

**Solidarity for Asian People's Advocacy (SAPA)  
Working Group on the ASEAN  
Submission on the Economic Pillar  
for the Eminent Persons Group on the ASEAN Charter**

**28 June 2006  
Singapore**

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**I. Introduction**

We are the Working Group on ASEAN of the Solidarity for Asian People's Advocacy (SAPA), a network of non-governmental organizations (NGOs), civil society organizations, trade unions, and participants in the First ASEAN Civil Society Conference (ACSC I, 2005), engaged in campaigns and advocacy on various issues of public interest at the national and regional levels. SAPA network members have varied competencies in the key pillars of ASEAN cooperation, with many of us working on cross-cutting issues and advocacies.

SAPA WG on the ASEAN thanks the Eminent Persons Group on the ASEAN Charter for continuing the engagement with civil society on the ASEAN Charter process. SAPA WG on ASEAN reaffirms its commitment to engage in the process initiated by the Eminent Persons Group on the ASEAN Charter, and recommits itself to engage in the process beyond the completion of the EPG's task.

This is a follow-up to our initial submission on people's security in the last meeting of the EPG on the ASEAN Charter in Ubud, Bali.

**II. Perspectives on Economic Regionalism**

The SAPA Working Group on the ASEAN reiterates its broad perspectives on regionalism, as articulated in its initial submission.

- Regionalism is a step towards the advancement of ASEAN people's interest, by stressing mutual benefit and cooperation among states and people.
- Regionalism should go beyond regional integration and incorporate genuine regional solidarity.
- Regionalism is the foundation for ASEAN's venture into external relations.

Southeast Asia is an economically diverse region, with countries having variable levels of development and capacities to respond to globalization and change, and to the needs of its citizens. The development gap reduces the capability of the region to maximize its potentials and increases social tensions. Many ASEAN countries also face the challenge of unsustainable debts. Moreover, the financial crisis of 1997 showed the vulnerability of even the more prosperous countries to the impacts of the global market.

This is the backdrop against which economic cooperation and integration of ASEAN takes place. It is within this context that SAPA proposes to advance the following perspectives on economic regionalism.

*Regionalism is founded on citizen's rights and the cultivation of democratic processes.* An active citizenry that participates in democratic political life promotes dynamic economic development and peaceful diversity. An accountable public leadership and efficient government should take place amidst popular mandate and legitimacy.

*Economic regionalism promotes economic justice.* The goal of economic cooperation is the pursuit of sustainable development, equity, inclusion, and empowerment. The pursuit of ASEAN economic development shall not be at the expense of labor, environment, and human rights standards. Regional economic initiatives should be open and transparent. It puts people at the center and seeks their participation.

*Economic regionalism promotes solidarity.* Regional economic cooperation and integration facilitates greater interaction and understanding among citizens of ASEAN, helps define identity and promotes solidarity. It also brings about increased welfare that helps reduce social and border tension. Regional economic integration should prioritize people to people exchange (trade, interaction etc.) as its core principle.

### **III. Institutions for Regional Policy and Cooperation**

#### ASEAN Economic Community (AEC)

##### **Principle 1: Economic Integration**

In the ASEAN region and worldwide, there are diverse markets whose linkages must be explored and creatively interconnected. A “one size fits all” economic policy of trade and financial liberalization will only lead to the greater concentration of market shares for transnational corporations and consequently marginalize other markets.

Most of the member countries in ASEAN are agricultural economies, with a primarily rural population whose livelihood depends on subsistence agriculture. Hunger, poverty and dispossession brought about by unsustainable agribusiness and industrial policies plague small-scale agricultural producers. The region is prone to natural and human-made disasters which make the agriculture sector most vulnerable.

There are significant numbers of people in ASEAN countries depending on the informal sector whose contribution to the ASEAN economy should be recognized.

The ASEAN Charter should:

- Recognize a policy mix that is informed by heterodox economic thinking and policy analyses; and,
- Integrate a strong social protection element in economic development that is founded on redistributive justice, poverty eradication and growth with equity and non-discrimination.

The ASEAN Charter should enshrine the values of agrarian reform, justice, and food sovereignty. It should have provisions for institutions to safeguard capacity for social reforms like land reform, urban reform, etc. and mechanisms to level the playing field.

The ASEAN Charter should integrate a Food and Water framework that upholds every ASEAN citizen's human right to food, water and livelihood.

### **Principle 2: Financial and Monetary Stability**

The realization of the ASEAN Economic Community will require that regional financial and monetary volatilities are addressed; the development gap between and among Member States and citizens are closed; and national potentials are fully developed through innovative approaches and exchange/sharing of financial resources and expertise.

The ASEAN Charter should have principles that protect regional currencies from the vagaries of the global dominant currency exchange system. It should also prepare the region for an independent exchange system based on mutually beneficial and acceptable values to ensure stability and encourage increased intra-regional trade. It should uphold principles that increase the capacity to generate capital from within the region, and values that guide the judicious use of such capital.

The ASEAN Charter should have specific provisions for the disciplining and regulation of the financial market, and increase the capacity of the region to monitor fluctuations and impending crises.

The ASEAN Charter should have provisions for the establishment of a workable ASEAN Development Fund for innovative home-grown initiatives, with easy access for Member Countries experiencing balance of payments problems. There should be specific provisions to develop capacity and mechanisms to assist Members with unsustainable debts.

The ASEAN Charter should envision a 'debt free' ASEAN.

### **Principle 3: Regional Harmonization and Complementation in Industry, Agriculture and Services**

An export-oriented growth strategy based on unsustainable natural resource and unskilled labor extraction has been proven as a failure. A dynamic agro-industrial model underpinned by a strong science and technology program responds to sustainable growth and the collective good.

The ASEAN Charter should enshrine principles that:

- Move away from economic activities based largely on natural resource extraction;
- Promote economic growth anchored in and driven by rural industrialization;
- Promote appropriate sustainable industrial development based on harmonization and complementation of industries;

- Promote public investment through regional support mechanisms, example of which is the promotion of science and technology for the regional collective good.

*On the ASEAN Free Trade Area (AFTA):*

The ASEAN Charter should have principles that affirm the rights of Member States to implement national/regional measures that:

- Regulate/manage trade of sensitive products (e.g. food); and,
- Ensure food security and protect the livelihoods of small-scale producers and vulnerable communities.

*On the ASEAN Framework Agreement on Services (AFAS):*

The ASEAN Charter should recognize the different types of labor movements and support full labor rights. It should promote equality in the development of human resources, and provide for mechanisms to develop standards and certification.

*On ASEAN Investment Area (AIA):*

Strong economic integration implies the need for greater capacity to generate domestic savings and investments. It also requires the just recognition of labor's contributions and their rights, including those of migrant workers. Labor export promotion should not substitute for sound national domestic employment policy.

The ASEAN Charter should provide for mechanisms that increase Member Countries' capacity for internal savings generation, investment and job creation.

The ASEAN Charter should uphold labor rights especially in relation to inter-ASEAN foreign direct investments.

The ASEAN Charter should strengthen the legal and policy framework that upholds the "social function of property".

*On Intellectual Property Rights (IPR):*

A sound Intellectual Property Rights regime is a means, but is not an end in itself; the public good is the ultimate standard which IPRs must serve. As a community of developing nations, ASEAN should review and creatively adjust such IPR regimes against the benchmark of how well they achieve development goals.

The ASEAN Charter should:

- Uphold the Convention on Biodiversity that is a key instrument for sustainable development and poverty eradication, including strengthening regional capacity for combating bio-piracy by transnational corporations;

- Encourage research and manufacture of generic drugs and the practice of compulsory licensing and parallel importing to respond to pandemics and illnesses;
- Translate the precautionary principle into concrete pro-people policies and programs; and,
- Promote alternatives to the enclosure of knowledge by promoting Open Standards, Open Access to content, and Free/Open Source Software etc.

### **Principle 5: Human Resources**

People are not tradable commodities.

The ASEAN Charter should promote and respect the human and trade union rights of its people and formulate policies and programs on human resource development that will not infringe on these rights.

The ASEAN Charter should have specific chapters on cooperation in regional human resource development. It should provide for mechanisms and incentives to ensure domestic employment in critical industries and services.

Economic integration requires that citizens of ASEAN are equipped with necessary skills and training that match the needs of their own economies first to ensure sustainable development and equitable growth. The ASEAN Charter should provide for enhanced cooperation and exchange in science and technology research and development.

### **Principle 6: Labour Rights**

Economic integration should promote decent and full employment as well as non-discrimination in labor rights.

Southeast Asia has a large population of labor migrants, many of whose rights are violated on the basis of their race, ethnicity, gender or creed. Labor migration provides significant economic contributions to both sending and receiving countries. Remittances from labor migrants can be an additional means for just and people-centered development, provided that appropriate institutional support and economic opportunity existed.

The ASEAN Charter should:

- Enshrine international core labor standards: freedom of association, the right to organize and bargain collectively, elimination of all forms of forced or compulsory labor, abolition of child labor, and elimination of all forms of discrimination at the workplace.
- Provide for a mechanism for the mutual recognition and accreditation of skills by Member States;
- Enshrine the principle of equal treatment, and adopt standard employment contracts that protect the rights and well-being of native and migrant labor alike;

- Uphold the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.

**Principle 7: Harmonizing Existing Norms and Mechanisms to Address Trans-Boundary Economic Concerns**

Trans-boundary concerns in ASEAN encompass environmental, trade and human rights-related issues. These issues are often the result of unbridled economic development in the ASEAN region.

The ASEAN Charter should:

- Have provisions that address cross-border economic and social issues like smuggling, dumping of toxic wastes, migration, trans-boundary pollution, transnational territorial waters, trafficking, etc.;
- Enshrine the principles for engaging the international trading system, primarily targeting the following: elimination of dumping, curbing of overproduction, regulation of transnational corporations, control of imports through various trade instruments and the strengthening of state interventions in domestic and external trade to stabilize domestic price and supply and ensure that the poor has access to cheap and nutritious food at all times;
- Recognize that Member States have the primary responsibility to promote, protect and fulfill human rights recognized in international as well as national law, including ensuring that all transnational corporations and other business enterprises operating in the ASEAN region respect human rights and not control the market;
- Adopt the Bangkok Declaration on Irregular Migration and the UN Optional Protocol on Trafficking of Persons, Especially Women and Children;
- Incorporate the precautionary principle (Principle 15 of the Rio Declaration) in regional development and mechanisms to address trans-boundary environmental and health issues;
- Adopt Principle 10 of the Rio Declaration (access to information, public participation in decision making processes, environmental justice) and ensure freedom of expression (media and press) to facilitate a timely regional response to trans-boundary environmental disasters;

Economic development is invariably linked to a secure and peaceful society where peoples are able to enjoy fundamental freedoms and quality of life. Regional cooperation, therefore, should not use security legislation and controls to impede the movement of workers and their families, or destroy informal cross-border trade on which rural communities depend for their livelihood.

**Principle 8: Increased Support to Small-Scale Producers to Build their Potential**

Small-scale producers refer to owner-cultivators with small landholdings, landless tenants, subsistence and artisanal fisherfolks, indigenous peoples, agricultural workers, home-based and informal workers and producers. A just economic integration prioritizes and primarily benefits these sectors.

The ASEAN Charter should:

- Operationalize the commitments made during the 1996 World Food Summit convened by the Food And Agriculture Organization at the United Nations;
- Enshrine pro-poor policies ensuring equitable access to and ownership of markets and productive resources such as land, water, seeds, capital, and appropriate technology. The ASEAN shall also provide support services, safety nets and social protection measures to small producers; and,
- Institutionalize disaster management mechanisms.

### **Principle 9: Sustainable Production and Consumption, Energy and Development**

Countries in the ASEAN are endowed with rich and diverse natural resources, but these resources are under threat of overexploitation and extinction.

The ASEAN Charter should:

- Enshrine the principle of sustainable development espoused by the Rio Summit of 1992 and reaffirmed by the World Summit of Sustainable Development in 2002;
- Adopt the principle of sustainable food, water and agricultural system at the local and national levels;
- Envision an industrial production system that is clean, resource- and energy-efficient and sustainable;
- Establish mechanisms for the promotion of renewable energy sources; and,
- Promote sustainable consumption.

### **Principle 10: Implementation, Monitoring and Mechanisms for Adherence**

ASEAN Member Countries have adopted many regional and international agreements to promote socio-economic principles, but they have different capacities to adhere to those agreements.

The ASEAN Charter should provide mechanisms that will help member countries to adhere to the ideals of the Charter.

### **Principle 11: Social Dialogue**

Full and meaningful participation of civil society at all levels of decision-making ensures more effective and equitable benefits sharing, and strengthens economic integration.

The ASEAN Charter should uphold the principle of *social dialogue and consultation with civil society and social movements*.

#### **IV. Moving Forward**

SAPA commits itself to enrich its inputs to a series of national consultations on the ASEAN Charter, and in the Second ASEAN Civil Society Conference to be held in the Philippines, December 2006. It is also committed to further consultation with the EPG members in their upcoming meetings in Brunei Darussalam and Cambodia, and in the follow-up processes leading to the drafting of the ASEAN Charter.

SAPA expresses its continued appeal to the EPG to broaden their consultation process to include other civil society groups at the national and regional levels. SAPA also appeals to ASEAN member governments and the ASEAN Secretariat to assist the EPG to make such a process possible.