonesian national document plannings were focused on the achievement of Bogor Goals or mainly in trade issues; however, after the Reformation, especially since 2004, the main issues are not focused in economy.

If we put attention on the ingredients of all growth attributes above, we could come into conclusion that the ingredients of all attributes growth of APEC are almost all of the issues which have been discussed and decided in APEC since 1993.

We could also shows the relation between the groups of issues of APEC that have been analyzed in this study and the ingredients of the attributes growth above: the ingredients are aimed at improving high quality of economic growth in APEC which in turn will increase the integration of APEC while the groups of issues have been focused on supporting the integration of APEC economies, especially through the Bogor Goals.

In 2011, the APEC Economic Leaders in USA (The Honolulu Declaration: Toward a Seamless Regional

Economy) has deepened the attribute, especially the sustainable growth, for example by initiating the EGS (Environmental Goods and Services) into implementation, while in 2012, the AELM in Russia (Vladivostok Declaration: Integrate to Grow, Innovate to Prosper) has put a attention on innovative growth. Based on the latest trend of the issues/agenda in APEC, Indonesia should also put attention on the deepening of the high quality of growth; however, we should search what are the Indonesia interests in APEC first to see the coincidence with this trend. To search the Indonesian interest in APEC, this study use the national planning documents that was provided by Bappenas (National Planning Agency). These documents could be divided into two groups: before the Reformation and since the Reformation.

Planning Documents Before Reformation (1989-1998) consist of 2 Repelitas (Five Year Plan Development) in Repelita V (1989-1994) and Repelita VI (1994-1998). The documents show that Indonesian interest in APEC was the same with the APEC issues during the period 1898-1997 that focused on the achievement of Bogor Goals “*free and open trade and investment in the Asia-Pacific no later than the year 2020*”.

Planning Documents Since Reformations (1998-now) are: Transition Period (1999-2000), Propenas (Program Pembangunan Nasional/National Development Program) atau Propenas (2000-2004), Midterm Plan of National Development/Rencana Pembangunan Jangka Menengah Nasional or RPJMN (2004-2009), and Rencana Pembangunan Jangka Menengah Nasional or RPJMN (2020-2014). The statement of interest of Indonesia in APEC especially related to

Figure 8: Five Attributes of APEC Economic Growth



Source: based on AELM 2010

Table 9: Ingredients of High Quality Economic Growth Attributes of APEC Economic Leaders

Inclusive	Balance	Innovative	Sustainable	Secure
-Promote job creation, human resource development, and active labor market policies	-Encourage balanced growth across economies.	-Realize smart socioeconomic activity through ICT applications.	-Enhance energy security and promote energy-efficiency and low-carbon policies.	-Counter terrorism and secure trade
-Promote SMEs, MEs, and entrepreneurship development.	-Encourage balanced growth within economies.	-Promote Digital Prosperity.	-Develop a low-carbon energy sector.	-Prepare for emergencies and natural disasters.
-Promote more inclusive access to finance and financial services.	-Facilitate growth through infrastructure development	-Develop a skilled, adaptable, and professional APEC work-force.	-Improve access for environmental goods and services (EGS) and develop EGS sectors.	-Enhance infectious diseases preparedness and control of non-communicable diseases, and strengthen health systems.
-Enhance social resilience and social welfare through means such as improving social safety nets and supporting vulnerable groups.		-Enhance dialogues and information sharing on innovation policy.	-Promote green jobs education and training.	-Strengthen food security and food safety.
-Create new economic opportunities for women, elderly, and vulnerable groups.		-Promote innovation and creativity through effective, comprehensive, and balanced intellectual property (IP) systems. Promote cooperation on standards.	-Promote private investment in green industries and production processes.	-Combat corruption and promote transparency.
-Promote tourism development		-Promote innovation in Life Sciences	-Promote conservation and more sustainable management of agriculture and natural resources.	

Source: based on AELM 2010

the improving Indonesia trade performance could be found in Transition Period (1999-2000) and Propenas (2000-2004); however, since RPJMN (2004-2009) and RPJMN (2020-2014) the statement of APEC are mostly found in the chapter that related to the Ministry of Foreign Affairs rather than Ministry of Trade.

The changing of the attention on APEC issues in Indonesia is correlated with the changing issues in APEC. Before the Reformation, the issues both in APEC and Indonesian national document plannings were focused on the achievement of Bogor Goals or mainly in trade issues; however, after the Reformation, especially since 2004, the main issues are not focused in economy.

Beside the documents, the interview of this study is also support the finding above. Before the economic crises 1997, the issues about APEC was focused on economic especially trade issues and Indonesia was one of the influential economy in APEC and it was shown in the AELM Meeting in Bogor 1994 with the Bogor Goals as the main result of Indonesian meeting. After the reformation, especially after the crises, especially since 2001, many issues are correlated with the non economic issues.

Based on the 20 issues that shown above, it could be seen that all of the issues are just the same issues that very relevant to the development issues in most of the developing economies, including Indonesia. Those development issues are heavily related to the high quality of economic growth.

The current situation in Indonesia shows that the increasing tension in the public opinion about negative effect on ASEAN-China FTA due to negative trade balance with China that have been amplified by the press and politicians. Furthermore, the current Global Financial Crises has also made people aware of the "equity and justice of economic integration". Therefore, one of the possible important agenda of Indonesia in 2013 is inclusive growth or in broader term is inclusive growth/development. The inclusive growth is not only pro-job, pro-poor, but also pro-equity.

Several discussions have been done to determine the Indonesia agenda in 2013. There are several possible agendas that could be focused in 2013: inclusive growth (development), connectivity (especially infrastructures), blue economy, and regional economic integration. Those big issues are not new but they are needed both Indonesia and APEC in this current

situation. Some notes of those issues are shown below.

- Inclusive growth or inclusive development is aimed at to ensure that all our citizens have the opportunity to participate in, contribute to, and benefit from global economic growth. To fulfill the objectives, APEC economies should go deeper on several issues related, especially on human resource development (especially labor issues), small and medium enterprises (including the entrepreneurship development), inclusive financial services, social safety nets, tourism promotion, and women equality opportunities.
- Supply-chain, connectivity, logistics, and infrastructures are sometimes use interchangeably; however, we should understand the relation. To enter the world or regional supply-chain, our economy must establish connectivity with other economies. To connect with other economies, our economy needs logistics. And logistics will be supported by both hard and soft infrastructures. Hard infrastructures are such as land, sea, and air transportation infrastructures, ports, etc while soft infrastructures are such as communications, policies, etc. This agenda will be related to transportation, ICT, policy reforms and other related issues.
- Blue economy is different with blue economy concept of Club of Rome. APEC blue economy is directed more on the Ocean Related Issues. Some issues have been addressed related to ocean such as Bali and Paracas Declaration which have been part of the Marine Resource Working Group and Fisheries Working Group. This agenda will be related to some other issues such as connectivity, food security, and so on.

Another candidate's agenda such as current economic conditions, the rising protectionism, and regional economic integration are so-called "regular agendas". If we put attention to the candidate agendas above that the agendas have shown inter-related issues that have been developed in APEC, therefore, those issues should be deepened and more on deliverables oriented in 2013.

4. Conclusion

First, issues development in APEC depend on two things: (1) factors/events in economic, social, politic,

and security in global, regional APEC, and host economy; (2) agents that consist not only the government agencies but also some institution especially PECC, ASEAN, WTO, ABAC, ASCC, EPG, and PBF.

Second, mapping issues in the APEC has shown that the core issues of APEC are still in the corridor of economic issues, especially related to the Bogor Goals; however the non-economic issues have been used as the supporter of the economic issues. Economic issues dominate Group I as the core issues in APEC, especially in achieving the APEC economic integration, especially Bogor Goals. The issues of Group I are finance, small and medium enterprises, trade, energy, telecommunication and information, and transportation. Then followed by the group II which become main supporter for the achievement of Group I are human resource, education, and science and technology. Group III are very broad and dominated by non-economic issues but those issues support Groups I and II (environment, woman affairs, health (to overcome infectious diseases), mining (mining governance), structural reforms, and ocean-related. Group IV which could keep the safety of achievement of other groups are the emergency preparedness, food security, anti-corruption, and counter-terrorism. This latest group issues prevent the bad impact on the other group of issues from temporary threats or dangers.

Third, most of the issues in APEC are the development issues which mean they are very important issues for each economy, including in Indonesia development. The Indonesia interest in APEC was started in economic issues especially in trade and investment liberalization; however, the issues have moved broader to non-economic issues. The Indonesia possible agendas in 2013 are inclusive growth (development), connectivity (infrastructures), and blue economy.

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