

PECC SIGNATURE PROJECT: FTAAP 'PATHWAYS TO PROSPERITY'

POLICY BRIEF, PROFESSIONAL SERVICES & MUTUAL RECOGNITION: INITIAL DESCRIPTION OF TOPIC

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This policy brief will examine how expanding professional recognition across APEC economies in the context of work on an FTAAP could enhance the mobility and improve the interoperability of professional services across the region that is increasingly important for economic growth.

This work is complementary to APEC's Services Competitiveness Roadmap and its Mid-term Review, which point to mutual recognition arrangements as an important means for reducing the regulatory heterogeneity that restricts services provision among APEC economies.

It will draw on existing work in APEC and elsewhere, for example, the APEC Inventory of Mutual Recognition of Professional Qualifications and Licensure, as well as research on mutual recognition arrangements (MRAs) in APEC economies including by the Australian APEC Study Centre.

This work indicates that while there is considerable activity across APEC to develop new mutual recognition agreements, this development has been highly uneven across economies and professions. For example, there are more agreements covering technical professions, but very few for occupations such as healthcare practitioners and teachers which may be women-dominated. Furthermore, there is evidence to suggest that existing MRAs between APEC members may not have worked as well as they could. Some economies have chosen to pursue alternative bilateral, plurilateral or multilateral initiatives.

At the same time, professional services and the mobility of professional services, are becoming more important for traded services and cross border activity, particularly given advances in the digitalisation of services and the anticipated uptake of AI in the professional services sector. Digitalisation is also creating opportunities to enhance trade, including through recognition practices such as the use of digital credentialing.

The policy brief will explore how the adoption of a framework and goal of integration, embodied in the notion of an FTAAP, could provide motivation for work on recognition practices and arrangements that better facilitate longer term mobility and interoperability of professional services in the region. Some of the key questions for consideration include:

- What are the various ways in which professional recognition is being addressed in bilateral, plurilateral and multilateral trade and economic integration agreements? Is the 'traditional' approach to MRA delivery in APEC still fit for purpose?
- What opportunities are afforded by digitalisation of professional services, both in relation to cross-border trade and in relation to recognition practices?
- How do the principles of and understanding of the benefits of integration inform how an FTAAP can respond to these developments and opportunities to advance regional practices for the recognition of professional qualifications and licensure professionals? What possible approaches or occupations of focus could be considered?
- What concrete steps could APEC economies take to advance such outcomes, including how to build on priorities and work programs in the longer term?
- How can recognition approaches contribute to cross cutting issues such inclusion, sustainability and resilience?