

**INTERNATIONAL SYMPOSIUM ON
“CONNECTING THE CONNECTIVITIES IN ASIA-PACIFIC”**

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I thank for the opportunity of having been invited to this meeting. I am not an expert on the matters of this Symposium and my ideas are influenced by simple operational conditions, in my activities as a small business person—spending time at a farm in Patagonia or in a fruit orchard in the central valley in Chile. Hence my perspective: simple, bumping problems are the challenge. Trying to fix a piece of equipment, having to repair an imported machine, seeking materials and supplies needed for improvements or just for maintenance, seeking information and know-how for dedicated purposes, and ultimately at the end of the task, wishing to move forward in the commercial chain towards the markets where the products are destined.

The arrangements drawn from agency and governmental work after meetings of this character, demanding applied efforts by officers in sectoral agencies as well as incentives of order, have indeed changed many things. Trade at world level is moving in all directions and irrefutably, freedom of commerce and finance are strong forces that are being displayed all over. Nevertheless, we still suffer the bumps and shakes of macroeconomic events and realize that systems demand further reinforcements. The simple world is demanding when the aspects of flow are considered and not just everything is just about stability. Most prominent of course, are policies displayed by agencies and governments in terms of monetary and financial facilitation, yet its ultimate result in terms of real growth and real wage income falls behind, often lagging miserably. While social claims continue to surmount and press for constant enhancement, it becomes more and more an obvious point that microeconomic change is critical. Monetary and financial policy generate may generate a lot of positive externalities, and some seem just outright negative -such as those bringing in deflationary expectations. As macro problems, they call high agencies such as Central Banks and Treasury. Meanwhile, we all become aware that for transformational growth what is needed are the micro aspects, which call for action by ground level persons.

Connecting People to People should bring matters affecting their ability to report issues affecting their daily experience, determining routine functions of their work and productivity. Especially their adaptive capabilities to technological change. Considering all these to fill the agendas would generate more gains, and people like me could have an easy flow in their activities.

These notion is beginning to sound higher: we have to go now for changes in real, structural grounds. For these realities to become points of agenda, the questions about order and priorities may be quite critical. Improvements start by looking into precise aspects of flow.

This is an interesting challenge, so much so that I wish to bring some points to the forum.

Firstly, let me say that for an outsider who had no familiarity or knowledge of the work the Group has been developing, I am surprised after reading the minutes of previous conferences. They show steps identifying and then advancing concrete mechanisms, which directly facilitate integration and commerce amongst APEC members. Its detail is comprehensive, and further efforts like this tells of a perseverance to aim to get to higher ground.

At the ground level of localities, all this surely explains advance and change. But it is not enough, and facilities of trade as well as connection amongst persons at the level of simple people, they need further simplification. Chokepoints have been rightly identified, yet, when you are trying to evaluate and test new products, or complicated with developing and implementing a job, ready access to foreign supplies and materials is still difficult, and the links allowing discussing and exchanging ideas and words with others' experiences are still scarce. They can make the difference. For the small firm, for those individuals operating in self-support mode, access and freedom are really critical. Accessing knowledge is of essence. The whole chain of goods and knowledge is there, but timely access is still limited.

It would help to have hard comparative data showing where everyone stands in the rank of ease of access and movement, taking into consideration the realistic situation of cities and rural or secondary towns and cities within each country.

More than just conceptual or contextual rankings with stars or simple high/low good/poor marks. Metrics, precise metrics are a lot more powerful, and after illustrating figures, decisive action may be easier to procure and advance. I would like to know where my country ranks in number of permits, in taxes and levies, in time spent at each relevant step of my flow process.

Customs and Logistics are operating with great digression, since they are friendlier to large established firms using specialized services to resolve these processes while hostilities are strong to small individual entrepreneur, still caught up facing intensive controls. Ultimately these act as chokepoints you have well identified but are still out there in the field.

All these chokepoints are more acute outside the Main Cities. It becomes a harder process to move or access Supplies, materials, spare parts, equipment and technological resources needed to improve productive processes at endpoints such as the rural farm or a provincial town, where you are not well connected to the central hub of port/custom/storage and dispatch systems, neither have good connectivity with fiber or communication channels.

Hence one side of the game is well equipped, re-engineered at the source side is complete and moves fast everyday with the Alibaba, Amazons and the like, and they gained the higher ground with incredible power. The information required to support commercial decisions is also extensively supported by the web -on real time terms, with services upwards and downwards the chain providing knowledge and information on open terms. The world is now empowered to get instant procurement, total supply and its delivery and shipping more timely and expedient.

But barriers and agencies by governments maintain backward terms for many at the local, personal side of the plate.

You may identify dichotomies from the side of individual and small users of all this fantastic platform facility. Firms have the advantage of integrated services and proceed to move across importing and procurement with greater ease, since they do it for the direct benefit of a business deal. At the individual level however, the purpose may be more than a material gain, they become a cultural and social purpose.

In relative terms though, physical goods are still subject to a predatory reach by the fiscalities in many countries. As a generality we know that the governments are struggling to accommodate all such potent scope of innovations. And apparently, if it is pure technology, the products spread easily and get transmitted ubiquitously. Many things falling under the denomination of "An Application" move almost instantly and at ease, possibly because not

only they are more difficult to control at customs but because often they are a new mystery, they can hardly be regulated by the fiscal impetuosity of the sectoral agency. I am not clear about the realm of Pokemons, but the activity gets spread before it gets even understood. Perhaps it should be taxed like a Casino Game, perhaps it should be regulated or outright forbidden by the Mental Health Agency. New remedies from the pharmaceutical industry are a special case, lagging way behind and demanding long approval and permitting. With the fact of their high cost of development a convention about patent protection is an issue.

Meanwhile, APPs like Messaging and Comms, Taxi Services, even Educational Apps, Games& Lotteries, Tech stuff, wholly and freely get to move around, crossing custom lines via the ether, beyond punitive fiscal reach. Their economic value may be as actual and real as a gallon of wine or a pair of shoes, yet their innovative nature brakes down the operative configuration of the tax/regulating agency.

This introduces a digressed, conflicting and confusing reach: an apparently free and liberalized context prevails yet bringing in a spare part for a broken tool or piece of an equipment remains cumbersome and highly taxed. Funnier activities apparently flow with great ease and less red-tape.

These asymmetries have a high impact. Critical supplies to farming, inputs to industrial workshops and educational materials, all of these are in the wish list of many who just get hit with heavy scrutiny by fiscalities. Besides the problematic, the process results in a high cost structure and slows progress. I find this situation a sort of discrepant mode.

Of course, the argument of tax and regulatory control is potent. Anything moving inside a container or in a carton box calls for standard, active controls which have been there for centuries, and there are more than historical reasons for maintaining them. Sanitary and Health issues are classical paradigms. Tax levies too.

The extremes of alternative options are still applicable and classical: 1. liberalize everything or 2. apply control and policing to everything. You may be North Korea or Cuba, you may be Singapore. Fortunately, today we have resources for middle ground options which may resolve things.

1. Speed Implementation brought by technologies like chips and sensors from the IOT source- with which tracking and origination certificates may simplify and allow checks
2. Real Automated tax and permit compliance within full Web resolution. Small firms and individuals do get tangled by the thick paperwork and sequence of permitting, and the ability to resolve permitting and paper work with electronic forms.
3. Introduction of electronic resolution for payment of duties, taxes and the like with a total solution format for all operations under a given figure.
4. Define a Range as free, A Total Comfort Range. For some this may be set under \$10.000 for other under \$1000, but the point is that a range flows under a completely automated process. If technology adapts, these flows could be traceable for later charges to those proven to misuse the facility.

Cost benefit analysis at the micro level may be a justified reference in order to advance the case where taxes and levies need to be lifted or simplified. With this, improvements and simplification may become operative, easing conditions to the fragmented level of individuals and small firms.

To me intuitively, taxes and fines levied on this universe has great negative externalities slowing productivity changes and ultimately, barring cultural take-off. Satisfying agencies paying their levies and taxes, going through their permitting routines, leaves people worn out

and confused: watching that these complications do not occur to others, especially those in entertainment, provokes thinking to do less- if not to stay put and do nothing. Is Netflix taxed? Did Pokemon Hunters have to go through permits and Notaries? Didn't all this come from the Outside as an Import?

Data showing actual costs and numbers should help to make sure this gets moving further. The tables available present a conceptual evaluation, a sort of general measurement of good/bad/worst indicators. What is needed for decisive action are precise, exact numbers for real country cases, and evaluating them comparatively within the group of the association may turn out to be a lot more incisive, where you get specifics showing how complicated and expensive things are today for common users.

Hence, precise figures about the number of permits, validations, their costs, taxes, would be useful to attain and enhance decisive actions. Real time at real case level, for a rank: The experts in methodology could do more to show comparative figures, so that the agencies are taken out of the realm of generalities, and confronted by the data of the real case, where people like me need to operate.

In the front of actions for greater efficiency, we have issues at the level of the realities of labor markets, especially those posing questions ranging from educational to job training and mobility. Gains in productivity have become critical.

I am somewhat intrigued by the rather low visibility of platforms interconnecting people. In the past I learned of many actions led by GTT*Tech Transfer Groups- that were really great. I remember they were introduced in the 80s led by large Suppliers to say Farmers in lines such as sugar or fruit exporters associations. At first, replicating them seemed interesting with travelling and inter-visiting allowed interchanging ideas and experiences.

Considering the potencies of web based platforms, I miss a lot the current version of these schemas as possible web instruments. Webinars and Blogs could be more visible, allowing reaching out and interchanging experience and ideas.

In areas such as distance learning, we know of formats like Kahn.Org launched by a private sponsor but growing with constant contribution of so many sources. It is now a potent learning instrument where the common person or a student can find courses, materials, high content for knowledge and training purposes...for free in this case because of its philanthropic nature.

It would be a great thing if more resources get to be channeled and directed by agencies into these formats. We could have a lot of support in specific activities if blogs and webinars were fed and maintained by official agencies, as well as an instrument where private contributors could either finance specific developments in topics of their interest and academic sources could contribute under financing by additional sponsors. From their initial format as simple group traveling to interchange ideas and practical experience, we could now move into web blogs and webinars where you find instant interaction and interactive information. Moving into such a direction the advance by Rural Development Agencies as well as by Sectorial Institutes in Technologies, Industrial, Farm and Agriculture, Food and Fishing, activities and the like. It will be a great movement, which I find still in its inception. The current state of these platforms and capabilities is definitely running behind.