

The Role of Business in Regional Governance: The Case of the APEC Business Advisory Council (ABAC) in APEC¹

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In the modern globalized world, the international relations landscape is like a cake decorated with powder and other toppings. The international agenda is determined by the traditional actors – states (flour, milk and other ingredients without which the cake could not be baked) as set out in the theory of liberal intergovernmentalism. But a large number of non-governmental actors (the decorative powder and toppings, but the cake is edible without them) present their proposals and initiatives to the states, which states reflect on in their official documents. These proposals and initiatives tend to be mainly aligned with the states' policies. This dialogue is important in making the international decision-making process legitimate, but does not mean that non-governmental actors are fully engaged in designing the international cooperation agenda. In this article the author tests this hypothesis through studying the APEC Business Advisory Council (ABAC). The author explores how the Asia-Pacific business priorities promoted by ABAC since its establishment in 1996 correspond with the key objectives and policies of the Asia-Pacific Economic Cooperation (APEC) forum as well as ABAC's internal and external communication model to access the ABAC actorness. The official ABAC and APEC documents constituted the evidence base for the analysis. Research methods include qualitative content and comparative historical analyses. The author concludes that ABAC has the characteristics of a formal actor in Asia-Pacific regional governance. It could therefore be considered a full-fledged partner in the APEC leaders' documents although ABAC has no capacity to change the regional agenda. From an economic perspective, this phenomenon could be explained by the fact that the states and businesses in the region share common interests because states need business-led growth and business needs the robust competition that trade and investment liberalization can provide.

Key words: APEC Business Advisory Council (ABAC), Asia-Pacific Economic Cooperation (APEC), regional governance, actorness, non-state actor

Introduction

Business as an actor in the international relations and regional governance

In the modern globalized world the international relations landscape is like “a cake decorated with powder and various topics.” This means that the international agenda is determined by the traditional actors – states (“flour, milk and other ingredients without which a cake could not be

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baked”) as the liberal intergovernmentalism theory presumes. However, a large number of non-governmental actors (“powder and various topics which decorate a cake, but a cake is eatable without them”) present their proposals and initiatives to the states and states reflect on them in their official documents. If you look more closely into these proposals and initiatives, they are mainly in line with the states’ policies. This dialogue is an important aspect of the legitimization of the international decision-making process, but does not mean that non-governmental actors are fully engaged in the international cooperation agenda designing.

The non-governmental actors in the international processes have attracted the attention of specialists in international relations and political experts since the 1970s (e.g. J. Nye, J. Rosenau and many others). The emergence of non-governmental actors was pushed by the failure of the Westphalian system which accelerated globalization. Two main standpoints regarding the actor-ness of non-governmental participants in international relations exist in political science. The idea that individuals and private groups, not states, are the fundamental actors in world politics is embedded in the liberal theory of international relations which “rests on a “bottom-up” view of politics in which the demands of individuals and societal groups are treated as analytically prior to politics” [Moravcsik, 1997]. Per contra, according to the liberal intergovernmentalism theory “states are actors and they are rational” [Moravcsik and Schimmelfennig, 2009] and “the state governments act as the main gate-keeper for domestic interests to enter the regional arena” [Moravcsik, 1998], so their common efforts in particular aimed at regional cooperation development are encouraged by the needs of domestic market actors and civil society and “the domestic interest groups have to rely on their governments if they want to influence regional policy outcomes and institutional reforms” [Moravcsik, 1998].

As the world becomes more interdependent and mutual vulnerabilities increase, non-governmental actors represented by a wide range of organizations, movements, groups, and social communities act at the global political scene independently of states and states’ associations and in communication with other global (and regional) politics actors [Tsygankov, 2013]. An actor is characterized as having a freedom to act despite of system’s constraints, an independence in decision making, a capacity to cooperate with other actors and act actively, having a strategy aimed at setting a goal and succeeding as well as clear identity, recognizing by other actors and with resources [Tsygankov, 2013]. More simply “an actor prefers some outcomes to others and pursues a strategy to achieve its most preferred possible outcome” [Frieden, 1999].

The business advisory bodies such as the APEC Business Advisory Council (ABAC), ASEAN Business Advisory Council, Business and Industry Advisory Committee to the OECD (BIAC), and Business Twenty (B20) emerged in the 1990–2000s are frequently referenced in the multilateral institutions’ documents as full-fledged partners which ideas could be integrated into these institutions’ policies and implemented. But it is quite true that neither ABAC nor its “siblings” engage with other actors at the international landscape, except its Founding Father – APEC. This casts doubt on the idea that they have such actor’s characteristics as “freedom to act despite of system’s constraints” and “capacity to cooperate with other actors.” Taking into account that the ABAC representatives are nominated by the APEC economies’ leaders it can be said without prejudice that ABAC also lacks independence in decision making.

When exploring ABAC in the regional governance framework, we need to clarify the notion of regional governance. W. Barnes and K. Foster define regional governance “as deliberate efforts by multiple actors to achieve goals in multi-jurisdiction environments” [Barnes and Foster, 2012]. The regional governance aims to solve a regional problem or seize a regional opportunity bringing together formal and informal actors who organize, network and engage with others to achieve a goal.

The importance of regional governance in the context of globalization was argued by a number of researchers in the political and social sciences, e.g. B. Buzan and O. Wæver and P. Katzenstein who wrote about “a world of regions” [Acharya, 2007]. P. Katzenstein noted that in comparison with European regionalism Asia’s one is “informal and economic” and relies more heavily on “market transactions and ethnic or national capitalism” which enhances the capability of business to influence the policy agenda in the region.

Neo-functionalistic approach to regionalism assumes that “with policies increasingly made at the regional rather than the national level, economic and societal actors would increasingly shift their expectations and loyalties towards regional institutions giving rise to a new political community, in which states would settle their conflicts peacefully” [Börzel, 2011].

APEC was launched as a regional governance mechanism to address the common problems the countries of the region faced in the late 1980s, especially the barriers to trade and investment which disrupted economic growth [APEC Ministers, 1989]. The liberalization of trade and investment was intended to facilitate doing business in the region. As indicated in the APEC 1997 Leaders’ Declaration, the APEC approach to addressing regional challenges was “based on three mutually supportive pillars – trade and investment liberalization, business facilitation, and economic and technical cooperation” [APEC Leaders, 1997]. A concrete step aimed at business facilitation in the region was the APEC Ease of Doing Business Action Plan (2010–2015) adopted in 2009 [APEC, 2009]. The document focused on five priority areas: starting a business, getting credit, enforcing contracts, trading across borders, and dealing with permits. In their Manila declaration the APEC leaders welcomed “the progress made on the Ease of Doing Business (EoDB) initiative and affirmed the EoDB Action Plan (2016–2018) with a new aspirational target of a 10-percent improvement by 2018” [APEC Leaders, 2015]. Since its birth APEC’s recognition of the role of business as an engine of economic growth and the need for creation and maintenance of a business-friendly environment reflected business interests and remained at the core of the regional policy agenda.

The growing understanding of the important role of business in boosting free and open trade and investment, job creation and human capital development in the Asia-Pacific region became the impetus for the establishment of ABAC. The initiative came from the leaders themselves. As the first step the APEC Leaders created two advisory committees for representatives of the business community to engage in dialogue: the Eminent Persons Group (EPG) and the Pacific Business Forum (PBF) in 1993 [Yamazawa, 2011]. The EPG included one private individual from each APEC economy; some of its members later joined ABAC. In 1993 the EPG submitted its first report to the APEC Leaders with proposals mainly focused on trade and investment liberalization. The aim of the PBF was to engage private firms in APEC activities. The PBF brought together two members from each economy and submitted reports with concrete recommendations reflecting business interests. The EPG ceased to exist in 1995. However, the PBF laid the foundation for ABAC which was established by the APEC Leaders the same year. A decision on the establishment of ABAC was announced in the APEC Leaders’ Osaka Declaration: “Recognizing that business is the source of vitality for the Asia-Pacific and the driving force for regional economic development, we will appoint the members of the APEC Business Advisory Council to provide insights and counsel for our APEC activities” [APEC Leaders, 1995].

The research problem of the article is to explore the nature of state – business engagement in the regional governance drawing on the study of the APEC Business Advisory Council (ABAC).

The author chose the ABAC because is the most widely-known “business voice” institution in the Asia-Pacific region. In 2015 it celebrated the 20th anniversary of its establishment.

Over the preceding 20 years ABAC recommendations had been mentioned by the APEC Leaders in their summits documents. Some ABAC initiatives yielded substantive policy changes.

The hypothesis is that the business has the characteristics of a formal actor in the Asia-Pacific regional governance but that it is not able to design the regional cooperation agenda. Nevertheless it is undeniable that states and businesses are engaged into a close dialogue due to their common interests. The dynamics of the development of the Asia-Pacific region development gives a special so-termed “strategic setting.” What does this mean? Globalization-related processes and economic development trends have promoted the convergence of state and business interests thus allowing for the voice of the private sector to be heard by policymakers and business recommendations to be implemented at the state level.

The relevance of the study is underscored, first, by the rising importance of dialogues between state leaders and representatives of the business community as evidenced by the emergence of such new actors as the B20 and BRICS Business Council. Second, it is relevant due to Russia’s increasing penetration into the Asia-Pacific region which demonstrates the highest growth rates in the world, with business being an important growth driver. Third, lessons from the study of the ABAC might prove useful for elaborating recommendations to increase the effectiveness of this body and its benefits for a broader business community in the region.

Methodology

The research methods used by the author include qualitative content analysis and comparative historical analysis. The first research method allows the author to explore the business priorities which are manifest in the recommendations to the APEC leaders and how these recommendations are reflected in the official APEC documents. The second one is instrumental to track the evolution of the ABAC’s regional economic and business environment.

By applying qualitative content analysis the author assessed the number of references to ABAC in the APEC documents and how APEC reflected on ABAC’s recommendations in the documents including the number of mandates delegated by APEC’s leaders to their institutions at the ABAC’s request.

The APEC Leaders’ reflections of the ABAC recommendations are assessed on a scale from -1 to $+1$. A score of “ $+1$ ” means that a recommendation was reflected in the APEC Leaders documents in a form of APEC commitments or mandates. A score of “ 0 ” means that ABAC recommendation was reflected in the APEC Leaders’ documents but no commitments or mandates were adopted. A score of “ -1 ” means that ABAC recommendations were not reflected in the APEC Leaders’ documents. The overview of ABAC – APEC interaction as reflected in the APEC summits’ documents since 1996 is presented in the Annex.

To analyze how the business elaborates its strategy to communicate with APEC and promote its priorities the author explores ABAC as internal and external engagement model, including such elements as functions, mechanisms of communication and agenda. The functions include elaboration of consolidated position of the APEC business community, providing an opportunity for direct interaction between business and state leaders, and influencing the APEC decisions through ABAC recommendations. Mechanisms of communication relate to ABAC’s internal interaction, communication with the APEC leaders and ABAC’s engagement with national authorities with regard to the regional agenda. These three types of communication mechanisms can be characterized by flexibility, capability to evolve, openness, established procedures and institutions, frequency and regularity. The agenda is characterized by the nature of priorities, level of coincidence with summitry institution’s agenda, continuity and flexibility.

ABAC in the APEC leaders' documents

ABA C was mentioned in the APEC leaders' documents every year aside from 2010. This number has increased in recent years and comes at a total of 58 in the period from 1995 to 2015 with the number of mandates amounting to 12. Three ABAC inspired commitments were adopted in Vancouver (1997), Bangkok (2003) and Singapore (2009). So, 8 of the 19 summits have a score of "+1", one – a score of "-1", the other 11 are assessed with "0".

Lower number of commitments and mandates in the total number of references proves the ABAC's formal actorness nature. It should be noted that the ABAC never criticizes the APEC in its documents au contraire it "approves" APEC activities and "appeals" to APEC. Concrete proposals are "hand to mouth" in the ABAC documents.

Two of three adopted commitments were implemented by the APEC evidently. In 2003 APEC leaders committed "to work with the ABAC and the business community to continue to implement the Shanghai Accord and Los Cabos directives to facilitate business activity in the APEC region, including the reduction of transaction costs 5% by the year 2006" [APEC Leaders, 2003]. Three years hence in their Ha Noi Declaration the leaders announced that the target of a five-percent reduction in trade transaction costs had been met and welcomed further work with the ABAC and other relevant international organizations in this sphere. At their Singapore summit the APEC leaders committed "to promote greater collaboration among our IP rights experts, APEC Business Advisory Council (ABAC), and enforcement authorities across the APEC region" [APEC Leaders, 2009]. In 2010–2011 on the margins of three APEC Intellectual Property Rights Experts Group (IPEG) meetings ABAC-IPEG Dialogues were organized to discuss mutually agreed topics.² It is more difficult to track the implementation of the less concrete Vancouver commitment "to reflect on recommendations set out in ABAC's 1997 Call to Action" [APEC Leaders, 1997]. But if take a close look at the recommendations the Call to Action provided this commitment could also be considered implemented because the APEC is working towards greater business mobility, standards and customs harmonization, boosting private investment in large-scale infrastructure projects, liberalizing financial services, etc.

In 1996 ABAC declared its intent "to advance the APEC vision in ways most valuable to the region's business and to the wider APEC community" generating specific, results-oriented recommendations" [ABAC, 1996]. However, it stands to mention that not all ABAC initiatives were "grasped" by the APEC. Although they were fixed in the leaders' declarations and ministers' statements they were not implemented in full as ABAC expected.

The most notable cases of ABAC recommendations transforming into reality are the APEC Business Travel Card (ABTC) and a proposal for the Free Trade Area of the Asia-Pacific (FTAAP).

The story of ABTC dates from 1996, when the ABAC recommended to the APEC Leaders to endorse the introduction of an APEC Business Visa to facilitate business-related travel in the region (ABAC, 1996). According to this recommendation the APEC Business Visa should have had "a minimum validity of five years and allow multiple entries of up to 60 days per entry." The same year the APEC Ministers in their Joint Statement "welcomed the decision by Australia, Korea, and the Philippines to proceed with a trial of an APEC Business Travel Card in 1997 and noted the value of the APEC Business Travel Card initiative as a contribution to enhancing the mobility of business people in the APEC region." Starting from its establishment 19 economies of APEC fully participate in the scheme, including Australia, Brunei Darussalam, Chile, Chi-

² Intellectual Property Rights Experts Group. Available at: <http://www.apec.org/Groups/Committee-on-Trade-and-Investment/Intellectual-Property-Rights-Experts-Group.aspx> (accessed 6 January 2016).

na, Hong Kong (China), Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, PNG, Peru, the Philippines, Russia, Singapore, Chinese Taipei, Thailand and Vietnam. Canada and the US are transitional members of the scheme. An ABTC permits its holder to travel to, enter and undertake legitimate business in participating economies for a minimum of two months. Initially the card was valid for three years. Starting from September 1, 2015 the validity of the ABTC was extended to five years.³ An ABTC also hastens processing upon arrival for its holder at the major airports of participating economies. According to the APEC Policy Support Unit study on “The Impact of Business Mobility in Reducing Trade Transaction Costs in APEC,” “the ABTC scheme reduced transaction costs for ABTC holders by 38% between March – July 2010 and March – July 2011, representing a total savings of USD 3.7 million.”⁴

The second most evident ABAC initiative which was “blessed” by the APEC Leaders is the proposal that the Free Trade Area of the Asia-Pacific (FTAAP) should become a reality. ABAC has been advocating the concept of an FTAAP since 2004, when it was first included into the ABAC report to the APEC Leaders [ABAC, 2004]. Two years later, in 2006 APEC Leaders instructed APEC officials to examine various options for regional economic integration including the FTAAP. It should be noted that their mandate included a reference to the ABAC: “We shared the APEC Business Advisory Council’s (ABAC) views that while there are practical difficulties in negotiating a Free Trade Area of the Asia-Pacific at this time, it would nonetheless be timely for APEC to seriously consider more effective avenues towards trade and investment liberalization in the Asia-Pacific region. Therefore, while affirming our commitments to the Bogor Goals and the successful conclusion of the WTO/DDA negotiations, we instructed Officials to undertake further studies on ways and means to promote regional economic integration, including a Free Trade Area of the Asia-Pacific as a long-term prospect, and report to the 2007 APEC Economic Leaders’ Meeting in Australia” [APEC Leaders, 2006]. In 2010 APEC Leaders issued “Pathways to FTAAP” [APEC Leaders, 2010] in which they announced that “now is the time for APEC to translate FTAAP from an aspirational to a more concrete vision” and instructed “APEC to take concrete steps toward realization of an FTAAP, which is a major instrument to further APEC’s Regional Economic Integration (REI) agenda.” In 2014 The Beijing Roadmap for APEC’s Contribution to the Realization of the FTAAP was adopted representing “an important concrete step towards greater regional economic integration” [APEC Leaders, 2014]. The Roadmap contains five actions which it suggests as the potential building blocks of the FTAAP; one of them is to “strengthen engagement with the business sector via the APEC Business Advisory Council (ABAC) and other direct routes” [APEC Leaders, 2014]. The APEC Leaders committed to intensify efforts to strengthen APEC public-private sector dialogues on the promotion of regional economic growth, integration and an improved business environment and to use the ABAC’s input on issues that are expected to impact the region’s economic growth and development over the longer term to advance work towards the realization of the FTAAP. This statement is a clear evidence of the ABAC recommendations exerting influence on the APEC Leaders decisions as in its 2014 report ABAC called “for concrete steps towards the realization of an FTAAP such as developing a roadmap and conducting analytical work” [ABAC, 2014].

A number of ABAC proposals which have a less successful “vital rhythm” is higher which provides more evidence of the ABAC’s limited influence.

³ APEC Business Travel Card to be Extended to Five Years from 1 September. Available at: http://www.apec.org/Press/News-Releases/2015/0728_ABTC.aspx (accessed 7 January 2016).

⁴ APEC Business Travel Card. Available at: <http://www.apec.org/About-Us/About-APEC/Business-Resources/APEC-Business-Travel-Card.aspx> (accessed 2 May 2015).

In 1998 the ABAC proposed that “APEC should build an APEC Food System, a long-term project to achieve a more robust regional food system that efficiently links together food producers, processors and consumers and more securely meets the region’s future food needs” [ABAC, 1998]. The following year in their Auckland Declaration the APEC leaders endorsed the APEC Food System and instructed the ministers to annually monitor progress towards achieving this system [APEC Leaders, 1999]. Although the project has not been fully implemented, the Action Plan to Enhance Connectivity of APEC Food Standards and Safety Assurance was developed by the Policy Partnership on Food Security (PPFS) in 2014. The issues related to the APEC Food System are included in relevant APEC Working Groups and sub-fora activities.

In 2004 the ABAC proposed to launch a Trans-Pacific Business Agenda aimed at reinvigorating APEC’s trade and investment liberalization and facilitation agenda [ABAC, 2004]. The same year the APEC leaders in their Santiago Declaration welcomed the ABAC proposal and “invited ABAC to provide its views on emerging trade facilitation issues” [APEC Leaders, 2004]. However, this proposal has not been transformed in a concrete project.

In 2009 the ABAC “urged APEC to launch a Financial Inclusion Initiative as a component of its work on inclusive growth” under the Finance Ministers’ Process [ABAC, 2009]. The next year the APEC finance ministers launched an APEC Financial Inclusion Initiative “to identify concrete actions that financial policy makers can take to expand the reach of financial services to the underserved” [APEC Finance Ministers, 2010]. Moreover, the Asia-Pacific Forum on Financial Inclusion is organized annually by the ABAC in partnership with key financial institutions in the region working on financial inclusion since 2010. The APEC finance ministers endorsed the staging of the Forum.

In 2010 the ABAC proposed an Asia-Pacific Infrastructure Partnership (APIP) “as a pathfinder initiative to bring together private sector, government and multilateral development institutions to facilitate the growth of infrastructure PPP in the region” [ABAC, 2010]. The APIP was not referred to in the APEC leaders’ documents but came into existence engaging businessmen, consultants, experts and representatives of relevant international organizations.

In 2011 the ABAC proposed the establishment of the Asia-Pacific Financial Forum (APFF) aimed at “redesigning the oversight of financial markets, for the purpose of enabling member economies to more effectively capture the benefits of growing financial integration and rapid economic growth in the region” [ABAC, 2011]. The APFF was endorsed by the APEC finance ministers in their statements in 2013, 2014 and 2015.

As can be seen, a period of ABAC recommendations proposal and their approval by the APEC Leaders or Senior Officials is very short but an approval doesn’t necessarily mean that the initiative will be implemented in a way suitable for business.

ABAC annual reports provide the starting point for discussions with the APEC Leaders, but “the Leaders’ own questions and areas of interest steer these conversations into a wide range of areas of economic and trade policy, where the views from the Business Advisory Council members provide valuable context for the Leaders’ own thinking on these issues, and vice versa.”⁵

To harmonize the positions of the Asia-Pacific business community on the various issues on the APEC agenda ABAC works through multiple working groups. In 2014 and 2015 five working groups were established on the topics of regional economic integration, finance and economics, sustainable development, SMME and entrepreneurship, and connectivity.⁶ The

⁵ About ABAC. Available at: <http://ncapec.org/abac/index.html> (accessed 2 May 2015).

⁶ The 2015 Work Program. Available at: <https://www.abaconline.org/v4/content.php?ContentID=22610251> (accessed 8 February 2015).

working groups are led by chairs, lead co-chairs and co-chairs.⁷ The working groups' chairs usually brief ABAC on the process of elaborating recommendations within working groups at the ABAC meetings which helps to consolidate positions.⁸ For demonstrating their shared vision on the recommendations ABAC reports to APEC Leaders contain the signatures of all ABAC members. To simplify the communications between ABAC members the International Secretariat was established in Makati City, the Philippines. The Secretariat maintains a website with actual information on ABAC activities. Funding for it is provided through "a system of annual dues, which are structured to reflect the size of each economy, following the APEC formula".⁹ In 2015 the ABAC Secretariat consisted of four persons (Director, Deputy Director, Program Officer and Finance Officer).¹⁰

To present its recommendations to the APEC Leaders ABAC prepares the reports and other documents. The first ABAC report to the APEC Leaders was submitted in October 1996 [Yamazawa, 2011]. In addition to the reports ABAC provides letters to APEC ministers coordinating the key agenda issues, e.g. trade, finance, energy, SME. Such letters present the ABAC's priorities and existing challenges business face which should be tackled. To project their vision to the APEC the ABAC members participate in various APEC meetings and related events, including senior officials' and working groups' meetings.

ABAC recommendations have influenced APEC's growth priorities: to be more inclusive, create a friendly environment for SMEs, develop women and youth entrepreneurship as well as boost innovation. In its first report ABAC called on the APEC Leaders "to endorse the establishment by September 1997 of an APEC Network for SME's" for "pursuing action programs and promoting policy initiatives in areas that are crucial to the development of SME's at the domestic and regional levels" [ABAC, 1996]. In line with this recommendation in 2004 the APEC SME Innovation Center was established to "help APEC member economies exchange information on SME innovation and to establish cooperative networks among APEC members for SME innovation."¹¹

The ABAC 2011 report contained a recommendation to promote economic inclusion for women. The authors of the report emphasized that many women entrepreneurs in the region "still lacking access to capital, markets, technology, skills and information to enable them to start or grow their business" [ABAC, 2011]. The same year the APEC Leaders committed "to take concrete actions to expand economic opportunities for women in APEC economies" [APEC Leaders, 2011]. As part of its communications outreach efforts ABAC holds the ABAC Women's Forum (AWF) "which aims to co-develop and promote policies that enhance opportunities for women in business in the region and APEC SME Summits" [ABAC, 2014]. It should be noted that at the beginning ABAC representatives didn't participate in all the APEC levels, the expansion of participation was a later development.

The ABAC 2006 report recommended the APEC to "encourage innovative and emerging technologies." The authors of the report noted that "economic growth and prosperity in APEC

⁷ ABAC Working Groups. Available at: <http://www.hk-apec.com.hk/c.php?id=37> (accessed 8 February 2015).

⁸ ABAC Meeting Overview. Available at: <http://www.ncapec.org/docs/ABAC%20Documents/ABAC%201%20Manila%20Completed%20Briefing%20Binder%20Documents/ABAC%20Opening%20Plenary%20Documents.pdf> (accessed 15 February 2015).

⁹ The APEC Business Advisory Council. Founding and Structure. Available at: <https://www.abaonline.org/v4/content.php?ContentID=2521> (accessed 15 February 2015).

¹⁰ The ABAC Secretariat. Available at: <https://www.abaonline.org/v4/content.php?ContentID=22611417> (accessed 15 February 2015).

¹¹ Vision of SMEIC. Available at: <http://www.apec-smeic.org/about/?menu=vision> (accessed 2 May 2015).

will be driven by technological innovation and access to information” [ABAC, 2006]. The same year APEC Leaders adopted the “APEC Technology Choice Principles” “as a new pathfinder initiative to spur the cycle of innovation and opportunity and to promote economic development across the region” [APEC Leaders, 2006].

As for the ABAC recommendations topics, they have not changed significantly since 1996. Recommendations on trade and investment liberalization and facilitation are predominant and constant every year. The recommendations on strengthening the financial systems of the region and supporting SMEs are also frequent in ABAC documents. Topics such as the food security, green economy, economic inclusion of women and others emerge in response to the new priorities.

ABAC internal and external communication model

For better understanding the ABAC, its communication model should be explored.

Internal communication

Mechanisms for communication within ABAC are relatively inclusive and open. Given that the number of national representatives is limited to three representatives per economy nominated by leaders, ABAC is a closed club. The ABAC members include the CEOs of the major national companies and business associations in banking, investment, trade, IT, mining, energy, food, entertainment and other spheres.¹² Consequently not all APEC businesses and industry spheres are represented in the ABAC that limits the extent of its coverage of the Asia-Pacific business positions.

ABAC’s internal communication is flexible, combining a set of working groups, and a pattern of four regular annual meetings and ad hoc meetings depending on the agenda needs. ABAC members meet quarterly in various countries. For example, during the Philippines presidency ABAC meetings were held in Hong Kong, Mexico, Melbourne and Manila.¹³ In 2014 during the Chinese presidency ABAC members met in Auckland, Santiago, Seattle and Beijing. They have an established format and procedures. Firstly, the conference report of the previous meeting is approved, then the ABAC working groups’ chairs report on the groups’ priorities and working plans and outputs, including drafting of letters to the APEC Ministers.¹⁴ (e.g. ABAC Secretariat, 2014).

It should be noted that not all ABAC documents are publicly available. Only the finalized versions of the reports, letters and other documents with ABAC views are released. The discussion papers, presentations and projects’ descriptions are open to only ABAC members in their personal accounts at the official ABAC web site.¹⁵ So it is quite difficult to analyze where recommendations or projects come from if it is not indicated in the final documents.

Thus, the ABAC internal communication mechanisms are institutionalized, frequent and regular, open and inclusive for the members and non-transparent and exclusive for non-mem-

¹² ABAC Members. Available at: <https://www.abaconline.org/v4/content.php?ContentID=2608> (accessed 6 January 2016).

¹³ APEC Business Advisory Council. Available at: <http://www.apec.org/Groups/Other-Groups/APEC-Business-Advisory-Council.aspx> (accessed 8 February 2015).

¹⁴ Past events. April 20 – April 23, 2015 Mexico City, Mexico. Available at: <http://www.ncapec.org/events/index.html> (accessed 2 May 2015).

¹⁵ ABAC official web-site. Available at: <https://www.abaconline.org/v4/index.php> (accessed 7 January 2016).

bers, they have an established pattern, which has not evolved significantly since the ABAC's inception.

Communication with national authorities

Each APEC economy has its ABAC national secretariat which facilitates communication with national authorities and coordinates the work of the three national ABAC members. The types of national secretariats include¹⁶ APEC study centers and think tanks (e.g. in Australia, Canada, Chile, Taipei), banks (e.g. in Brunei Darussalam), business associations (e.g. China, Korea, Malaysia, Papua New Guinea, Singapore), companies (e.g. in Indonesia), chambers of commerce and industry (e.g. in Viet Nam). In some countries special organizations for supporting participating in ABAC are set up. For example, the Support Council for ABAC Japan (SCABAC-J) was established in 1999.¹⁷ Earlier in 1994 in the US the National Center for APEC (NCAPEC) was launched.¹⁸ NCAPEC is the only US business association focused on facilitating private sector engagement in the APEC. In the US representatives to ABAC annually present the Council's recommendations to the White House.¹⁹

ABAC meetings with national authorities are not regular. For example, US Secretary of State John Kerry addressed the Annual NCAPEC Luncheon in November 2014 in Beijing.²⁰ The secretariats in the countries support consultation on the national positions for the ABAC recommendations.

Mechanisms for ABAC members' communication with national authorities are flexible and intended to enhance inclusiveness and openness, the degree of their formalization and institutionalization is member specific.

Communication with APEC Leaders and other APEC formats

ABAC communication mechanisms with APEC Leaders and other APEC formats include face-to-face dialogue, reports and other documents submission. ABAC meets with APEC Leaders annually. These mechanisms are established and institutionalized; they have not evolved significantly since 1995. These mechanisms' openness and inclusiveness is limited as was explained above.

An analysis of the ABAC internal and external communication model proves that the ABAC could not communicate with other actors just with APEC. If its internal model is more or less developed by the business itself, ABAC external communications depends on the APEC state bodies.

What are the business interests promoted by the ABAC?

The ABAC agenda priorities focus on creating a business-friendly environment in APEC member economies and providing APEC with a business perspective on specific areas of co-

¹⁶ ABAC Wants Your Views. Available at: <https://www.abaconline.org/v4/content.php?ContentID=2609> (accessed 7 June 2015).

¹⁷ APEC Business Advisory Council Japan. Available at: <http://www.keidanren.or.jp/abac/en/> (accessed 8 February 2015).

¹⁸ About the National Center for APEC. Available at: <http://ncapec.org/about/index.html> (accessed 8 February 2015).

¹⁹ APEC Business Advisory Council Press Release. Available at: <http://www.usembassy-israel.org.il/publish/press/apec/archive/october/ap11025.htm> (accessed 8 February 2015).

²⁰ Secretary of State Kerry Remarks at the Annual NCAPEC Luncheon – November 8, 2014 – Beijing, China. Available at: <http://ncapec.org/media/blog.html> (accessed 15 February 2015).

operation. ABAC calls on APEC to continue working on a more ambitious agenda on trade, investment and services liberalization and regulatory reforms to facilitate regional trade.

The ABAC agenda closely correlates with APEC which proves the hypothesis of “strategic setting” in the region. The priorities of ABAC for 2015 included advancing regional economic integration, strengthening SMME, maximizing human capital potential, and promoting resilient communities.²¹ The APEC priorities focus on regional integration, fostering SMEs’ participation in the regional and global economy, investing in human capital development, and building sustainable and resilient communities.²²

Thus, the ABAC agenda has a high level of similarity with the APEC one and continuity. The trade and investment liberalization issues in the region are the backbone of all ABAC recommendations. Other longstanding issues in the ABAC agenda are regulatory policies, financial systems, SMEs, Intellectual Property Rights, innovations, business mobility and mobility of labour. The recent years witnessed new themes like sustainable and livable cities, rule of law, women’s participation in the economy and other issues. As it can be seen ABAC cut across a range of key issues in the APEC agenda.

Conclusion

The findings of the research allow confirming the hypothesis that the business has the characteristics of a formal actor in the Asia-Pacific regional governance and it is not able to design the regional cooperation agenda. Nevertheless, the states and businesses are engaged in a close dialogue on the regional governance agenda due to their common economic interests.

In no small degree ABAC conceal operation process doesn’t allow to assess the level of dependency of business from the state authorities in the ABAC. It can be assumed that the business in the ABAC is coerced to balance between its interests and governmental authorities “postulates.”

The author believes that the ABAC “powder and toppings” recommendations could be more “healthy” for the Asia-Pacific business community if a number of the ABAC members to be increased or the consultations with ABAC non-members businesses to be expanded.

²¹ The 2015 Work Program. Available at: <https://www.abaconline.org/v4/content.php?ContentID=22610251> (accessed 15 February 2015).

²² Senior Officials Set APEC’s 2015 Agenda Priorities. Available at: http://www.apec.org/Press/News-Releases/2014/1210_priorities.aspx (accessed 15 February 2015).

Annex. References on the ABAC in the APEC Leaders' documents 1995–2015²³

Year: 1995

Document: Osaka Declaration – APEC Economic Leaders' Declaration for Action

Reference: 8. Recognizing that business is the source of vitality for the Asia-Pacific and the driving force for regional economic development, we will appoint the members of the **APEC Business Advisory Council** to provide insights and counsel for our APEC activities.

Type of reference: Mandate to ABAC (1)²⁴

Number of references: 1

An example of ABAC recommendations: N/A

A score: N/A

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Year: 1996

Document: Subic Declaration – From Vision to Action

Reference: 22. We affirm the central role of the business sector in the APEC process. This year, the **APEC Business Advisory Council (ABAC)** was organized and convened at our request. We thank **ABAC** for its valuable work and (*ask our ministers to work closely with the business sector next year to examine ways of implementing **ABAC** recommendations*).

23. (*We ask in particular that they consider **ABAC's** call to facilitate the movement of business people, enhance investment flows, strengthen investment protection in terms of transparency, predictability, arbitration and enforcement of contracts, align professional standards in the region, involve the private sector in infrastructure planning, develop policies supportive of small and medium enterprises, and encourage greater business sector participation in economic and technical cooperation*).

Type of reference: Acknowledgement of importance of ABAC; mandate (2)

Number of references: 4

An example of ABAC recommendations: ABAC proposes that each APEC economy wishing to attract foreign investment in infrastructure organize a Joint Infrastructure Roundtable in 1997 to identify and recommend corrections to remove impediments to business/private sector involvement in developing new infrastructure, disseminate regional best practices, and establish productive linkages between to meet particular infrastructure needs.

A score: +1

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Year: 1997

Document: Vancouver Declaration – Connecting the APEC Community

Reference: 5....The views of the private sector are critical to ensuring that APEC's efforts remain focused and on target. In this regard, we welcome the review of the Manila Action Plan for APEC which was carried out by the **APEC Business Advisory Council**, and (*instruct our ministers to take*

²³ References on the ABAC are in bold, mandates are in round brackets, in bold and italics, commitments are in round brackets.

²⁴ We don't consider the 1995 summit because the APEC Leaders declaration contains a mandate to ABAC itself.

ABAC's views into consideration in the preparation of future plans). As individual Action Plans remain the core mechanism for APEC's trade and investment liberalization activity, we reaffirm our commitment to their annual improvement....

11....(We will reflect on recommendations set out in **ABAC's** 1997 Call to Action). We also welcome **ABAC's** intention to establish a Partnership for Equitable Growth, and express appreciation for recommendations on perse and important issues such as standards, business mobility and capital market development. We stress the need for APEC to broaden its outreach to a wider segment of the business community....

Type of reference: Mandate (1); commitment (1)

Number of references: 4

An example of ABAC recommendations: We submit two proposals to address these issues:

- The Partnership for Equitable Growth (PEG): The new framework encourages greater business/private sector participation in ECOTECH activities...Building on our recommendation last year for our the establishment of the APEC Network for Economic and Technical Cooperation, we propose the establishment of PEG as a catalyst for business/private sector participation in APEC ECOTECH initiatives.

A score: +1

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Year: 1998

Document: Kuala Lumpur Declaration – Strengthening the Foundations for Growth

Reference: 20....We believe the contribution of the business/private sector in ECOTECH activities will enhance and strengthen our efforts to advance the economic and technical cooperation agenda and welcome **ABAC's** commitment in this area through the Partnership for Equitable Growth (PEG)....

22. We recognise that the involvement of the business/private sector is an important feature of APEC work and endorse its broader participation in APEC activities. We direct Ministers to enhance business/private involvement, within existing guidelines, in relevant APEC activities. We welcome efforts to improve business mobility through the APEC Business Travel Card scheme and the collective commitment to expand the availability of multiple entry visas or permits to business travellers. We also welcome the recommendations by **ABAC** and (*instruct our Ministers to study **ABAC's** proposals, including the APEC Food System*).

Type of reference: Mandate (1)

Number of references: 3

An example of ABAC recommendations: APEC should build an APEC Food System, a long-term project to achieve a more robust regional food system that efficiently links together food producers, processors and consumers and more securely meets the region's future food needs.

A score: +1

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Year: 1999

Document: Auckland Declaration – The Auckland Challenge

Reference: We accept Ministers' proposals for an initial work programme to strengthen markets. This gives priority to strengthening market infrastructure and human capacity in our economies and enterprises, especially in developing economies. It also calls for specific implementation strategies

in areas such as natural gas and e-commerce. We call upon the private sector, including the **APEC Business Advisory Council (ABAC)** and the APEC Financiers' Group, to contribute to these efforts. We reaffirm that individual actions by economies are the principal means by which APEC's goal will be attained. We acknowledge that progress towards the Bogor Goals has been uneven, and undertake to continue concrete actions to fulfill our commitment. We also accept the views of **ABAC** and other business representatives who have called for action plans to be more specific, transparent and comprehensive, and welcome the initiative by Ministers to review and strengthen processes for individual and collective actions under the Osaka Action Agenda.

We welcome Ministers' report on the APEC Food System proposed by the **APEC Business Advisory Council**, and endorse its recommendations on the development of rural infrastructure, dissemination of technological advances in food production and processing, and promotion of trade in food products. A robust regional food system that efficiently links food production, food processing and consumption, is a vital contribution to meeting the objectives of APEC. *(We instruct Ministers to implement the recommendations, taking into account ABAC's submission this year, and monitor annually progress towards achieving the APEC Food System).*

Once again, we welcome the recommendations from the **APEC Business Advisory Council, ABAC**, and thank members of the Council for their contribution in areas such as capacity building, finance, food, e-commerce and air services. *(We instruct Ministers to take the ABAC recommendations into account during their work in 2000).* We support implementation of the eight steps for more competitive air services, and the identification of further steps to liberalise air services in accordance with the Bogor Goals. Tourism and air services have a large contribution to make to development and community building in the region.

Type of reference: Mandate (2)

Number of references: 6

An example of ABAC recommendations:

Capacity Building

Moves to liberalize trade and investment in the region need to be complemented by a program to build the capacity and infrastructure of APEC member economies to cope with the transition to more open, competitive markets. We recommend a more coherent APEC ecotech program which also details the scope for business input.

Finance

Recovery appears to be within reach, but keeping the region on the road to recovery depends upon continued momentum in the areas of financial reform and corporate restructuring. We have developed specific proposals to promote early economic recovery within the region, and to lay the foundation for long-term stability and sustainable growth.

Food

We reconfirm our 1998 recommendation on establishing an APEC Food System, and suggest possible first steps towards implementation of an APEC Food System including the creation of an APEC export subsidy-free zone.

E-commerce

We will continue to work with the wider private sector and governments in the region to develop principles governing e-commerce and a template to assist economies in developing e-commerce in their own economy. We recommend that APEC Leaders seek agreement in the WTO not to impose any new customs duties on electronic transactions over the internet.

A score: +1

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Year: 2000**Document:** Bandar Seri Begawan Declaration – Delivering to the Community**Reference:** 9. ...We also thank **ABAC** for the extensive recommendations it has made on implementation of these issues and (*ask that our Finance Ministers examine them in the coming year*).18. Today, we also launch a wide-ranging Action Agenda for the new economy that outlines programs that will help our economies use advances in information technology to boost productivity and stimulate growth and extend services to the whole community...We welcome **ABAC**'s contribution to these issues this year and encourage them to continue that cooperation.35.... (*We instruct our Ministers to continue work on simplifying and harmonising our customs procedures and standards and conformance as two priority areas highlighted by **ABAC** and our business community*).**Type of reference:** Mandate (2)**Number of references:** 3**An example of ABAC recommendations:** With **ABAC**'s support, APEC must strengthen its efforts to communicate to the region's business community what it is doing to facilitate trade through simplified customs procedures, more transparent standards regimes, and faster procedures for business travelers.**A score:** +1

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Year: 2001**Document:** Shanghai Declaration – Meeting New Challenges in the New Century**Reference:** 17.... . In particular, we thank **APEC Business Advisory Council (ABAC)** for its report and value the interaction with the Council and other business representatives....**Type of reference:** N/A**Number of references:** 1**An example of ABAC recommendations:** N/A**A score:** 0

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Year: 2002**Document:** Los Cabos Declaration – Expanding the Benefits of Cooperation for Economic Growth and Development – Implementing the Vision**Reference:** The involvement of the APEC Secretariat in this work is fundamental, and we acknowledged the need to also involve other APEC stakeholders in this work such as **ABAC**, Women Leaders' Network and the APEC Study Centers.We welcomed **ABAC**'s report on "Sharing Development to Reinforce Global Security." We place great value on **ABAC**'s contribution to the APEC agenda and (*have instructed Ministers to consider the report carefully*). We noted that APEC is already pursuing a number of initiatives identified by **ABAC** in areas such as counter-terrorism, corporate governance, promotion of micro-enterprises development and support for the WTO Doha Development Agenda.**Type of reference:** Mandate (1)**Number of references:** 4**An example of ABAC recommendations:** Take urgent action to restore investor confidence by measures to improve corporate governance standards and practices in member economies and promote

the transparency of policies affecting trade and investment. In particular, APEC economies should move to adopt one set of internationally accepted accounting standards, implement measures to promote the highest standards of ethical corporate behaviour, audit independence and transparency and fairness in reporting.

Effective development and delivery of micro-finance in developing economies can strengthen the growth of micro-enterprises.

A score: +1

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Year: 2003

Document: Bangkok Declaration – A World of Differences: Partnership for the Future

Reference: To advance the DDA and the Bogor Goals of free and open trade and investment, as well as their supporting conditions, we agreed to:...

(Work with the **APEC Business Advisory Council (ABAC)** and the business community to continue to implement the Shanghai Accord and Los Cabos directives to facilitate business activity in the APEC region, including the reduction of transaction costs 5% by the year 2006).

Type of reference: Commitment (1)

Number of references: 1

An example of ABAC recommendations: In our report, we highlight actions required to strengthen security in financial systems and in trade while ensuring that APEC continues to make progress towards its goal of reducing transaction costs by 5% by 2006.

A score: +1

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Year: 2004

Document: Santiago Declaration – One Community, Our Future

Reference: ABAC presented us two relevant proposals: a joint scoping study for a Trans-Pacific Business Agenda; and a study of the feasibility and potential scope and features of a Free Trade Area of the Asia-Pacific.

We welcomed the inputs from our business community, including ABAC's resolve for expanding trade, and we share its view on the critical importance of trade facilitation. We look forward to the continued participation of ABAC as we implement the Santiago Initiative. In particular, we invited ABAC to provide its views on emerging trade facilitation issues as well as on the benefits and challenges that arise for business from the increasing number of RTAs/FTAs in the region and ways that these can be addressed.

Corruption is a serious threat to good governance and deters investment. Therefore, fighting corruption is essential to the development of our economies for the benefit of our people. We welcomed the timely commitments and recommendations of ABAC in this regard.

Type of reference: N/A

Number of references: 5

An example of ABAC recommendations: In our Report, we tabled a proposal for an ambitious Trans-Pacific Business Agenda that can significantly enhance the scope and effectiveness of APEC's trade facilitation initiatives and we call for a joint scoping study with a view to launch this initiative by 2005. We also explored a proposal for a Free Trade Area of the Asia-Pacific (FTAAP) that may have the potential of bringing significant economic benefit to the region as a whole. We believe that this idea requires and is worthy of further careful study. We therefore recommend the establishment of a high-level task force by APEC Leaders to examine the concept in more detail.

A score: 0

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Year: 2005**Document:** Busan Declaration – Towards One Community: Meet the Challenge, Make the Change**Reference:** We took note of the recommendations from the **APEC Business Advisory Council (ABAC)**. We will continue to work with the business sector in our venture towards improving the business environment in the Asia-Pacific.We welcomed the signing of the **ABAC** Anti-corruption pledge by the CEOs at the APEC 2005 CEO Summit and encouraged public-private partnership in this campaign.**Type of reference:** N/A**Number of references:** 2**An example of ABAC recommendations:** Create an Environment Conducive for Business. Promoting good business ethics and eliminating corruption in the region complement the number of initiatives taken towards improving the business environment.**A score:** 0

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Year: 2006**Document:** Ha Noi Declaration – Towards a Dynamic Community for Sustainable Development and Prosperity**Reference:** We shared the **APEC Business Advisory Council's (ABAC)** views that while there are practical difficulties in negotiating a Free Trade Area of the Asia-Pacific at this time, it would nonetheless be timely for APEC to seriously consider more effective avenues towards trade and investment liberalization in the Asia-Pacific region.

We highlighted numerous steps taken this year to carry forward the Busan Business Agenda of the Busan Roadmap, including the following:

We welcomed the expanded work program on investment liberalization and facilitation in collaboration with **ABAC** and other relevant international organizations;*(We instructed Ministers to ensure steady implementation of the Hanoi Action Plan in close collaboration with ABAC).* We also appreciated relevant recommendations from **ABAC** and encouraged APEC fora to take them into consideration when developing their work programs.*(We instructed Senior Officials to work with ABAC and other business leaders to strengthen corporate governance to assure greater economic opportunities and prosperity).***Type of reference:** Mandate (2)**Number of references:** 5**An example of ABAC recommendations:** N/A**A score:** 0

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Year: 2007**Document:** Sydney Declaration – Strengthening Our Community, Building a Sustainable Future**Reference:** 11. We took note of the views of the **APEC Business Advisory Council** on the importance of enhancing the convergence of trade agreements in the region.**Type of reference:** N/A**Number of references:** 1

An example of ABAC recommendations: ABAC calls for increased effort by APEC to develop business-oriented model measures chapters for any new regional trade agreements and to encourage compliance by economies currently negotiating or intending to negotiate RTA/FTAs.

A score: 0

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Year: 2008

Document: Lima Declaration – A New Commitment to Asia-Pacific Development

Reference: We welcomed the views and work carried out by the **APEC Business Advisory Council (ABAC)** on improving the business environment, and called for an active participation of small and medium enterprises (SMEs) in the REI agenda.

We also recognized the role of **ABAC** in raising the importance of food and agricultural issues on the APEC agenda.

We recognized **ABAC**'s efforts in promoting CSR awareness and uptake in the region through the dissemination of information regarding CSR principles, practices and benefits.

Type of reference: N/A

Number of references: 3

An example of ABAC recommendations: We urge Leaders to continue to give importance to SME development by implementing special support programs on technological infrastructure, financing capacity building, and training.

A score: 0

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Year: 2009

Document: Singapore Declaration – Sustaining Growth, Connecting the Region

Reference: (We will continue to promote greater collaboration among our IP rights experts, **APEC Business Advisory Council (ABAC)**, and enforcement authorities across the APEC region and recognise the importance of capacity building).

We welcome the efforts of member economies and **ABAC** in these areas and encourage public-private partnerships to further APEC efforts to enhance governance, institutional integrity and combat corruption.

We welcome the efforts of **ABAC** and the business community to enhance governance and encourage economies to work through public-private partnership to further APEC efforts in this area.

Type of reference: Commitment (1)

Number of references: 3

An example of ABAC recommendations: ABAC continues to highlight the important role that the effective protection of intellectual property rights plays in promoting regional economic integration, globalization of supply chains and the development of domestic IP-based industries.

A score: +1

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Year: 2010

Document: Yokohama Declaration – The Yokohama Vision – Bogor and Beyond

Reference: N/A

Type of reference: N/A

Number of references: 0

An example of ABAC recommendations: N/A

A score: -1

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Year: 2011

Document: The Honolulu Declaration – Toward a Seamless Regional Economy

Reference: We applaud the contributions of the **APEC Business Advisory Council (ABAC)** to our work. Recognizing that private enterprise is the engine of trade, investment, and innovation, we have committed ourselves to enhancing the role of the private sector in APEC, through greater input into APEC's working groups and the establishment of new public-private Policy Partnerships.

Type of reference: N/A

Number of references: 1

An example of ABAC recommendations: ABAC sees the need for public and private sectors and institutions to collaborate more closely and coordinate their efforts and to identify and focus their efforts on areas that address specific needs of APEC member economies, activities that effectively harness APEC's strengths, and issues that promote APEC's broader goal of regional economic integration.

A score: 0

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Year: 2012

Document: Vladivostok Declaration – Integrate to Grow, Innovate to Prosper

ANNEX E – Fighting Corruption and Ensuring Transparency

Reference: We support the increasing engagement of the **APEC Business Advisory Council** which contributes significantly to greater collaboration between the public and private sectors. We remain fully committed to facilitate the role of APEC's business community and to provide more opportunities for its participation in APEC's work.

We welcome the recent contributions of the **APEC Business Advisory Council (ABAC)** and the ACT in these important areas and in fighting corruption and illicit trade.

Type of reference: N/A

Number of references: 2

An example of ABAC recommendations: ABAC's work on government procurement as a next generation trade issue, and recommendations on increasing transparency and objective and sound criteria such as lifecycle costing in the procurement process, can play an effective role in facilitating anti-corruption efforts and creating a level playing field for businesses operating in the region.

A score: 0

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Year: 2013

Document: Bali Declaration – Resilient Asia-Pacific, Engine of Global Growth

Annex A – APEC Framework on Connectivity

Annex B – APEC Multi Year Plan on Infrastructure Development and Investment

Reference: 21. We commend the **APEC Business Advisory Council (ABAC)** for enriching APEC's work by means of partnership. We recognize the importance of private sector involvement in our work and we welcome further **ABAC** engagement.

8. We recognize the critical importance of improving synergy with other international fora, such as ASEAN, Pacific Alliance, East Asia Summit and the G20, and regional and multilateral development banks, as well as with **ABAC** and the private sector. *(We instruct our Ministers and officials to engage and cooperate with these stakeholders, taking into account mutually acceptable international standards, before submitting the blueprint in the 22nd APEC Economic Leaders' Meeting in China).*

9. We welcome the continued efforts of the **ABAC's** Asia Pacific Infrastructure Partnership (APIP) and the development of the **ABAC's** Enablers of Infrastructure Investment Checklist.

14. APEC cooperation on infrastructure development and investment will take advantage of regional expertise, experience and funding sources, including from multilateral and regional development banks, and the private sector. The Asia-Pacific Infrastructure Partnership (APIP) and **ABAC's** PPP checklist are particularly relevant.

Type of reference: Mandate (1)

Number of references: 5

An example of ABAC recommendations: APEC economies will not be able to fund the region's massive infrastructure deficits without private sector investment.

A score: 0

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Year: 2014

Document: The 22nd APEC Economic Leaders' Declaration – Beijing Agenda for an Integrated, Innovative and Interconnected Asia-Pacific

Annex A – The Beijing Roadmap for APEC's Contribution to the Realization of the FTAAP

Annex D – APEC Connectivity Blueprint for 2015–2025

Reference: 64. We commend the constructive role of the **APEC Business Advisory Council (ABAC)** in strengthening public-private partnership and promoting APEC cooperation in various fields.

Bearing in mind the above, we agree to undertake the following actions while pursuing the conclusion of initiatives considered as potential building blocks of the FTAAP:

- The CTI Friends of the Chair Group on Strengthening REI and Advancing FTAAP, led by member economies, will organize and lead a task force to undertake the study and will seek contributions from interested APEC economies, the APEC Policy Support Unit, **ABAC**, PECC and APEC Study Centers.
- Strengthen engagement with the business sector via the **APEC Business Advisory Council (ABAC)** and other direct routes. We will intensify efforts to strengthen APEC public-private sector dialogues on the promotion of regional economic growth, integration and an improved business environment. **ABAC** input on issues expected to impact the region's economic growth and development over the longer term will be used to advance work towards the realization of the FTAAP.

41. To gather this information, economies should work with the private sector. In this regard, the **APEC Business Advisory Council (ABAC)** and APEC's policy partnerships and industry dialogues can contribute significantly by providing private sector feedback or insight on market needs, trends and expectations.

42. We urge the private sector, with coordination from **ABAC**, to provide direct support for many of the more bankable connectivity initiatives being undertaken in the region. In addition to PPP for infrastructure projects, the private sector could help support capacity building programs as well as educational and cultural exchanges. The private sector could also help in proposing and producing connectivity-enhancing innovations in the region.

Type of reference: N/A

Number of references: 6

An example of ABAC recommendations: ABAC recommends that Leaders encourage greater public-private collaboration to help member economies: develop proportionate financial regulatory frameworks; design financial inclusion strategies and capacity building initiatives that promote a broad range of financial services and innovation; promote coordination among stakeholders including the private sector; and accelerate the development of market infrastructure related to financial identity, credit information, collateral management and payments.

A score: 0

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Year: 2015

Document: 2015 Leaders' Declaration – The 23rd APEC Economic Leaders' Declaration – Building Inclusive Economies, Building a Better World: A Vision for an Asia-Pacific Community

Reference: b. We therefore welcome our increased collaboration with the **APEC Business Advisory Council (ABAC)**, the Pacific Economic Cooperation Council (PECC), international and regional organizations, the private sector, local government executives, civil society, academia, MSMEs, women, youth, persons with disabilities, and industry experts, engaging in constructive dialogues that allow us to find solutions to the challenges we face and build a better, more inclusive world.

5. The Public-Private Dialogues on Services, initiated by Indonesia in 2013, were undertaken in cooperation with the **APEC Business Advisory Council (ABAC)** and PECC, to broaden the base for consultation.

We agree to develop a strategic and long-term APEC Services Competitiveness Roadmap in 2016.... The Roadmap will, among others.....:

11. Pursue close collaboration with **ABAC**, PECC, and other stakeholders through regular Public-Private Dialogues on Services;

Type of reference: N/A

Number of references: 3

An example of ABAC recommendations: In 2015, ABAC participated in and supported three Public-Private Services Dialogues in the Philippines, and an inaugural Regional Meeting of Services Coalitions. To that end, ABAC proposes the establishment of an APEC Coalition of Services Organizations to further promote the new services agenda. We strongly urge APEC economies to step up their actions on the further development of the services sector through the APEC Services Cooperation Framework (ASCF).

A score: 0

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Total number of references: 58

Total number of mandates: 12

Total number of commitments: 3

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