

## APPENDIX XXII

### REPORT OF THE ASEAN EMINENT PERSONS GROUP (EPG) ON VISION 2020<sup>1</sup>

Singapore; November 2000

#### ASEAN EMINENT PERSONS GROUP - VISION 2020 (Executive summary)

##### 1. EXECUTIVE SUMMARY

The EPG-Vision 2020 was convened in June 1999, with terms of reference that included developing a plan for a peaceful and stable Southeast Asia, making recommendations to create *vibrant economies* in ASEAN, and examining how to build a community of *caring societies*, as well as an *outward looking* ASEAN.

The EPG had five meetings in the eighteen months given to produce the report. In the Bangkok and Manila meetings, it heard several experts on the political, economic and social situations in ASEAN, and evaluated recommendations from them on matters that pertain to the *relevance and welfare of ASEAN in the long-term*.

What became very clear to the EPG members is the fact that ASEAN has been facing *criticism of irrelevance both internally and externally*, especially in its failure to respond collectively to the financial crisis of 1997-99. Doubt therefore was evident in the *collective readiness and will* of ASEAN states to meet even sterner challenges in the 21<sup>st</sup> century, namely the twin challenges of *globalisation* and the transformation of traditional economies to the “*knowledge-based*” economies.

We are convinced that for ASEAN to survive and overcome future crises of the type that swept through the region in recent years, the peoples of ASEAN must themselves be involved, i.e., *take ownership, of the ASEAN Vision 2020*, and that ASEAN matters should not only be the prerogative of governments, but also of businesses, the civil society and ultimately, the people. We believe that the long-term aim has to be the realisation of *human security and development* in the whole ASEAN region.

To this end, we adopt the strategy embodied in the six sets of recommendations to internalise ASEAN values and goals across the board. We recognise however that the paramount undertaking by all ASEAN states should be to create and maintain *stable, strong and complementary economies* without which any social or political progress would be impeded or even nullified. ASEAN must also aspire to be a strong part of the *global network of trading nations*.

Our first set of recommendations therefore deals with financial issues, followed by recommendations on trade and investment. We see *careful and transparent management of financial institutions* as a prerequisite of other economic initiatives. We see the vital importance of *pursuing market liberalisation* at the fastest possible pace. We also see the importance of having ASEAN institutions that embrace best practices, not only from the region, but globally, and for the businessmen and officials to be trained in the best practices that would withstand scrutiny and earn the respect of their counterparts in ASEAN and elsewhere.

We recognise the different *stages of economic development* in ASEAN states. It is imperative, however, that the more developed economies should be allowed to

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<sup>1</sup> <http://www.aseansec.org/5304.htm>.

seek further development, while *assisting the less developed* to higher levels of economic development. In this way, ASEAN member states can progress together and would not be hampered in asserting its position in the world.

We note that in the long-term, much thought has also to be devoted to social and political problems. The main social problems are the *dynamics of population management (including aging and migration), health and capacity building*. We must tackle international crime and corruption, and set up *strong and capable social and civil institutions*. Businesses must be encouraged to expand within ASEAN, and to assume a social role of caring for the people, especially the ones in need. Educational cooperation must go beyond the universities or tertiary institutions; it must include an active part in the *training and re-training of the workforces* to ensure their continuing involvement in the development of ASEAN.

We recommend a series of measures to raise the *level of awareness about ASEAN among the peoples of ASEAN*. These measures should be put into effect as soon as possible, as it would take many years for the ASEAN's values and goals to be internalised.

Finally, we reiterate the need for *ASEAN Leaders to take charge of the ASEAN initiatives to create a dynamic and competitive ASEAN, as well as a caring and responsive one*. We call for the strengthening of various external relationships that are already in place. And last but not least, we call for the strengthening of the *ASEAN Secretariat* to pursue more effectively the goals of ASEAN.

We submit below our six sets of Recommendations for your consideration.

#### Recommendations (Set 1: Financial)

ASEAN should take an active lead in building a regional financial architecture in East Asia, which can be a positive building block towards a new global financial architecture by:

- Building on the best practices in ASEAN, particularly in exchange rate management, which strikes a balance between stability and flexibility;
- Expanding arrangements to share experience and deepen dialogue on currency baskets and other practices, which can pave the way for greater cooperation in the financial and monetary fields, such as currency swaps and other currency arrangements in our region.

ASEAN economies should cooperate more closely with one another in international financial institutions (IFIs) such as the IMF, the World Bank and the Asian Development Bank.

- ASEAN economies should work closely together in the IFIs with a view towards belonging to the same constituency or closely related constituencies.

ASEAN should cooperate closely with one another in developing their capital markets, with a view towards creating a single ASEAN stock market. Current measures to facilitate this may include:

- Networking arrangements among stock exchanges in ASEAN economies;
- Promoting cross-investments among these stock exchanges.

A private sector driven ASEAN Finance Institute should be established to promote networking arrangements, which complement and expand government initiatives in:

- Corporate governance;

- Banking sector development and strengthening;
- Capital market development;
- Macro-economic risk management;
- Economic monitoring and surveillance.

The ASEAN Finance Institute should also undertake capacity building programmes in these fields.

#### Recommendations (Set 2: Trade and Investment)

ASEAN should move quickly beyond AFTA and to accelerate the implementation of the AIA, to make ASEAN an even more competitive and attractive economic area through:

- Adopting common trade facilitation standards and practices;
- Adopting of common investment promotion programmes, which enable ASEAN economies to complement one another;
- Accelerating the realisation of AFTA, AIA, e-ASEAN, and the conclusion of negotiations concerning services liberalisation, in particular the adoption of an "open skies" policy in ASEAN;
- Encouraging mergers and cooperation among the ASEAN businesses, which in turn would strengthen their global competitiveness;
- Promoting training and capacity building programmes and sharing of best practices, particularly in all key aspects of trade facilitation and investment promotion.

#### Recommendations (Set 3: Social, Educational and Cultural)

ASEAN adopts a policy of promoting ASEAN community spirit among all peoples of ASEAN by (among others):

- Setting up and promoting linkages among ASEAN cultural centres;
- Setting up an ASEAN Volunteer Corps;
- Renaming the SEA Games as "ASEAN Games";
- Enlisting the assistance of the media and business corporations in promoting the ASEAN community spirit.
- ASEAN should make a strong concerted effort to promote the use of English as the common working language so that exchanges among ASEAN institutions, people and businesses will be greatly facilitated;
- ASEAN members should develop more and broader linkages among educational institutions at all levels;
- ASEAN members with established common high standards in education, especially in science, mathematics and social sciences, assist other ASEAN members in improving and developing their curricula, with a view to raising the standards of education in the whole of ASEAN.
- ASEAN members should prioritise on setting up programmes and training institutes, especially for the "knowledge based economy".
- ASEAN members that already have such institutes provide assistance to the other members on request;
- Such institutes should be networked to provide mutual assistance.
- ASEAN should promote and facilitate the spread and strengthening of community-based savings, micro-credit loan schemes and development funds.

These facilities could operate through peer pressure and under community surveillance, so that ordinary people who otherwise have no access to loans from commercial financial institutions can have access to funds for their small business ventures.

- ASEAN members should immediately address and formulate programmes to arrest the worsening condition of the poor in ASEAN through:
- The involvement of the business sector and civil society in fighting poverty;
- Capacity building; health care and assistance; provision of community-based micro-credit facilities.

#### Recommendation (Set 4: Health)

ASEAN states should cooperate in the promotion of health and hygiene to ensure that good international practices are adopted. ASEAN should also train personnel to provide health assistance to all, especially those in remote areas.

The ASEAN Leaders should initiate programmes and encourage all member states to immediately launch and expand effective immediate and long-term strategies for HIV/AIDS education, prevention, voluntary & confidential testing and counselling & treatment of their citizens.

#### Recommendation (Set 5: External Relations)

ASEAN member states should strive to:

- Allocate the highest priority to the development of ASEAN;
- Maintain and strengthen their role in directing and guiding the ARF;
- Influence developments in the global arena and thus maximising benefits to ASEAN;
- Ensure that ASEAN is “globalisation ready”;
- Taking proactive action for engagement at all levels (International, regional and bilateral levels).

#### Recommendation (Set 6: Institutions)

The ASEAN Leaders should take charge and direct ASEAN activities, with a view to realising the ASEAN Vision 2020.

There is also a need to develop other institutions so as to:

- Facilitate and provide more opportunities for exchanges and networking of different groups/professions in ASEAN;
- Encourage the role of civil society in ASEAN, especially their participation in the development of an ASEAN community.
- All public and private institutions in ASEAN should be urged to play a positive role in promoting an ASEAN community spirit by expanding their cooperation with their ASEAN counterparts.

The ASEAN Secretariat should be given sufficient resources to meet the challenges of an enlarged ASEAN, and of an increased workload, especially with regard to implementing the various plans designed to realise the goals in the ASEAN Vision 2020.