TOWARDS AN EAST ASIAN COMMUNITY

Region of Peace, Prosperity and Progress

EAST ASIA VISION GROUP REPORT

LETTER OF TRANSMITTAL

LETTER FROM THE EAST ASIAN VISION GROUP MEMBERS,
TO ASEAN PLUS THREE LEADERS, TRASMITTING THE VISION REPORT

Dear Leaders of ASEAN plus Three:

We have the honor of submitting to you the report of the East Asian Vision Group. The report aims to offer a common vision for East Asia that reflects the rapidly changing regional and global environment, as well as to provide direction for future cooperation among East Asian nations. The East Asian Vision Group has deliberated on such key questions as what the ultimate goals of East Asian cooperation should be, how such goals can be achieved, and what institutional framework is required. The results of our deliberations are contained in this report.

The East Asian Vision Group was created in October 1999 by the Summit of ASEAN plus Three. Since its inauguration, the members of the East Asian Vision Group have discussed issues, developed ideas, and formulated agendas for East Asian cooperation. Throughout a comprehensive series of five meetings over the past two years, we have reached a consensus that we should envision East Asia as evolving from a region of nations to a *bona fide* regional community, a community aimed at working towards peace, prosperity and progress. We are agreed on the necessity of such cooperation in all aspects of society including economic, political, security, environmental, social, cultural and educational areas. We also recognize that the East Asian cooperation process should move beyond government efforts to involve the broader society and the people of the region. In addition, we have agreed that

East Asian cooperation should not duplicate the existing work of other related organizations, but rather build upon existing consultative and cooperative processes.

In sum, our task was to raise issues and conceive a vision for greater cooperation among the nations of East Asia. We hope our report will make a modest contribution to the way in which you consider concrete implementation measures for further regional cooperation. Included in the report is the proposal for the evolution of the annual summit meetings of ASEAN plus Three into the East Asian Summit and for the establishment of an East Asian community.

It is our hope and belief that the governments and peoples of East Asia will work together for our common future.

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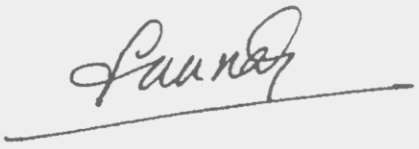

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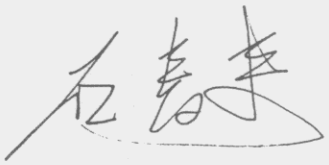

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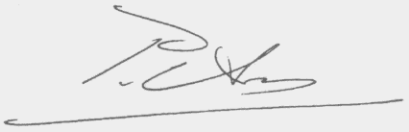

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TABLE OF CONTENTS

EXECUTIVE SUMMARY **10**

INTRODUCTION **14**

What is the Vision? 14

Why an East Asian Community? 15

Guiding Principles 17

AGENDA FOR COOPERATION **19**

I. Economic Cooperation 19

Trade 20

Investment 21

Developmental and Technological Cooperation 22

New Economy 23

II. Financial Cooperation 25

Regional Financing Arrangements 26

Regional Exchange Rate Coordination 27

III. Political and Security Cooperation 29

Overall Management of Intra-regional Relations 30

Cooperation for Regional Peace and Security 31

Regional Political Cooperation 32

IV. Environment and Energy Cooperation 33
Regional Environmental Cooperation. 34
Water Resource Management 36
Energy Cooperation 36
V. Social, Cultural and Educational Cooperation 38
Social Programs 39
Cultural and Educational Programs. 40

CONCLUSION **42**

APPENDIX

Appendix I Terms of Reference of the East Asia Vision Group 44
Appendix II Members of the East Asia Vision Group. 48

EXECUTIVE SUMMARY

East Asia is quickly becoming a distinctive and crucial region in the world. In the new millennium, irrevocable trends including globalization, the information revolution, and growing interdependence among regions present East Asia with new challenges and opportunities for regional collaboration.

In particular, the Asian financial crisis of the recent past provided a strong impetus to strengthen regional cooperation. It has spurred the recognition that East Asia needs to institutionalize its cooperation to pre-empt or solve similar problems that may arise.

The East Asian Vision Group thus wishes to create a vision that would inspire East Asian peoples and governments to work towards building an "East Asian community" that will address the region's future challenges and advance mutual understanding and trust.

The Vision Group envisions East Asia moving from a region of nations to a *bona fide* regional community where collective efforts are made for peace, prosperity and progress. The economic field, including trade, investment and finance, is expected to serve as the catalyst in this community-building process.

The East Asian community will be based on cooperation and openness. It will be pursued with the purpose of contributing to what is good not only for the region but also for the world.

In proposing the formation of an East Asian community, we seek the following goals:

- Preventing conflict and promoting peace among the nations of East Asia;
- Achieving closer economic cooperation in such areas as trade, investment, finance and development;
- Advancing human security in particular by facilitating regional efforts for environmental protection and good governance;
- Bolstering common prosperity by enhancing cooperation in education and human resources development; and
- Fostering the identity of an East Asian community.

KEY RECOMMENDATIONS

The Vision Group makes the following key recommendations for the realization of the East Asian community:

Economic Cooperation

- Establishment of the East Asian Free Trade Area (EAFTA) and liberalization of trade well ahead of the APEC Bogor Goal.
- Expansion of the Framework Agreement on an ASEAN Investment Area to all of East Asia.
- Promotion of developmental and technological cooperation among regional countries, particularly to provide assistance to less developed countries.
- Realization of a knowledge-based economy and the establishment of a future-oriented economic structure.

Financial Cooperation

- Establishment of a self-help regional facility for financial cooperation.
- Adoption of a better exchange rate coordination mechanism consistent with both financial stability and economic development.
- Strengthening of the regional monitoring and surveillance process

within East Asia to supplement IMF global surveillance and Article IV consultation measures.

Political and Security Cooperation

- Promotion of norms, procedures and mechanisms for good management of intra-regional relations on the basis of neighborliness, mutual trust and solidarity.
- Establishing and strengthening of mechanisms for addressing threats to peace in the region.
- Broadening of political cooperation with respect to national governance issues.
- Amplification of the East Asian voice in international affairs and expansion of the region's contribution to the process of creating and evolving a new global order.

Environmental Cooperation

- Institutionalizing bilateral and multilateral environmental cooperation within the region, as well as at the global level.
- Enhancement of public information and education in environment issues, and involvement of NGOs in the process.
- Ensuring more effective management of water and fisheries and combating of marine pollution.
- Joint development and exploration of new sources and supplies of energy within the region and embarking on efficient use of energy.

Social and Cultural Cooperation

- Establishment of poverty alleviation programs, where richer countries help the less-developed fight poverty, illiteracy and disease.
- Adoption of programs to provide greater access to basic healthcare services.
- Implementation of a comprehensive human resource development

program, focusing on the improvement of basic education, skills training and capacity building.

- Promotion of regional identity and consciousness, and cooperation on projects in the conservation and promotion of East Asian arts and culture.
- Establishment of an East Asia Education Fund to promote basic education, literacy programs, and skills training in the region.

Institutional Cooperation

- Evolution of the annual summit meetings of ASEAN plus Three into the East Asian Summit.
- Establishment of an East Asia Forum, consisting of the region's governmental and non-governmental representatives from various sectors, with the aim to serve as an institutional mechanism for broad-based social exchanges and, ultimately, regional cooperation.

INTRODUCTION

What is the Vision?

1. **We, the people of East Asia, aspire to create *an East Asian community of peace, prosperity and progress* based on the full development of all peoples in the region. Concurrent with this vision is the goal that the future East Asian community will make a positive contribution to the rest of the world.**

2. For *regional peace*, we must cooperate to promote a stable and cooperative security environment based on mutual trust and respect. In the interest of *common prosperity*, we must promote trade, investments and financial cooperation. We should also be mindful of disparities in socio-economic development, educational attainment and technological advancement within the region. For *human progress*, we must improve governance, strengthen basic rights and advance quality of life.

3. The Vision Group envisions East Asia moving from a region of nations to a *bona fide* regional community with shared challenges, common aspirations, and a parallel destiny. The economic field, including trade, investment and finance, is expected to serve as the catalyst in the comprehensive community-building process.

Why an East Asian Community?

4. East Asia is quickly becoming a distinctive and crucial region of the world. In the new millennium, irrevocable trends such as globalization, the information revolution, and growing interdependence among nations will present East Asia with new challenges and opportunities for regional collaboration.

5. In the past, political rivalries, historical animosities, cultural differences and ideological confrontation posed barriers to cooperation among East Asian nations. Disparities in stages of development, trade and economic policies, and financial and legal frameworks have also impeded closer economic cooperation. In the social and cultural realms, significant poverty and illiteracy still plague the lives of millions in the region.

6. However, East Asian nations share geographical proximity, many common historical experiences, and similar cultural norms and values. The region has nations that are endowed with abundant skilled labor, entrepreneurs, natural resources, capital and advanced technology. Our many common challenges and complementary resources call for mutually beneficial cooperation and exchanges, not only in the economic realm, but also in the political, security, environmental, social, cultural and educational arenas.

7. Globalization of the world economy, together with the trend towards regional trading blocs, brings new challenges such as the need to define global standards, harmonize regulations, and engage in multilateral trade negotiations. These issues call for more deliberate regional cooperation and coordination as well as a united voice to advance the region's common interests.

8. In particular, the Asian financial crisis of the recent past has provided a strong impetus to strengthen regional cooperation. This has given rise to the recognition that East Asia needs to institutionalize its cooperation to solve similar problems and prevent new ones.

9. Given the historical legacy and future potential for rivalries and competition among East Asian nations, it is important to avoid the risk of future war in the region. We need to devise and institute mechanisms and practices to prevent conflicts, and manage them effectively when they arise.

10. East Asia lacks an institutional framework for region-wide dialogue and cooperation. There is a growing awareness among East Asian countries of the need for a framework at the regional level to manage the dynamic changes ahead.

11. The Vision Group thus seeks to promote a vision that would inspire East Asian peoples and governments to work towards building an East Asian community with a view to addressing the region's future challenges and to advancing mutual understanding and trust.

12. In proposing the formation of an East Asian community, we have the following goals in mind:

    - To prevent conflict and promote peace among the nations of East Asia;
    - To promote trade, investment, finance and development in the region;
    - To advance human security and well-being, in particular by facilitating regional efforts for environmental protection and good governance;
    - To bolster common prosperity by enhancing cooperation in education and human resources development; and
    - To foster the identity of an East Asian community by encouraging active exchanges and regular dialogues at both the governmental and non-governmental levels.

Guiding Principles

13. ***Shared Identity*** Together we shall develop a shared regional identity by working to galvanize the aspirations of our peoples, promote greater trust and confidence, and advance common interests so as to foster a new sense of regional community.

14. ***Economic Cooperation as the Catalyst*** We expect cooperation in the economic field, in particular, trade, investment and finance, to serve as the catalyst in the comprehensive community-building process.

15. ***People Focus*** We recognize that human resources are our strongest assets: hardworking, education-minded, thrifty and enterprising peoples are the backbone of our economic success. Their security, welfare and happiness are our ultimate goal. We shall develop our human resources with a particular focus on the young of East Asia.

16. ***Inclusiveness*** Our efforts must involve the active participation of and partnership across the different sectors and strata of society. We need the commitment of not only the governments, but also the civil society sectors.

17. ***International Norms*** Our efforts must be guided by respect for internationally accepted principles and norms of inter-state relations, including mutual respect for international law, good neighborliness and equality among countries.

18. ***Regional Thinking*** While respecting the principle of national sovereignty, the overall mechanism for regional cooperation should be based on regional thinking and the welfare of all East Asians.

19. ***Progressive Institutionalization*** Our vision can best be realized with the support of suitable institutions; organizational capacity is crucial for effective formulation and implementation of programs. We must, however, avoid duplication of the work of other related organizations and regional frameworks and instead complement their contributions.

20. ***Harmony with the Global System*** Our regional community shall be outward-looking and open to the rest of the world. While we propose programs for regional cooperation, we must be active in pursuing our global linkages and making contributions to international peace and development efforts. Regional cooperation should be consistent with the broader global frameworks.

AGENDA FOR COOPERATION

I

Economic Cooperation

21. **The Vision Group envisions the progressive integration of the East Asian economy, ultimately leading to an East Asian economic community. The Vision Group thus recommends that East Asia pursue the objective of economic integration through the liberalization of trade and investment, developmental and technological cooperation, and information technology (IT) development.**

22. Globalization of the world economy is an irreversible trend that characterizes the economic environment of today and tomorrow. Open international trade and investment will be a key force for sustaining economic growth in East Asia and the global economy as a whole.

23. Growing regionalism elsewhere has created the need for East Asia to pay more attention to securing regional common interests in the multilateral trading arena. Economic integration in East Asia should lead to the reaping of the fruits of liberalization while promoting a cohesive response to new challenges in the global economy.

24. Economic integration in East Asia is already under way. With intra-regional trade and investment increasing at unprecedented levels, economic interdependence within the region has become the foundation for future growth. In addition, there are signs of further institutional economic integration in the region.

25. The political commitment to economic cooperation is already in place. The leaders of ASEAN plus Three at the Manila summit in November 1999 agreed on broad economic cooperation and mandated their economic ministers to oversee the implementation of the cooperation process on a regular basis.

26. The Vision Group envisages that the private sector would contribute significantly to the region's economic prosperity and integration process. The Vision Group therefore **recommends the formation of an East Asia Business Council representing small and medium enterprises and multi-national corporations in the region.**

Trade

27. Regional integration leads to more intra-regional trade, greater welfare gains and more resources to member economies. Once East Asia is represented as a single entity in international society, the member countries can secure their interests more effectively and contribute more actively to the global economy.

28. The Vision Group **recommends the formation of an East Asia Free Trade Area (EAFTA) and liberalization of trade well ahead of the Bogor Goal set by APEC.** In order to facilitate the formation of a region-wide FTA, East Asia needs to consolidate all existing bilateral and sub-regional FTAs within the region. We **recommend the**

establishment of a ministerial committee to oversee the development of an EAFTA.

29. The Vision Group also emphasizes that the regional integration arrangement should be consistent with World Trade Organization (WTO) agreements so as to reinforce the multilateral trading system.

30. The Vision Group calls for the EAFTA to be designed in such a way that will benefit all member economies. We also **recommend the establishment of GSP status and preferential treatment for the least developed countries in the region.**

Investment

31. Acknowledging that the free flow of investment facilitates trade and helps sustain economic growth, the Vision Group urges East Asian countries to foster an attractive investment environment that ensures increased FDI flows within and into the region. This investment environment includes sound macroeconomic fundamentals, transparent and nondiscriminatory legal systems, sensible policy regulations, as well as skilled human resources.

32. The Vision Group **calls for the establishment of an East Asian Investment Information Network to stimulate intra-regional investment and to improve the transparency of investment-related regulations.** Furthermore, the Vision Group recommends promoting investment by SMEs and establishing an appropriate administrative and financial support system.

33. The Vision Group **recommends the establishment of an East Asia Investment Area (EAIA) by expanding the Framework Agreement on ASEAN Investment Area (AIA) to cover East Asia as a whole.**

Developmental and Technological Cooperation

34. Developmental and technological cooperation is vital for sharing prosperity among all nations in the region. The Vision Group believes that East Asian countries can benefit from this type of cooperation in a short period of time.

35. The Vision Group **calls for the joint development of resources and infrastructure for growth areas in the region and the expansion of financial resources for development.** Active participation of the private sector should be encouraged.

36. The Vision Group recommends that concerted efforts be made to narrow development gaps among East Asian countries for the region's common prosperity and dynamic and sustained growth. In this regard, the Vision Group **urges that greater cooperation and assistance be extended to countries at lower levels of development in three priority areas: infrastructure, information technology and human resources development.**

37. The Vision Group recognizes the need for increased official development assistance (ODA) to less developed economies in the region to help narrow the economic gap.

38. The Vision Group **recommends that technological cooperation be pursued through technology transfers and joint technology development.** The Vision Group also urges East Asian governments to promote more active FDI and stronger strategic alliances in the region, starting with identifying feasible areas of technological cooperation.

39. The Vision Group **encourages private companies to exchange technology on a commercial basis.** We also recognize the need to

promote free transfer of government-owned technology in support of less developed areas in the region.

New Economy

40. The development of new technologies such as information technology (IT), bio-technology, genetically modified organisms (GMO), and nano -technology creates new industries and enhances the efficiency of traditional industries by creating new trade opportunities and increasing productivity. The Vision Group recommends common efforts for the realization of a knowledge-based economy and the establishment of a future-oriented economic structure through cooperation in these new technologies. The Vision Group **recommends the creation of a large pool of well-educated, adaptable and innovative human resources in the New Economy.**

41. The Vision Group recommends the joint development of information technology to build telecommunications infrastructure and to provide greater access to the Internet at reduced costs to users.

42. Priority should be given to narrowing the digital divide among and within nations. The Vision Group recommends developing dialogues among East Asian countries on information technology and **jointly creating an "East Asian Internet Project,"** with the help of the private sector, to provide technical assistance for the development of information technology in less-developed East Asian countries.

43. To further improve the IT infrastructure in East Asia, the Vision Group recommends the following:

    i) Trans-East Asian Information Superhighway with high-speed

data transmission over fiber optic cables and regional telecommunications connections with essential regional network management and end-to-end coordination.

ii) **Regional Software Technology Development and Multimedia Content Centers** with joint research and joint ventures in developing new solutions as well as new software applications for East Asian Internet and e-commerce.

iii) **East Asian Venture Capital Network** to create a financial environment that would nourish Internet startups as well as strengthen East Asian capacity in IT skill development.

iv) **Harmonization of Internet and e-commerce issues** such as protection of intellectual property, privacy, curbs on Internet pornography, a tax framework and other legal infrastructure in order to build the foundations of the Internet economy.

II

Financial Cooperation

44. **To enhance financial stability and economic efficiency in East Asia, the Vision Group proposes that East Asian governments adopt a staged, two-track approach towards greater financial integration: one track for establishing a self-help financing arrangement and the other for coordinating a suitable exchange rate mechanism among countries in the region.**

45. The Asian financial crisis of the recent past revealed the vulnerability of East Asian countries to shocks arising from the globalization of financial markets and massive capital flows. It has demonstrated that East Asian countries urgently need to establish sound and stable domestic financial systems, good corporate governance and prudent macroeconomic policies. At the regional level, the financial crisis further highlighted the need for some form of institutional arrangement to prevent such crises, and to manage those that occur more effectively.

46. The Vision Group noted the progress made by ASEAN and the Manila Framework countries by having officials meet regularly to exchange

views on macroeconomic development in member countries. The Vision Group also welcomes the achievements made so far by ASEAN plus Three on the financial and monetary issues of regional interest, including the "Joint Statement on East Asian Cooperation" adopted in November 1999, the "Chiang Mai Initiative" of May 2000, and the finance ministers' meeting in Honolulu in May 2001.

Regional Financing Arrangements

47. Looking ahead from what has been achieved in regional financing arrangements, the Vision Group **proposes that steps be taken toward the establishment of a full-fledged regional financing facility such as the East Asian Arrangement to Borrow or an East Asian Monetary Fund.** Such a facility should have conditionality that best fits the nature of a crisis, would be supplementary to the IMF, and would serve as a kind of safety net, acting as a regional lender of last resort working in collaboration with the IMF and other international facilities.

48. The monitoring and surveillance process is the bedrock on which the regional financing facility should rest. Such a process, properly developed and implemented, would provide early warning to prevent a financial crisis. It would also provide prompt and relevant information for assessing the financing needs of members requesting assistance and the potential contagion to other member countries. The Vision Group therefore **recommends strengthening the regional monitoring and surveillance process within East Asia, which would supplement the IMF's global surveillance and Article IV consultation.**

Regional Exchange Rate Coordination

49. The Vision Group **recommends that East Asian countries work out in stages an appropriate exchange rate regime consistent with not only financial stability but also economic development.** Flexible but stable exchange rates are more compatible with long-term steady economic development than a pure float.

50. An anchor for such a flexible but more stable exchange rate regime would be real effective exchange rates consistent with economic fundamentals. Such a regime will help prevent exchange rate fluctuations from getting too large but at the same time accommodate some volatility of international capital movements. The use by individual countries of an effective exchange rate as an anchor suggests that a multiple currency basket will be more appropriate than a single currency dominant basket.

51. Greater regional integration of both international trade and finance will require increasingly closer cooperation in both macroeconomic policies and exchange rate alignment. In view of the large diversity among the East Asian economies today, the region could launch an official forum to exchange views on macroeconomic and financial sector policies through strengthening the aforementioned surveillance process.

52. As intra-regional trade continues to grow rapidly, the exchange rates of East Asian countries are likely to move more closely with one another. The Vision Group, therefore, **calls for a more closely coordinated regional exchange rate mechanism.** Such a mechanism will require much closer macroeconomic policy coordination on the monetary and fiscal policy fronts.

53. In the long run, the Vision Group envisages the possibility of East Asia evolving into a common currency area, if and when economic, political, social and other linkages develop to a point where tighter forms of monetary integration become feasible and desirable.

III

Political and Security Cooperation

54. **The Vision Group envisions a peaceful, stable and cooperative East Asian community free from armed conflict, violence and hostilities, whether internal or external. Promoting political and security cooperation is vital to deal with threats to peace and other regional security problems.**

55. The global security environment and the institutions for global governance have undergone drastic changes since the end of the Cold War. East Asian countries must be more effectively engaged in and make their own significant contribution to the process of creating and evolving a new global order.

56. We need to address traditional as well as new challenges to peace and security. Territorial and maritime disputes, border problems, competition for resources, transnational crimes and international terrorism are common challenges that require joint or cooperative responses.

Overall Management of Intra-regional Relations

57. The principal goal of political cooperation in East Asia is to promote neighborliness, mutual trust and solidarity among countries in the region. Disputes shall be addressed through peaceful means and on the basis of mutual respect.

58. **East Asian countries should adopt and actively implement a code of conduct to help govern relations among them, including universally accepted principles of international law, respect for sovereignty, peaceful coexistence, renunciation of the use of force, and equality.** The UN Charter and the Treaty of Amity and Cooperation in Southeast Asia can serve as a basis for regional cooperation in East Asian peace and security.

59. **East Asian countries should develop and observe effective rules and procedures to guide cooperation, including the principle of reaching agreement through consultation, voluntary implementation, non-confrontation, sensitivity to concerns of affected states, and the creation of dispute settlement mechanisms.**

60. The Vision Group **calls for the evolution of the annual summit meetings of ASEAN plus Three into the East Asian Summit.** We also **recommend institutionalization of regional dialogues** including regular meetings of foreign ministers and leaders of other sectors on the range of political and security-related subjects.

Cooperation for Regional Peace and Security

61. East Asian governments should work together to enhance mutual trust and assurance. The Vision Group **urges a continuous process of confidence-building among countries of the region, especially exchanges, consultations, and other cooperative activities** (e.g. cross training of military personnel, joint training, and information tours) **among military and defense officials.**

62. **East Asian governments should cooperate to establish and implement effective measures for the prevention and avoidance of conflict, as well as for management of tensions within the region.** Communications channels should be in place to enable governments to acknowledge and prevent the emergence of new security problems.

63. The Vision Group **urges governments in the region to strengthen the ASEAN Regional Forum so that it can serve as a more effective mechanism for cooperative security.**

64. With the aim of increasing the East Asian role in global peacekeeping, **governments in the region should cooperate towards agreement on the region's peacekeeping objectives.**

65. **East Asian nations should intensify consultations and strengthen mechanisms for cooperation on combating piracy, drug trafficking, illegal migration, smuggling of small arms, money laundering, cyber crime, international terrorism and other issues affecting human security.** In particular, mechanisms to stem the tide of piracy, and drug and human trafficking should be urgently set up.

66. Sub-regional security dialogues shall be encouraged where appropriate. Such dialogues involving smaller groups of countries may lead to agreements among them with respect to their common security concerns.

Regional Political Cooperation

67. The Vision Group envisions that East Asian countries shall promote peace, stability, social justice, social harmony, respect for the rule of law, accountability and democratic progress as desirable common goals in their respective national polities. Creating a new Asia and amplifying the Asian voice in international affairs require a far-sighted vision and the combined commitment of East Asian governments to bring it to reality.

68. The Vision Group **recommends that East Asian nations cooperate and exchange best practices in addressing common problems in governance** such as reducing corruption, undertaking legal reform, and achieving transparency, responsiveness and efficiency in the bureaucracy.

69. East Asian governments shall promote bilateral as well as multilateral exchanges among political and legislative leaders and various social groups such as business, labor unions, the media, academics, youths, non-governmental organizations, and other civil society groups. The Vision Group also **recommends that a network of East Asian think tanks be established to explore long-term policy issues of strategic importance to the region.**

Ⅳ

Environment and Energy Cooperation

70. **The Vision Group proposes an environmentally friendly and sustainable East Asia. It calls upon leaders to strengthen and increase efforts towards institutionalizing environmental and energy cooperation in the region.** This requires the acceptance by governments, individuals, businesses, and organizations in various fields of the responsibility to exert common efforts for the protection and improvement of the environment for present and future generations.

71. Environmental issues have led to regional disputes from time to time. On the other hand, transnational ecological problems, including global warming, depletion of bio-diversity, and issues associated with genetically modified organisms (GMO), provide strong incentives for collective environmental cooperation within the East Asian region.

72. The Vision Group underlines the need to preserve the rich and diversified natural resources in East Asia. At the same time, it calls for closer collaboration in research and development in East Asia to utilize wisely these resources for the well being of all our peoples.

Regional Environmental Cooperation

73. The Vision Group **urges governments in the region to engage actively in the establishment of a comprehensive East Asian environmental cooperative body, which includes a dispute settlement mechanism and a regional environmental database.** The Vision Group believes that such efforts will address transnational environmental problems by strengthening regional institutional and legislative frameworks, developing regional environmental networks, and enhancing policy-making capacities.

74. To increase synergy among the various bodies for environmental cooperation, the Vision Group **proposes that an East Asian Environment Ministers' Meeting be organized periodically for the coordination of regional environmental projects.**

75. The Vision Group **proposes that East Asian nations cooperate to install air pollution control equipment in order to reduce greenhouse gas emission.** Measures should also be taken to prevent trans - boundary pollution such as a "brown problem" (e.g. forest fires in Southeast Asia), "yellow problem" (e.g. yellow dust and acid rain in Northeast Asia) and "blue problem" (e.g. the Mekong river).

76. The Vision Group recognizes the importance of sustainable agricultural practices that will help minimize land erosion, land encroachment and deforestation. Food security and efficient land use management should also be promoted. The Vision Group recommends that the East Asian governments pursue greater coordination and cooperation in food, agriculture and forestry and, in particular, the establishment of regional agricultural information networking.

77. **East Asian governments should pursue joint programs for the conservation of forests and reforestation in the region. They should also try to enhance regional capabilities to prevent and manage natural disasters, especially floods, droughts and forest fires.**

78. The Vision Group calls on leaders of East Asian nations to formulate a joint action plan for sustainable environmental management in the entire region. Furthermore, the Vision Group **urges the industrialized countries in the region to provide both financial and technical assistance to other member countries to facilitate the effective implementation of the action plan.**

79. The Vision Group **urges that East Asian governments facilitate exchanges to address urban development concerns,** particularly in relation to the environmental hazards and deteriorating quality of life resulting from overcrowding and pollution.

80. Educating the public about the significance of environmental issues is crucial for advancing environmental policies and promoting environmentally friendly economic and industrial development. The Vision Group thus **proposes that governments in the region introduce environmental education at the early stages of school curriculum.**

81. Empowering local communities to seek and find their own solutions and resources is a key element to sustainable environment. The Vision Group thus **urges East Asian governments to encourage the development of regional environmental networks, particularly through the creation and expansion of community programs at the grassroots level.**

82. The Vision Group urges that governments in the region work together towards bilateral and multilateral environmental cooperation within the region, as well as at the global level, by institutionalizing their

collaborative efforts. The Vision Group also **emphasizes the need for East Asia to take concerted actions in international forums to ensure effective implementation of all multilateral agreements on environmental cooperation and protection,** including the Kyoto Protocol on global warming.

Water Resource Management

83. Demographic change along with improved economic conditions in East Asia has put pressures on both the limited and renewable resources, especially water and fisheries. The Vision Group thus **calls for joint endeavors to ensure more effective water resources management throughout the East Asian Region.**

84. Marine pollution is a serious trans-boundary environmental problem facing the region. The Vision Group welcomes the Steering Committee for the Yellow Sea Large Marine Ecosystem (YSLME) project and the Northwest Pacific Action Program (NOWPAP) in Northeast Asia, and **calls for closer regional marine environmental cooperation for the entire region.**

Energy Cooperation

85. Regional energy security, both in terms of supply and price, needs to be maintained. The region's over-reliance on external sources for oil can have serious implications on the security of its energy supply.

The region must jointly develop and explore new sources and supplies of energy within the region, and promote the efficient use of energy. Similarly, comprehensive and systematic efforts must be made in order to ensure stable oil prices that are acceptable to both the exporting and importing countries.

86. Research and development should be stimulated for the exploration of alternative sources of cleaner energy, including renewable energy generation. Given the drawbacks of fossil fuels, **East Asian countries should cooperate for the development of solar, wind, hydroelectric and nuclear fusion energy.** There should be more cooperative regional efforts to establish renewable energy generation systems.

87. The Vision Group **recommends that East Asian governments establish regional nuclear cooperation arrangements that promote the peaceful and safe use of nuclear energy.**

88. The Vision Group **calls for a framework to help the region develop a broad regional consensus for energy policies and strategies both for the short and long term.** In addition, the Group **urges that common action plans, such as the proposed trans-ASEAN energy network project, be formulated by the countries in the region for the implementation of the agreed policies and strategies.** The electrification and energy needs of the rural population deserve special attention as an area of regional cooperation.

V

Social, Cultural and Educational Cooperation

89. **The Vision Group envisions a socially connected, educationally advanced, and culturally vibrant East Asian community which can effectively deal with the problems of poverty, illiteracy and disease. The Vision Group proposes that East Asian nations espouse the values of social justice and human security and take region-wide initiatives to improve the lives of all East Asians.**

90. The Vision Group **recommends that region-wide poverty alleviation programs, healthcare programs, and literacy and educational advancement campaigns be instituted.**

91. The Vision Group proposes a three-pronged approach: social programs, cultural exchanges and educational cooperation. These programs will promote equity among and empowerment of the East Asian peoples and equip the countries in the region to build more peaceful, stable, and prosperous societies and communities.

Social Programs

92. East Asia has experienced rapid economic growth and transformation during the past decades. However, there are costs of rapid growth - widening income disparity, urban congestion, social dislocations, and eroding cultural traditions. Poverty, illiteracy and disease still plague the lives of millions in the region. Programs to attack these social ills will improve the lives and livelihoods of many in this region.

93. Common prosperity in East Asia must be built on more equitable and fair societies and on enlightened and empowered citizenries. The Vision Group therefore **recommends that East Asian countries review and address different forms of inequality and prejudice that may affect their respective societies,** including those between the rich and poor, between the educated and illiterate, between genders, between different ethnic and religious communities, and between different generations of their citizens.

94. The Vision Group **urges the richer countries to make significant contributions to help less-developed nations fight poverty, illiteracy, and disease.** It also advocates that national governments do more for their poor, illiterate and citizens stricken or threatened with disease. The Hanoi Plan of Action on social safety nets can serve as a model for East Asia to protect the most vulnerable sectors.

95. Disease degrades human capital, an important resource to support future national development. Healthcare programs are a powerful tool for enriching lives and uplifting communities. The Vision Group **urges East Asian nations to take concerted steps to expand and improve access to basic healthcare, particularly for at-risk groups.** The spread of HIV/AIDS, malaria and other communicable diseases must be brought swiftly under control.

96. The Vision Group **recommends the establishment of an East Asia Forum, consisting of the region's governmental and non-governmental representatives from various sectors,** with the aim to serve as an institutional mechanism for broad-based social exchanges and, ultimately, regional cooperation.

97. The role of unofficial actors in social programs, including NGOs, has in many societies become as important as that of official actors such as governments and international organizations. The Vision Group **calls for East Asian governments to work closely with NGOs in policy consultation and coordination to encourage civic participation and responsibility and to promote state-civil society partnerships in tackling social problems.**

Cultural and Educational Programs

98. The Vision Group **urges governments of the region to work together with their respective cultural and educational institutions to promote a strong sense of regional identity and an East Asian consciousness.** Such work may be done through active social and cultural exchanges involving different sectors of society. Scholars and historians are especially encouraged to engage in collaborative projects that will help broaden appreciation of East Asian history, civilization and culture.

99. The East Asia Vision Group **recommends the promotion of networking and exchanges of experts in the conservation of the arts, artifacts and cultural heritage.** Youth participation in such programs is important in order to foster appreciation, respect and understanding of the rich and diverse heritage of East Asian cultures and traditions.

100. **The promotion of East Asian studies in the region is necessary** in order to achieve mutual trust and understanding lasting many generations. To this end, we recommend that: i) key universities in the region be encouraged to set up East Asian studies programs focusing on the study of history, languages, cultures and contemporary society of the region; ii) these East Asian studies programs be organized into an East Asian Studies Network that will undertake research, exchanges and other projects on subjects relevant to contemporary East Asian development; and iii) one university be designated and supported as the Network Secretariat, tasked to serve as an information resource center as well as to coordinate projects.

101. A comprehensive "Human Resource Development Program for East Asia" may be drawn up on the basis of existing programs, focusing on the improvement of basic education, skills training and capacity building to help the workforce adapt to a changing environment. To promote educational advancement and scholarship, the Vision Group **recommends that an East Asia Education Fund be established to support basic education, literacy programs and skills training.** This Fund will also provide scholarships for students to pursue higher education in East Asian universities.

CONCLUSION

102. At the dawn of the new millennium, we recognize both the need and opportunity to build a regional community - an East Asian community of peace, prosperity and progress.

103. Cooperation through community-building will enable East Asian nations to cope with the economic, social and political challenges the region faces today, while preparing the peoples of East Asia for a safer, richer and more secure life in the future.

104. The time for building an East Asian community is opportune. With strong geographical, historical and cultural bonds, the nations in East Asia have been actively seeking common ground for regional cooperation. New global trends such as globalization and regional interdependence also facilitate East Asian cooperative efforts.

105. Much time and effort will be required to bring this vision of a full-fledged East Asian community to reality. While the pace of building an East Asian community is uncertain, the direction is clear and the trend currently underway is irreversible. We shall develop our regional identity, apply our talents and resources to common goals, and build new institutions for peace, prosperity and progress.

106. **Ultimately, a vision for East Asia should be based on cooperation and openness. It should seek to expand understanding, agreement and coordination among regional countries on important international issues, with a view to enhancing our ability to contribute to what is good not only for the region but also for the world.**

107. **The East Asian community, we submit, is our best hope for the future as a region. As our mission and contribution to the rest of humanity, we must begin to take concrete steps to realize this vision. We must spare no effort to co-create this common future for the benefit of this generation of East Asians and the ones to follow.**

APPENDIX I

TERMS OF REFERENCE OF THE EAST ASIA VISION GROUP

I. Background

1. The recent financial crisis in East Asia has given the countries of the region a keen awareness on the need to strengthen intra-regional cooperation transcending the vast diversity in their political, cultural and religious characteristics. The situation calls for enlightened visions on ways to strengthen economic, political, environmental, social and cultural cooperation in East Asia.

2. The growing economic interdependency among East Asian countries turned the financial crisis into a region-wide economic hardship. Thus, the efforts to bring about economic recovery must also build upon closer links within the region in terms of trade and investment promotion, resources development, industrial cooperation, and infrastructure construction.

3. Taking part in the ASEAN plus Three (Korea, China and Japan) Summit (Hanoi, December 16, 1998) with great understanding on the challenges facing East Asia, President Kim Dae-jung of the Republic of Korea proposed for the formation of an "East Asia Vision Group." It would be composed of eminent intellectuals charged with the task of drawing up a vision for mid-to-long term cooperation in East Asia for the 21st century. The other participating leaders in the Summit welcomed the proposal.

II. Purpose

4. The Vision Group will explore ways to expand and intensify mid-to-long term cooperation in political and socio-cultural sectors, including economic ties to facilitate further development of the East Asian region. Its findings will be submitted in writing to the ASEAN plus Three Summit in 2001.

III. Terms of Reference

5. The Vision Group will assess the current state of intra-regional cooperation in East Asia with a view to clarifying the weak links in the region and examining their causes. In doing so, it may look into the discussions for inter and intra-regional cooperation taking place in other consultative bodies in East Asia.

6. In formulating the mid-to-long term vision for East Asia, the Vision Group will take into account the growing regionalism around the world as well as the intensifying globalism in trade, investment and finance. In this context, the Vision Group will search for a new paradigm for cooperation that makes the most of the potential within East Asia and contributes to economic development.

7. To facilitate the implementation of the new paradigm for cooperation, the Vision Group will propose concrete steps for closer cooperation among East Asian countries in economic, political, environmental and socio-cultural sectors.

IV. Organization and Operation

8. Each government will appoint to the Vision Group two renowned figures in academic, cultural and business circles of its own country:

i) The Vision Group members will take part as individuals, not as representatives of their countries, and form an intra-regional network of intellectuals;
ii) The Vision Group will start out with members from the ASEAN plus Three countries.

9. The Vision Group will meet five times prior to the 2001 ASEAN plus Three Summit. The first meeting will be held from October 21 to 22, 1999 in Seoul. The agenda and procedural rules will be determined at the first meeting. Key decisions of the Vision Group will be based on consensus to the extent possible.

10. At the first meeting, the Vision Group will elect a Chairperson. The government of the elected Chair's country will provide the secretariat services and administrative assistance for the Vision Group's meetings, publication of its reports and other activities directed by the Chair.

11. The Chair will make annual reports to the ASEAN plus Three governments. The final report will be submitted to the ASEAN plus Three Summit through its Senior Officials' Meeting.

12. The government hosting the Vision Group's meeting will bear all the costs of the meeting including the expenses of the individual members taking part in the meeting along with administrative support.

13. The rotating scheme for the hosting of the Vision Group's meetings is as follows:

i) Korea will host the 1st and the 5th meetings;
ii) China, Japan, and ASEAN Secretariat will host the 2nd, 3rd and 4th meetings, respectively.

V. Time Frame

14. The concrete plan for the formation of the Vision Group has been finalized. Most governments have appointed their members to the Group.

15. The 1st meeting of the Vision Group will be held from October 21 to 22, 1999, in Seoul just before the ASEAN plus Three Summit. The 2nd and the 3rd meetings are envisaged for the first and the second half of 2000, respectively, and the 4th for the first half of 2001.

16. The final 5th meeting is to be held in Seoul during the second half of 2001 prior to the ASEAN plus Three Summit. The final report of the Vision Group will be adopted at this meeting.

APPENDIX II

MEMBERS OF THE EAST ASIA VISION GROUP

Dr. HAN Sung Joo (EAVG Chairman, Republic of Korea)

Dr. Sung-Joo Han graduated from Seoul National University in 1962 and achieved his Ph.D. in Political Science from the University of California at Berkeley in 1970. He currently serves both as a professor of political science and Director of the Ilmin International Relations Institute at Korea University. Before returning to Korea University in 1995, he was the Republic of Korea's Minister of Foreign Affairs from 1993 to 94. He was also the UN Secretary-General's Special Representative for Cyprus from 1996 to 97 and a member of the UN Inquiry Commission on the 1994 Rwanda Genocide in 1999. Previously, Professor Han taught at the City University of New York (1970-78), Columbia (1986-87), and Stanford (1992), and was a distinguished fellow at the Rockefeller Brothers Fund (1986-87). Professor Han has served as chairman or co-chairman of several bilateral forums that the Republic of Korea has had with other countries, including ASEAN, Canada, Japan, France and the United States. He also served as the co-chairman of the Council on Security and Cooperation in Asia and the Pacific (CSCAP).

Pengiran Dato Paduka Osman PATRA (Brunei Darussalam)

Pengiran Dato Paduka Osman Patra obtained his BA (Hons) degree in Policy Making and Administration at Essex University, United Kingdom, in 1981. Upon graduation, he joined the Diplomatic Service Department in 1981 (known as the Ministry of Foreign Affairs since 1984) and attended a one-year Professional Training Course in International Relations and Diplomacy in West Berlin, 1982-1983 and achieved an MA in Area Studies at the School of Oriental and African Studies, University of London, in 1992. Currently he serves as Deputy Permanent Secretary of Policy Planning and is responsible for regional security as well as

multilateral economic affairs. He is also Head of the Brunei Darussalam Institute of Policy and Strategic Studies (BDIPPS). Prior to this, he held various positions as Director of Political Department (1996-1997) and First Secretary at the Brunei Darussalam Embassy in Manila (1984-1987).

Dr. Abdul Manaf METUSSIN (Brunei Darussalam)

Dr. Abdul Manaf Metussin graduated as a Mechanical Engineer from the University of Leeds, UK, in 1989 and had earlier spent time working in a UK engineering consultancy firm. After completing his Master's program from the University of Bradford, he worked at the Policy and Planning Unit of the Ministry of Industry and Primary Resources in Brunei before moving to a teaching post at the Universiti Brunei Darussalam (UBD). He gained his Ph.D. in Management at Canterbury Business School, UK, in 1999. While at the university, he presented and published several papers both locally and internationally and was also involved in several management consultancy projects. He was Deputy Dean of the Faculty of Business, Economic and Policy Studies at UBD and Head of the Entrepreneurship Development Unit before being assigned to the Brunei Darussalam Economic Council Secretariat (now known as the Economic Planning and Development Department, Prime Minister's Office).

Dr. Sorn SAMNANG (Cambodia)

Dr. Sorn Samnang received his Ph.D. in History from the Université Paris 7, Paris, France in 1995. Currently he is President of the Royal Academy of Cambodia, the highest training and research institution in Cambodia established in 1965 and reestablished in 1999. He has played an active role in the training of academics and researchers in Cambodia through the Master's and doctoral programs elaborated by the Royal Academy of Cambodia since 2000. Already from 1996, he has organized several national and international conferences in Phnom Penh to promote research activities in Cambodian higher education. Prior to that, he taught Cambodian History at the Teachers' Training College in Phnom Penh from 1981 to 1986 and at the Phnom Penh University from 1987 to 1998. He successively held position as Head of History Department from

1987 to 1998 and as Under-Secretary of State for Rural Development in early 1999.

Dr. Hang Chuon NARON (Cambodia)

Dr. Hang Chuon Naron studied International Economics at the Kiev State University and the Moscow State Institute of International Relations from 1982 to 1991. After receiving a Ph.D. in Economics at the Moscow Institute of International Relations, he worked in various diplomatic missions and research institutions as a political and economic analyst. He also worked as a World Bank consultant to the Royal Government of Cambodia. Dr. Hang Chuon Naron held various positions at the Ministry of Economy and Finance, such as Research Coordinator of the Economic Advisory Team and First Deputy Director of Budget and Financial Affairs Department. Then he was appointed Deputy Secretary-General in charge of policies, including fiscal and financial policies, ASEAN, as well as negotiation with the IMF and the World Bank. He is also an Economic Assistant to the Prime Minister and Secretary General of the Supreme National Economic Council.

Mr. SHI Chunlai (China)

Mr. Shi Chunlai studied at Peking University. Since 1999 till now, he has been acting as Senior Advisor at China Institute of International Studies, where he produced a number of articles and reports on Asia Pacific regional security, preventive diplomacy and other critical international issues. At the same time, he is also Secretary General of CSCAO China from 1996 till now. From 1978 to 1983, he acted as Counselor at Chinese Embassy in Tanzania and Zimbabwe. Upon returning to Beijing in 1984, he worked successively as Minister of Policy Research Department of the Chinese Foreign Ministry and Director-General of African Department of the same Ministry. From 1987 to 1993, he was successively appointed as Ambassador to Mexico and Ambassador to Australia. He took office as Deputy Director-General at China Center for International Studies and worked there for three years.