

Report on APEC Workshop on ‘Improving Professional Licensure in APEC’ - 1 March 2019, Santiago

Overview

The Australian government hosted a one-day workshop on ‘Improving Professional Licensure in APEC’ on March 1, 2019 in Santiago, Chile. It brought together 20 participants from 9 economies to discuss and explore the results of research cases studies on regulatory requirements for licensing in engineering and architecture industries in Chile and Peru and to consider how APEC economies might work together to build initiatives to enhance professional mobility and facilitate trade.

Also important was the desire to promote the initiative and encourage other economies to join in order to expand and broaden the process across APEC toward achieving this goal.

The Workshop was facilitated by Ben Shepherd, and included a team of five expert speakers across industry professions, government, academia and the OECD. Key findings from the case studies help guide the program design, notably the importance of the role of educational qualifications and the systems for their recognition.

The Workshop initially explored the results of the case study research. Varying approaches to professional mobility in the volunteer economies and Australia were then shared and discussed. Perspectives of the education sector on mutual recognition as a means for enhancing mobility were shared. The OECD STRI was reviewed as an analytical tool help inform national and APEC wide approaches to mobility. The impact of digitization on professional services and mobility was also raised.

The Workshop successfully contributed to the development of path forward for APEC to address barriers to professional licensing and facilitate trade in professional services. It helped to further understanding among participants as to why this goal is important and advanced thinking on ways in which APEC can work toward achieving it.

It was agreed that APEC can play an important role in developing and advancing understanding of commonalities of key issues for professional licensing among APEC economies. The Workshop was a valuable starting point for achieving this. It was considered a positive exercise for explaining the broader benefits of measures to enhance professional mobility and for learning from the experience of other economies and industries.

The positive value of exercise was evidenced by the high level of engagement among the participants present, and by the willingness of more economies to subsequently join the initiative (Malaysia and likely Thailand).

Several areas for future work to support the initiative were identified. Assessment of the economic value of mutual recognition agreements (MRAs) in contributing to trade and professional mobility was suggested to help improve understanding of the broader benefits. It was also noted that lack of transparency can act as a barrier to professional services providers. More could be done to improve accessibility to business. A single APEC wide contact point, database or inventory of accessible information would help to reduce transactions costs. The initiative could also be expanded to cover other professions of economic importance to APEC economies (eg; nursing).

Key discussions and actions

The Workshop involved five sessions which explored and identified the following key issues and actions:

The role of licensing in professional enhancing professional mobility and services trade

The scope and rationale of project was outlined by the Facilitator – the research that was undertaken, the methodology applied and its importance for APEC.

It was emphasised that underpinning the work is the economic importance of professional services as a traded sector – its contribution to trade and growth. This is demonstrated through statistics and supported by related activities in APEC to support mobility (ABTC, APEC Engineers and Architects Register). Licensing plays a key role in enhancing the mobility of professional services as a ‘gate way’ to delivery. Addressing regulatory barriers to licensing can help facilitate trade.

The role of the research case studies and the Workshop in supporting this was highlighted – the case studies for facilitating the process of knowledge sharing in the region, and the Workshop for exploring how APEC economies can work together and build on existing APEC initiatives to find ways to enhance mobility and facilitate trade.

Several issues which need to be considered as part of this process were raised: how to deal with differences in approaches and systems to professional licensing across APEC economies; how to determine the scope of professional services which should be covered; and how to better understand how the existing APEC wide systems for architects and engineers and architects operate.

It was agreed that the Workshop was a valuable starting point for reaching commonality of understanding among APEC economies on these issues.

Australia’s experience with professional licensure and mobility in engineering and architecture

Perspectives on systems governing the mobility of the architect and engineering professions in Australia were shared, including approaches to mutual recognition of qualifications.

A review of how the Australian architecture profession is organised and regulated in Australia, and how industry deals with foreign architects was presented. This was complemented with an overview of the system for assessing competency of the engineering profession in Australia and an assessment of the challenges and benefits involved in enhancing professional mobility.

It was evident from the expert presentations and the discussion following that there are both differences and commonalities between the domestic systems for registration and recognition of engineering and architects in Australia. In both professions, Australia manages the process among different states, and with other economies, in different ways. Common to both is understanding that recognition of qualifications is key to mobility.

There was consensus among the group that there is huge value in existing APEC initiatives (both the APEC Architects Register and the APEC Engineering Register), but it was noted there is still work to do to increase their visibility and use among the professions.

Both speakers highlighted that there are various ways in which Australian architects and engineers deal with MRAs, involving different types of recognition agreements with different jurisdictions. They agreed that a key pre-requisite to achieving successful MRAs is maintaining flexibility in

approaches among different trading partners. Also important is understanding the differences and commonalities between systems; securing government support; the existence of a high degree of trust and good will between governing bodies in affected economies (and associations and government in domestic economies) and a willingness on the part of industry professionals to use the agreements negotiated.

It was agreed that MRAs are important to help facilitate mobility, address barriers to trade and provide confidence in services delivery, however their contribution to trade is unclear. It was suggested by participants and speakers that more work could be done to assess the role of MRAs in enhancing mobility. MRAs alone do not guarantee mobility. Efforts to address barriers to professional services and licensing need to be broad in focus - there are other factors impeding mobility which need to be considered, as well as other approaches outside of MRAs.

The group were in agreement that APEC can play an important role in developing and advancing understanding of commonalities between economies. This can be an important starting point for development of frameworks to reduce barriers to professional licensing and support professional mobility. The general view was that international frameworks have a role in setting core standards for open and competitive services delivery.

Approaches to professional licensure in Chile and Peru – the case study results

This session involved an overview of the results of case studies by the Facilitator followed by reactions to the studies from representatives of the volunteer economies, Chile and Peru. The aim was to share the results with a view to encouraging other economies to join the initiative.

Several key findings were evident from the case studies: First, systems used to regulate access to engineering and architecture professions differs substantially across the economies, and the role of professional associations differs between economies and sectors. Second, the practice of professions is strongly linked to qualifications, although the process for access also differs between the economies. Third; stakeholder involvement involving both professional associations and line ministries is key to identification of barriers.

Volunteer economies viewed the case studies and Workshop a positive initiative. One economy commented that it was difficult to encourage professions outside of engineering and architects to participate in similar initiatives, as the degree of regulation and the willingness to expand access to the domestic market varies across professions. However, there was interest expressed in considering expansion of the initiative to include other professions which are of economic significance to some economies. Nursing and veterinary professions were cited as examples.

The difficulty of accessing and understanding the relevant rules and regulations impacting on professional mobility across economies was also raised. It was noted that transparency of regulatory frameworks, particularly at a practitioner level, could be improved.

It was agreed that the project was a positive initiative for helping to explain the broader benefits to industry of measures to enhance professional mobility – the sharing of perspectives across other economies was considered to be particularly valuable.

Participants and speakers were highly supportive of expanding the initiative to cover other professions and include other economies.

Recognition of qualifications and professional mobility - the experience of the education sector

It was evident from the case studies and the perspectives of the Australian industry that educational qualifications, and recognition of education qualifications, is a core aspect of approaches to facilitate professional mobility. This session sought to share the perspectives of the education industry on the link between education and professional mobility, in particular agreements for mutual recognition of qualifications.

Several key points were raised and discussed; First, there a variety of approaches to mutual recognition that have been pursued in the education sector, which differ in the degree of mobility they accord. International agreements exist at the bilateral and multilateral level that involve both agreements among governments and between governments and partnering institutions. The experience of other regional groupings (ASEAN and the EU for example) is illustrative of the different models that can be pursued – there is no single approach. Second, for the Australian education sector, several elements have been important for achieving mutual recognition: the need for a clear position on the scope of what is to be recognised; a need for integrated policy making across both industry and government, and; ease of access to information on accreditation and relevant systems. Third, initiatives to pursue mutual recognition should not be considered in isolation of developments in the global environment including policy changes affecting migration and growth of professional services.

It was also pointed out by participants that mutual recognition agreements are not the only way to address barriers to professional mobility and facilitate trade. Key is adhering to good regulatory practice and non discriminatory regulation across the board. It was agreed that there is value in working toward national systems which apply these core principles, alongside international initiatives for mutual recognition.

The OECD STRI as an analytical tool to inform policy

The OECD STRI was presented as a tool to help inform policy makers of barriers to mobility, and also as a dynamic resource which could be improved to take into account measures of relevance to industry.

An overview of how the STRI operates, what it measures and what it can be used for was presented to the group, followed by a more detailed practical demonstration of the measurement and analysis of regulatory barriers applicable to qualifications and licensing in engineering and architecture. The inter-linkages between industries and professions (eg: construction services) and modes of services delivery (eg: modes 1 and 4) were highlighted. Participants noted this was helpful for improving the transparency of regulations across economies, and assessing their impacts.

The OECD presenter was thankful for the opportunity to hear views of industry participants on regulatory measures impacting on mobility, noting the role APEC can play in improving the relevance of the STRI for business.

It was agreed there is great value in STRI both as analytical tool to help assess the incidence of regulatory barriers and help inform national and APEC wide approaches to enhance mobility.

Professional services and digitisation

The importance of digitization and its implications for professional services mobility was raised as a key issue impacting on the trade landscape. Important questions posed for consideration were: How

are professional services affected by digitalisation? What is the role of data and technology in determining how professional services are regulated? How does this affect licensing requirements?

Industry participants noted that improved technology and movement of data has potentially broad implications for licensing. For example, it can reduce regulatory burdens on issuing bodies and applicants and support systems to limit fraudulent activities. However, barriers can inadvertently be created which impact on the way professional services are delivered and regulated. Regulation of the broader digital economy is relevant, particularly of other services upon which delivery of professional services increasingly depend (such as telecoms networks and IT).

Key outcomes

The Workshop contributed to the development of path forward for APEC to address barriers to professional licensing and facilitate trade in professional services. It helped to further understanding among participants as to why this goal is important and advanced thinking on ways in which APEC can work toward achieving it.

These outcomes complement other APEC initiatives focused on enhancing professional mobility, including good regulatory practice and structural reform.

The positive value of exercise was evidenced by the high level of engagement of the economies present, and by the willingness of more economies to subsequently join the initiative (Malaysia and likely Thailand).

Key conclusions are summarised as follows:

Differences in national systems are not a barrier to developing common approaches to advance mobility

The systems used to regulate access to professions differ substantially across economies and across sectors within economies (in terms of both the role of professional associations and of the government). But there are commonalities. Recognition of qualifications is a key element of all systems. Also common is that ultimately all systems are trying to achieve the same objectives: to regulate professions to deliver quality services.

APEC can play important role in advancing understanding of commonalities between economies

International frameworks for professional licensing can help facilitate mobility, address barriers to trade and provide confidence in services delivery. Commonalities among APEC economies can serve as a starting point for the development of frameworks to support this. Existing APEC initiatives (including the APEC Engineers Register and the APEC Architects Register) play a role, but there is still work to do to increase their use among the professions.

There are multiple ways for achieving mutual recognition of qualifications and lessons to be learnt from other economies and industries

The experience of the Australian industry in the architecture and engineering professions reveals there are a variety of models for mutual recognition which can be pursued at the bilateral or multilateral level, between governments and between institutions, and to varying degrees of integration. The experience of the education sector is also relevant. Key to success is maintaining flexibility in approaches to account for differences in systems.

Participation of both government and industry is necessary for good policy outcomes

The experience across engineering, architecture and education professions in Australia demonstrates that successful recognition of qualifications requires mutual trust and will of industry and government. Visibility of the benefits is necessary for business. Government support is crucial.

Mutual recognition of qualifications is important, but is not the only way to address barriers to professional licensing and enhance mobility.

Adoption of non-discriminatory regulatory frameworks and good regulatory practice should be key components of national systems and discussions on agreed frameworks going forward. This is consistent with core trade principles in APEC and the broader rules based trading system.

Data and analysis can help inform approaches to support professional mobility

Data on mobility and regulatory approaches across the professions can help inform national and APEC wide approaches to mobility (eg: OECD STRI). There is a need to improve the understanding of industry of the broader benefits of professional mobility. Assessment of the economic value of MRAs in contributing to trade and professional mobility would support this.

Improved transparency of and access to regulations and systems for professional licensing across economies would help to improve mobility

Lack of transparency can act as a barrier to professional services providers. More can be done to improve accessibility to business. A single APEC wide contact point, database or inventory of accessible information would help to reduce transactions costs.

Digitisation and technology is increasingly impacting on how professional services are delivered.

The role of technology is a relevant factor in determining how professional services are delivered and regulated, including licensing. While technology has huge potential to support professional services trade, it is important to ensure regulatory approaches adopted do not inadvertently create barriers to trade.