

Practical Foundations for an Asia Pacific Economic Community: The Case Study of the APEC Standards and Conformance Strategy

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Abstract

The nature of the evolving Asia Pacific economic community relies not upon regional institutions but on strengthening national institutions and advocating global norms. This ‘open regionalism’ explains the persistent interest in the Asia Pacific Economic Cooperation (APEC) forum in addressing practical issues relevant to the growing economies of the region. The case study of the Standards and Conformance Sub-Committee (SCSC) under the auspices of APEC shows how countries in APEC have confronted the limitations of fostering regional common interest and the pursuit of global norms. Economic development in APEC with a focus on best practice and trade-related technical assistance strengthen can only strengthen common interest between developed and developing countries. Unlike tariff policy, standards and conformance rarely receives public attention, but standards and conformance remains crucial for the Asia Pacific in not only promoting regional views at the global level, but in addressing complex and controversial technical challenges in issues from food safety to environmental protection.

Keywords: APEC, standards, ISO, WTO, FTA, economic development, EU.

Introduction

At the heart of aspirations for an Asia Pacific Community is the tension between the fostering of regional common interest and abiding by global norms and principles. This essay will illustrate the complex challenges and interesting consequences of regional integration in the Asia Pacific using the case study of the Standards and Conformance Sub-Committee (SCSC) under the auspices of the Asia Pacific Economic Cooperation (APEC) forum. Following some introductory remarks, the first section presents a short introduction to APEC and its evolution, highlighting the three major phases in order to provide the broader background to the emergence of the SCSC, its trajectory and limitations. The second section further details this background by focusing on the relationship between APEC and cooperation for the purpose of economic development, paying attention to the role of trade-related technical assistance. The work of the SCSC is introduced in the third section, considering its history, the obstacles to cooperation, and the consequences of this work program for regional integration in the Asia Pacific. How the SCSC experience informs the future of the ‘Asia Pacific’ model is taken up in

some concluding thoughts.

The work of the SCSC, like many areas in APEC remains underrepresented in academic literature. Products standards and conformity assessment are usually considered specialist subjects which mean they are delegated in international relations, economics and politics to the margins of respectable discourse, discussions that are usually dominated by generalists. This marginalization might be warranted if this area was unimportant, but it is not the case. As tariff barriers have declined, attention has focused on the role non-tariff regulations affect trade flows such as rules on product safety, health and the environment. Among the many non-tariff barriers are the issues related to conformity assessment, product standards and technical regulations.

Standards and conformance assume a vital role in national economic regulations. Standards and testing procedures for acceptability affect the manufacture of goods and national perceptions of what are considered acceptable standards for health, safety and mass production. In addition, technical or national product standards are crucial elements of modern industrial policy (Wilson 1995: 1). Product standards can directly impede, constrain or assist the export of manufactured goods in foreign markets. While governments write regulations for testing and standards to protect citizens and the environment, these standards, requirements and procedures of testing could in themselves act to limit trade and protect local production (Heydon 2005).

The temptation for 'free trade' developed powers such as Australia, the United States, Japan or the European Union is to use "standards diplomacy" to promote opportunities for local industries by promoting national standards overseas instead of global standards (Andison 1996). Both the United States and the EU compete with different product products and testing procedures which undermine efforts to create international product standards (Henry 2005: 217). This EU-US standards competition exists alongside efforts to promote global uniformity.

Many product standards fall under the auspices of the framework for international standards monitoring, crafting and management, the functional bodies of the ISO or International Organization for Standardization and the International Electro technical Commission (IEC). The goal of these bodies is 'one product, one test, accepted everywhere' (Schonfeld 2005: 5). The World Trade Organization (WTO) has also taken up technical barriers to trade, initially in the Tokyo Round Standards Code but more recently since 1995 in the WTO Technical Barriers to Trade Agreement (Krams 2005: 28). The competition between national or regional standards and efforts to create and promote international standards is one of the enduring economic integration policy conflicts of the post-high tariff world.

The Three Phases of APEC

In the field of international trade policy, there are several well-known paths towards closer economic integration on a regional basis. The most intense form is the European Union (EU) model which originated with a customs union. The EU has internal free trade and a Single Market covering tariffs, non-tariff barriers and other regulatory issues. The second form of regional integration is the path of the free trade agreement (FTA) or economic partnership agreement (EPA). The FTA is a more superficial type of agreement, less comprehensive in scope and lacking in depth comparable to the EU Single Market. An FTA is much easier to negotiate and since there is no global

enforcement of ‘badly designed’ agreements, countries are able to exempt whichever sensitive sectors or products they choose, subject to agreement with the other FTA party. In an FTA, countries also retain their trade policy independence with regard to third parties, unlike members to a customs union who abide by a common external trade policy.

Due to its limited trade focus, an FTA also fails to address many of the broader social and economic issues that accompany industrial growth and development. This is not to say that a customs union does either, but the European Union has often tackled difficult social and political issues beyond the scope of WTO. The fact that an FTA does not resolve all integration issues has led countries to increasingly accept the role of broader regional arrangements such as APEC. APEC is a third path towards the management of regional integration. Much ink has been spilt on the precise nature of this ‘third way’, but in a practical sense, two features seem clear. APEC has emphasised consistency with global norms or ‘best practice’ as well as the vital need for increasing the administrative vigour of national economic institutions. This global focus alongside the national focus is what amounts to the heart of APEC and the guiding principle of ‘open regionalism’. The role of APEC or other similar bodies remain valid since an FTA or EPA is unable to cover all the social and economic issues countries face in the emergence of regional community.

Appreciation of ‘open regionalism’ however must also recognise the historical evolution of the Asia Pacific Economic Cooperation (APEC) forum. The first period was the establishment phase (1989-1995). During the establishment phase, there were conflicting opinions over the nature of APEC; whether it would insist on treaties, trade agreements and negotiated liberalization schedules; whether it would evolve to become an Asia Pacific version of the Organization for Economic Cooperation and Development (OECD); and how ‘trade-related’ issues would be dealt with within the forum with members from very different levels of economic development. The operational definition of the APEC Model was set forth in the consensus surrounding the 1994 Bogor Declaration and the subsequent 1995 Osaka Action Agenda. The former set out the objective of free and open trade and investment in the Asia Pacific by 2020 for developing countries and 2010 for developed countries. The latter was a comprehensive set of economic cooperation activities divided into short-term, medium-term and long-term projections. The work of the Standards and Conformance Sub-Committee (SCSC) began in 1994, led by Japan and Australia and was taken up in the Osaka Action Agenda framework. The Osaka Action Agenda also confirmed the approach of trade liberalization to be undertaken in APEC – the approach of ‘concerted unilateral liberalization’.

While all APEC members assented to the 1994 and 1995 decisions, it wasn’t until 1999 that developed countries such as the United States, Australia, New Zealand and others accepted this development. This period (1997-1999) could be termed the ‘crisis of confidence’ stage of APEC. There were many ways that a ‘showdown’ could have been possible, but the trajectory which evolved in APEC was rooted in the pragmatic recognition that various trade sectors could be the subject of negotiations either separately or as a package. The sector methodology was also applied in the Standards and Conformance Sub-Committee but never became controversial. Journalists and politicians have generally found regulatory issues in APEC too complicated to fit into a 30 second media segment and it was much easier to talk about agricultural

recalcitrance and refusal to reduce tariffs, themes that have dominated the region since the 1960s. The US and Australian-led sector negotiations were a complete disaster for APEC. Mexico and Chile pulled out, Japan refused to sign onto two key sectors, China, ASEAN countries and Korea all had serious reservations. The project was revived again by New Zealand in 1999 but it died at the Seattle Ministerial Conference along with aspirations for new multilateral trade round. The Asian financial crisis (1997-8) also eroded confidence among East Asian countries concerning the relevance of APEC as a basis for regional financial stability.

The bitter taste of this experience naturally allowed other issues to emerge in APEC from 1999 onwards such as terrorism, environmental issues and maritime security. The trade-related aspects of APEC continued as did the individual Ministerial and working group processes, each with their own focus and work agenda. The establishment phase, crisis of confidence phase has been replaced by the consolidation phase (2000-2007) which has centred on revisions to the broad APEC work program. At the 17th APEC Ministerial Meeting in Busan, Korea, in 2005, APEC economies adopted the 'Mid-Term Stock-take of Progress Towards the Bogor Goals: Busan Roadmap to the Bogor Goals' which embodied the updating of the 1995 Osaka Action Agenda (APEC 2005).

In 2004, a debate emerged that would revisit one of the original questions that had been resolved in the establishment phase – the feasibility or of an APEC Free Trade Agreement. The context of this was the proliferation of bilateral trade agreements negotiated between APEC members. In 2004, a report was published under the auspices of the APEC Business Advisory Council (ABAC) which considered the possibility of an APEC FTA (Scollay 2004). This proposal met much resistance in APEC circles for the same reasons it met resistance in the mid 1990s. Australian ABAC officials argued that an APEC FTA would need to negotiate the same problems that have caused difficulties in the WTO and APEC does not have the 'capability' to oversee trade negotiations for comprehensive liberalization (ABAC Australia 2004: 2). The 2005 Busan Agenda committed APEC members to the promotion of best practice free trade agreements and for possible harmonisation of certain elements of individual free trade agreements. It is unlikely that this present process will result in an APEC FTA. Recently, Australia has publicly rejected calls for an APEC FTA as part of its hosting of the 2007 APEC Summit arguing that bilateral agreements are the new conventional wisdom (Uren 2007).

The FTA issue is but one of the many elements in the APEC fabric. The broader specialist, functional strategies have promoted regulatory cooperation, the sharing of information and experiences and promotion of best practice. In APEC there is a hierarchy of priorities in the APEC work program. Trade, transportation, energy, telecommunications and human resource development figured prominently with ambitious work programs, Ministerials and activities. Outside of these 'core' areas, many other issues struggle for recognition, many driven by individual governments or sub-groups of governments, while many others are ad-hoc proposals that came from host governments. The actual day-to-day program on APEC as of 2007 is vast, compared with the original 1989 program. This reflects not only the growing recognition of the need for cooperation, but also regional growth and to a large degree, acceptance of the APEC model as it has emerged. These 'sub-histories' have often retained some independence from the loftier free trade goals of APEC. Many of the working groups have also evolved their own identities and bureaucratic networks and activities.

APEC and Economic Development

The work program of the Standards and Conformance Sub-Committee (SCSC) was influenced by the priorities given to trade liberalization during the establishment and crisis of confidence periods of APEC as were the rest of the non-liberalization aspects of the forum. The work of SCSC also needs to be seen in the context of the APEC discussion on economic development. APEC was designed to be a model for economic cooperation that broke with past traditions concerning the position of developing countries. Instead of the provision of financial resources, the focus was on the provision of technical expertise and training to assist in the improvement of national administrative infrastructure. This trade-related administrative assistance was embodied in the term used to describe the program: ECOTECH (Economic and Technical Cooperation). This was to be a series of programs to help officials from developing countries improve their national administrations with funds from developed countries and directed into trade-related areas.

The APEC economic development program was widely criticised by non-governmental organizations as not addressing the causes and problems of poverty in Southeast and Northeast Asia. In reality however, this region was experiencing rapid economic growth until the Asian financial crisis and was in a different stage of development to many of the poor developing countries in the world, especially in Latin America and Africa. Within APEC, Papua New Guinea was the exception. Ironically, East Asia had been lauded since the 1980s of being the ‘Newly Industrialising Countries’ (NIC) and ASEAN was not far behind. The needs of these countries concerned the management of economic growth, the creation of more competent administrative frameworks and establishment of reliable economic infrastructure.

The association between the economic development program and the liberalization program was a little convoluted. The Bogor Declaration in 1994 claimed a relationship between the trade and investment liberalization component and the economic and technical cooperation. The Bogor Declaration stated that efforts to develop the “human and natural resources of the Asia Pacific region” would “facilitate the growth of trade and investment in the Asia Pacific”. Within APEC circles, ECOTECH would assist developing nation-states undertaking economic reforms so that they could “reap the benefits of liberalization”. As developing countries pursued privatisation, deregulation and other reforms, the demand for economic and technical infrastructure, skills, training and best-practice would naturally rise.

The APEC development program was the provision and promotion of trade-related technical or administrative assistance. There have been several elements. The first is the provision of statistics. Most of the working groups have statistical components such as the Trade and Investment Database Working Group. The Energy Working Group for example has been assisted by the Energy Data and Outlook Experts Group, led by Japan, which is responsible for the Asia Pacific Energy Research Centre, established in 1996 in Tokyo. The centre produces data and forecasting for the energy sector. The pre-APEC organization Pacific Economic Cooperation Council (PECC), an observer in APEC also has a substantial statistical role. Associated with statistics has been the publication of manuals and best practice in administrative and regulatory policies. Studies have included database on APEC minerals and energy exploration and development, best practices for maritime administration, impediments in tourism,

safety and security in tourism, and congestion in transportation systems. There are also prominent best practice guides in investment, free trade agreements and mutual recognition. APEC has now a library of books on government policies in the Asia Pacific region.

The second element in the program has been the formation of specialist groups in various areas, sometimes called ‘experts groups’ or networks of specialists such as in agricultural technology, ocean and environmental studies and fisheries. The Energy Working Group has five experts groups: Clean Fossil Energy, Energy Efficiency and Conservation, Energy Data and Analysis, Minerals and Energy Exploration and Development, New and Renewable Energy Technologies and the Asia Pacific Energy Research Centre. Other ‘expert’ groups as of 2007 include government procurement and intellectual property rights. Networks of specialists abound in APEC-related activities. For example the Human Resource Development Working Group has the Capacity-Building, Education and Labour and Social Protection Networks, while in telecommunications there are networks in liberalization, security and mutual recognition.

The third element of the APEC program has been ad-hoc cooperative groups that have been promoted by one or more APEC members with their own separate agenda and work program. Some ad-hoc groups have been the Automotive Dialogue, the Chemical Dialogue, and the Non-Ferrous Metals Dialogue. As of 2007, there are several Special Task Groups in anti-corruption and transparency, counter-terrorism, secure trade, culture, electronic commerce, gender, social security, and emergency responsiveness. Broader projects that fall into this category have included agricultural biotechnology, the APEC Food System, Human Capacity Building and the Food, Energy, the Environment, Economic Growth and Population (FEEEP).

The fourth element of the development program has been the establishment of regional institutions that owe their creation to APEC. There was strong resistance in APEC from developed countries to provide traditional economic assistance to developing countries. For instance, the Australian position was that any new APEC research centres should not be funded. Instead “virtual” centres, i.e. web-sites should be the preferred option. This view contrasted to that of members such as Japan, Thailand and China who saw the establishment of such centres as being a useful concrete expression of regional cooperation. Some examples of these concrete expressions of Asia Pacific identity include the APERC, or Asia Pacific Energy Research Centre, the Asia Pacific Information Infrastructure Cooperation Centre in Korea, the Asia Pacific Information Infrastructure Centre in Japan, the APEC Centre for Technology Exchange and Training for small and medium-sized enterprises in the Philippines, the APEC Centre for Technology Foresight in Thailand and the APEC Innovation Centre in Korea.

The four elements of the APEC approach to economic development, provision of statistics and best practice, specialist networks, ad-hoc groups and research centres have been accompanied by an emphasis on specialist and technical training and education for officials in various government departments and agencies as well as the sharing of information and different perspectives. Overall, these activities have deepened administrative and bureaucratic ties across the APEC region extensively. Whereas the annual APEC Summit receives the most attention from the mass media, it may well be that the most enduring aspect of the APEC experience will be the bureaucratic networks.

The APEC Standards and Conformance Strategy

The Standards and Conformance Sub-Committee held its first informal meeting on 31st January 1994 in Indonesia along with the first meeting of the Committee on Trade and Investment (CTI). The driving force of this Sub-Committee was Australia and Japan. Australia proposed standards and conformance cooperation and technical regulatory cooperation. Japan proposed an Action Plan on standards. The meeting decided that Australia, Japan and New Zealand would draft an APEC Standards and Conformance Framework ‘to set down the core principles which would underpin APEC’s approach to standards and conformance issues’ (SCSC 1994a). Three possible areas for cooperation emerged: alignment of national standards with international standards, cooperation with international standards bodies and mutual recognition (SCSC 1994a). Japan proposed the alignment of national standards with international standards, New Zealand proposed closer cooperation between APEC and regional and global standards bodies and Australia proposed mutual recognition arrangements in conformity assessment within APEC. Mutual recognition arrangements in the non-regulated sectors and another identification of regulated sectors were priorities (SCSC 1994b).

These developments were interesting for several reasons. Japan, Australia and New Zealand held similar views. The standards discussion was also closely associated with the Committee on Trade and Investment – the heart of APEC; and since 1994 the Standards and Conformance Strategy in APEC has remained largely unchanged. The 2nd meeting in May 1994 was asked to respond to the objective “to facilitate the further development of open regionalism and market driven economic interdependence in the Asia Pacific region”, but the informal group dismissed this arguing that they “did not have the expertise to comment on its appropriateness” (SCSC 1994b). This dismissal began and ended the interaction of SCSC with the formal rhetoric of the broader APEC agenda. It was and remains a specialist conference.

During 1994, the informal group on standards and conformance moved quickly. The 3rd informal meeting in September 1994 supported the creation of the Pacific Accreditation Cooperation (PAC). The group also supported the Australian proposal for a model mutual recognition agreement on conformity assessment; emerging interest in a web of bilateral mutual recognition agreements and possible multilateral MRA in two priority areas (SCSC 1994c). The 4th informal meeting in November had identified air conditioners, TV sets and refrigerators, food labels, rubber products and plastic products as priority sectors and nominated food and toys as the two regulated sectors for pilot mutual recognition agreements (SCSC 1994d).

During 1995, developing countries in APEC were reluctant to pursue mutual recognition agreements, preferring instead voluntary arrangements. The now formal SCSC reiterated support for electric and electronic apparatus, food, rubber and plastic products as case studies for alignment; the specialist bodies had begun cooperation with SCSC for mutual recognition arrangements in the voluntary sector; work continued on the toys and food MRA in the regulated sector; and a multilateral mutual recognition agreement on conformity assessment was about to be terminated (SCSC 1995a). The MRA on food products, one of the two regulated sectors nominated in 1994 had evolved towards an ‘umbrella’ or model multilateral MRA embodying recommended guidelines and the MRA on toys was terminated because of different certification procedures between economies. As a result of these obstacles, some APEC members decided to pur-

sue MRAs on a bilateral basis (SCSC 1995b). By the Osaka Action Agenda at the end of 1995 APEC economies were instructed to pursue further cooperation in standards and conformity assessment. The emphasis was on APEC-based mutual recognition arrangements, cooperation with the specialist regional bodies and efforts to improve technical competence and confidence in developing countries.

Like most other APEC activities, the work program of the SCSC expanded dramatically after 1995 with continued efforts to bring order through the proposed 1995 Collective Action Plans from the 1995 APEC Summit. In 1996, it was first suggested that APEC members should participate in the International Organization for Standardization (ISO), in relation to ISO Technical Committee 181 on toy safety, in light of the stalled APEC program on the same subject (SCSC 1996a). In October 1996, SCSC decided to promote the 'coordination of regional input into the development of international standards' (SCSC 1997b). This was growing sophistication from simply alignment with existing international standards towards active APEC participation in crafting global standards. The SCSC and the Pacific Area Standards Conference (PASC) began cooperation in 'coordinating regional input into the development' of international standards (initially building and construction) discussions that would relate to various ISO Technical Committees (SCSC 1997b). PASC argued that 'in some cases, international standards were not appropriate to APEC economies's markets' (SCSC 1997b). In 1997, SCSC established technical groups in Timber Standards and Loadings and Structural Design Standards to organize 'strong regional input' into ISO TC discussions (SCSC 1997c: 4). In 1998, two more Technical Committees were established: Hazardous Area Equipment and Performance Based Housing Standards (SCSC 1998a: 4).

At the January 1997 SCSC meeting, Canada proposed cooperation between SCSC and the European Community (SCSC 1997a). This culminated in discussions recognizing the role and influence of the European standards bodies CEN/CENELEC in international standardization activities of the ISO/IEC. It was admitted that the MRA program in APEC 'had proven more challenging to implement...than originally expected' (SCSC 2001a: 8). It also emerged that there were real differences between the Asia Pacific and EU approaches. The SCSC questioned the impartial position of global accreditation bodies "Europe preferred specification-oriented requirements while APEC bodies preferred performance-oriented specifications and believed that European approach would harm many accreditation bodies in their participation in international activities and maintaining competence that evolved in different circumstances and histories. The EC admitted that there would have to be a compromise between impartiality and competence" (SCSC 2001: 8). One of the priority themes for SCSC resulting from 2001 was a proposal from Japan and Malaysia 'projecting Asia Pacific views' especially the coordination of SCSC activities "to reflect Asia Pacific views in international standardization activities" (SCSC 2001b: 4).

There were some disappointments in the SCSC agenda. Australia expected to negotiate in APEC broad mutual recognition agreements in conformity assessment across the "widest possible range or industrial sectors" and in the long term "establish these arrangements on a multilateral rather than a bilateral level" (Linking Australia Globally 1995: 193). APEC rejected APEC harmonised standards and instead promoted international standards (Wilson 1995: 73). The lack of interest in mutual recognition agreements at the regional level in APEC implied a bilateral route. The APEC mutual

recognition would promote model multilateral sector-by-sector mutual recognition arrangements and a “network of bilateral, comprehensive, multi-sector mutual recognition agreements” (Andison 1996). The model arrangements would be potential templates for bilateral agreements.

The bilateral route was accepted in the WTO Technical Barriers to Trade Agreement. Article 6.3 permits WTO members to negotiate bilateral mutual recognition agreements and encourages agreements in mutual recognition of conformity assessment. In 1996, Australia noted that while APEC promoted a multilateral approach to mutual recognition, Australia was “more likely to achieve early results by pursuing comprehensive bilateral agreements with selected APEC trading partners” (Andison 1996). Some of the model mutual recognition arrangements in conformity assessment have been in food and food products, telecommunications equipment, automotive products and electrical and electrical equipment.

The work of the SCSC remains relevant. The 2005 Busan Road-Map recognised the success of prior alignment of national standards with international standards in the priority sectors prompting additional alignment work in electrical equipment. By 2005, the project to align national standards with international standards on a voluntary basis in electrical and electronic equipment, food labeling, rubber products and machinery was complete (Fujino 2005: 35). According to the Japan Industrial Standards Committee, harmonization of technical regulations however, was much less successful in APEC. Some of the obstacles included political will, human resources, time limitations, lack of specialist knowledge (Fujino 2005: 37). The SCSC Standards and Conformance Blueprint was approved in 2005 which embodies the future work of the SCSC. Beyond this, there remains the need for Asia Pacific perspectives in the ISO and IEC, as well as improvement to the regional standards infrastructure.

Asia Pacific and European Approaches to Standards Making

An overview of the SCSC is important because it highlights the extent of Asia Pacific cooperation in standards infrastructure. The work of the SCSC is unique in APEC in part because of the close cooperation between the SCSC and the five Specialist Regional Bodies or (SRB) concerned with the promotion of an Asia Pacific standards infrastructure. The first is the Pacific Accreditation Council (PAC) established in 1994 with its membership similar to that of APEC. PAC was established for the purpose of establishing a mutual recognition agreement among APEC members’ accreditation bodies. Practically this involves “achieving mutual acceptance of product and systems certification, and encouraging the development of accreditation bodies, in the APEC region’s economies” (Linking Australia Globally 1995: 184). PAC also promotes the mutual recognition agreements that the International Accreditation Forum (IAF) hopes will lead to a global acceptance of accreditation.

The second body is the Pacific Area Standards Conference (PASC) which was established in 1973. The purpose of the PASC is to be the middle ground between national and global standards bodies, to prepare ISO/IEC proposals and to decide regional approaches to implement global standards (Linking Australia Globally 1995: 180). PASC became more involved in SCSC activities to promote Asia Pacific countries in ISO and IEC activities as well as promoting improvement in regional standards infrastructure. The third body was the Asia Pacific Laboratory Accreditation Cooperation

Committee (APLAC) established in 1995 as an organization and its membership mirroring APEC. APLAC is responsible for accreditation testing and inspection among national laboratories measured against international standards which protect health safety and the environment. APLAC pursues the promotion of regionally recognized accreditation and testing facilities, the harmonization of procedures and the pursuit of mutual recognition arrangements. APLAC has promoted the Asia Pacific Laboratory Accreditation Cooperation Mutual Recognition Arrangement since 1997 and its members include Australia, China, Hong Kong, Japan, Korea, New Zealand, Singapore, Taiwan and the US. The fourth regional body is the Asia Pacific Legal Metrology Forum (APLMF) established in November 1994, almost mirroring the APEC membership. The APLMF focuses on promotion of removal of barriers to trade in legal metrology, mutual recognition arrangements between members, provision of assistance to build infrastructure and promotion of confidence in legal metrology. The final specialist body is the Asia Pacific Metrology Program (APMP) which examines standards for measurement.

The role of PAC, PASC, APLAC, APLMF, and APMP is crucial in improving APEC standards practices especially in light of current realities. The promotion of a regional standards infrastructure is difficult because many developing countries do not have satisfactory national regulatory regimes such as national accreditation laboratories (Wilson 1995: 63). The adequacy of national standards agencies and their testing abilities is unlikely to overcome perceptions of an untrustworthy technical structure in developing countries. Regulatory authorities in developed countries have resisted having confidence in the ability of developing countries to adequately protect food safety (Wilson 1995: 77). Mutual recognition agreements can only exist when an importing country is confident the imports are equivalent to their own national standards (Wilson 1995: 78). In the absence of this confidence, mutual recognition agreements are more likely to occur between developed countries. Public officials would resist agreements on the grounds they did not deliver adequate health and public safety confidence.

The role of the SCSC and the Asia Pacific approach to standards is quite different to the regional approach advocated by the European Union. The traditional European method of technical harmonisation from 1969-1984 was very prescriptive, detailed and time consuming. Regional EC standards soon became out-of-date in light of new national standards (Linking Australia Globally 1995: 177; Pinder 1995: 81-82). During the Single Market negotiations, Europe adopted a different technique which involved identifying the 'essential requirements' for health, safety and consumer protection (Pinder 1995: 83). While the essentials are the same, there are many differences in style and performance between the national standards. The principle of mutual recognition was invented so that EU member states recognised as equivalent the standards of other member states. In most cases this was workable but in difficult cases the European Commission would intervene and harmonise the regulations (European Commission 1998a: 2-3). The traditional approach was also retained for sectors such as cars, chemicals, pharmaceuticals and food (European Commission 1998a: 4). The European standards bodies (CEN and CENELEC) have significant authority as they have the responsibility of writing the details of the standards (Linking Australia Globally 1995: 177).

After the Single Market was established, the EU promoted EU standards as global standards exerting pressure on the global bodies that make international

standards. The success of the regional EU standards has promoted the view that these regional standards ought to by default become the global standard if no global standard presently exists (Henry 2005: 217). The European Commission argued “The new (European) standards may also become de facto global standards (wherever ISO standards do not already exist). Because the European Union is the world’s largest single market, the world’s exporting manufacturers will have to use European standards. The standards infrastructure in the US is less well coordinated than the EU’s; and Japan, by operating a largely closed market, has little influence on world standards” (European Commission 1998: 8).

The promotion of international standards however has many problems. Firstly, international standards can quickly be made redundant by the emergence of market-based standards as competitive forces and technology changes (Wilson 1995: 74). Secondly, even key proponents of global standards hold a complicated position. Standards Australia (responsible for Australian standards) for example in 1994 only had 36% of its standards aligned with international standards, nor was alignment a major priority (Linking Australia Globally 1995: 75). Japan’s Ministry of Economy Trade and Industry reported in 2001 that Japanese companies were reluctant to become more involved in the deliberations of the ISO committees and also reluctant to adopt international standards as the basis for national standards (METI 2001: 193-4). In 2001, Japanese officials participate in ISO but rarely take the lead or make proposals. This lack of participation and presence of Japanese input sometimes results in higher costs for Japanese business (METI 2001: 194).

The third problem with international standards is that they confront real differences in national characteristics. National standards “reflect national or regional characteristics...unique to the particular country or region” (Kurata 1998: 1). According to the Japan Industrial Standards Committee, there are significant differences understanding between developed countries as to what constitutes a necessary standard. Differences might include “climate, technical infrastructure, social system and lifestyle traditions” (Fujino 2005: 37). The danger with the EU model is that the EU situation is unique with “similar climate common technical infrastructure, social mechanism and lifestyle among members” often different from other countries which means that “deviations are inevitable at present and will be inevitable for the time being” (Fujino 2005: 38). Forcing countries to accept regional standards as the international standard also excludes countries and undermines the spirit of cooperation. It is hard to recognise cooperation if the process insists “those from outside the region who have not been a party to developing the regional standard to simply accept it, regardless of whether it suits their local climate, technical infrastructure or other aspects” (Henry 2005: 217).

The fourth problem with international standards is that unlike WTO law which has been fixed since 1995, rules on international standards continue to be made, all of which influence production and business in a practical way. At the same time, the EU and the US promote their own standards rather than international standards. This leaves the ISO and IEC in a difficult position. Reconciliation of the US and EU standards only recognises the dominance of the competing standards (Henry 2005: 217). International standards also tend to reflect the positions of the countries participating in the ISO/IEC committees and these are often developed countries (Australia 2005: 2). Developing countries in particular are disadvantaged by their lack of participation in the international standards bodies. APEC comprises 60% of global production, but only

30% of ISO and IEC committees include APEC members and this decreases to 15% when the US and Japan are taken out of the equation. Developing countries therefore “perceive international standards as something unfamiliar and imported from or given by other persons (or countries) which the developing country did not develop by themselves” (Fujino 2005: 43).

For developing countries and smaller developed countries, the ISO and IEC are vital because they “provide the nations outside of the major trade blocs...with an opportunity to provide some input to developing the standards that will control the world market” (Henry 2005: 217). The ISO have approximately eight hundred technical committees but the level of participation varies among APEC members. According to one survey the results in terms of active participation recorded is: 586 memberships for the US, 579 for Japan, 508 for the Russian Federation, 501 for South Korea, 472 for China, 314 for Australia and 308 for Canada. The Southeast Asian countries in general recorded lower membership such as Malaysia (78), Thailand (63), the Philippines (50) and Indonesia (46). Some of the less developed members recorded dismal results such as Vietnam (12) and zero for Peru (Australia 2005: 1). In the Asia Pacific the challenge is to increase participation in the committee process and thereby “developing international standards that can be reasonable and realistic for APEC” (United States 2005: 1) as well as to “balance European influence” (Henry 2006: 8). This will be difficult considering the close historical and institutional relationship between the European standards bodies and the ISO (ISO 2005). One of the emerging issues for international standards are the economic impact of environmental regulations devised in the EU, Japan and the US, their possible resolution in the ISO/IEC and the growing impact of such regulations on business (Mori 2006). Other emerging global issues that will be affected range from natural disasters and terrorism to risk management, food safety, supply chain security and ‘societal’ security (Henry 2006: 1).

Practical Foundations for an Asia Pacific Community

This paper has considered the work of the SCSC as a case study for understanding the evolution of an Asia Pacific Community. The first section introduced the evolution of APEC through the establishment, crisis-of-confidence and consolidation phases. With occasional references in the grand APEC statements such as the Osaka Action Agenda and the Busan Road-Map, the work of the SCSC pursued a specific specialist agenda of interest to manufacturers, businesses and consumer organizations alike. The formation of APEC-based cooperation was viewed as a vital link in fostering common perspectives on standards and conformance. The second section detailed the relationship between APEC and cooperation for the purpose of economic development, paying attention to the role of trade-related technical assistance. The promotion of studies, best practice and technical assistance reflects the disparity of economic development among the APEC membership and the necessity for strengthening national economic infrastructure. These two sections set the background for an introduction to the work program of the SCSC itself from 1994 until 2007. Promotion of international standards, participation in ISO and IEC committees and provision of regional technical assistance is the heart of these endeavours, along with the rejection of regional standards or formal treaties in APEC. This work program sits in tension however against the issues raised in the following section, namely the influence of the European Union in setting the global standards agenda.

The future fabric of global standards remains to be resolved by proactive Asia Pacific cooperation, but at the same time, national priorities and development priorities offer competing visions. The validity of global standards that do not take account of national, cultural, or historical factors remains a controversial issue.

In the overall APEC agenda, the work of the SCSC sits uncomfortably alongside the more prominent attention given to tariff-related issues. Tariff issues dominate the conventional wisdom and remain the most important issue upon which to measure regional integration. Mutual recognition or product standards is rarely noticed beyond the specialist communities, such as the incoherent association of mutual recognition in the 1997 sector liberalization project or the occasional scandal involving contaminated food (see Sydney Morning Herald, April 28th, 2007). The politics of product standards also conflicts with the assumption of convergence of global harmony in APEC. In APEC, as in WTO, global norms are valid, trustworthy and, of course universal. APEC had in tariff policy resorted since its inception to accept the WTO structure and promote its preservation, not alteration. The possibility that global bodies could be ‘captured’ by powerful economic entities and that action was required in APEC to balance the situation conflicts with this harmonious image. Taken further, it could beg questions about the nature of the WTO itself. The SCSC program is the one exception where it explicitly promotes a strategy to weaken EU influence in international standards bodies. The capacity for such a strategy to arise might suggest movements towards stronger regional economic identity.

The APEC project has clearly been involved in the promotion of the sense of community among Asia Pacific countries through economic cooperation. The value of this study is that cooperation in standards and conformance in APEC is an attempt to forge ‘regional identity’ in a practical sense by cultivating common regional objectives among participating members as well as the various specialist organizations associated with APEC in this area. At the same time, much to the surprise of many, the cultivation of this regional identity has been a rejection of a strictly regional approach to standards crafting towards a preference of global-based standards. Central to this strategy has also been the concern to strengthen the economic infrastructure in developing APEC economies in the area of standards and conformance. Some may argue that the rejection of a regional approach to standards has undermined the viability of an Asia Pacific Community. On the other hand, the work of the SCSC was rooted in the pragmatic concerns to forge competent national administrations and contribute to the broader global economic architecture. The case study of standards and conformance is a practical example of the APEC principle of open regionalism at work.

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