

2011 ASEAN FRAMEWORK FOR EQUITABLE ECONOMIC DEVELOPMENT

Adopted in Bali, Indonesia on 17 November 2011

GUIDING PRINCIPLES FOR INCLUSIVE AND SUSTAINABLE GROWTH

We, the Heads of State/Government of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Republic of the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand, and the Socialist Republic of Vietnam, Member States of ASEAN, at the 19th ASEAN Summit in Bali, Indonesia;

Recalling the Cha-am Hua Hin Declaration on the Roadmap for the ASEAN Community (2009-2015), the goal of establishing an ASEAN Economic Community (AEC) by 2015;

Emphasizing that equitable economic development is characterized by narrowing development gaps within and between Member States, better access to opportunities for human development, social welfare and justice, and more inclusive participation in the process of ASEAN integration and community building;

Recalling the guidance of the 18th ASEAN Summit to explore the role of ASEAN beyond 2015 and realize ASEAN as a region of equitable economic development, tasked Ministers to develop a Framework/Guiding Principles for Equitable Economic Development;

Realizing that the successful implementation of the AEC Blueprint will enable Member States to sustain economic growth and development and be part of a community of nations enjoying economic, social, cultural, political and regional security;

Recognizing that Member States will drive development according to their specific needs while benefiting from best practice, knowledge sharing, and ASEAN initiatives;

Do hereby:

Commit to further enhance the third pillar of the AEC Blueprint on Equitable Economic Development so as to provide our people with equal opportunities to benefit from regional economic integration;

Agree that equitable economic development calls on Member States to ensure that regional economic integration helps alleviate poverty and narrow the development gap within ASEAN through mutual assistance and cooperation;

Agree that this Framework provides the guiding principles for inclusive and sustainable growth for all sectoral and ministerial bodies under the AEC Pillars as follows:

INCLUSIVE AND SUSTAINABLE GROWTH

Targeting policies to promote sustainable growth and investment is an essential element of development and poverty reduction. This growth will be equitable if it is inclusive both within and between Member States. Inclusive growth is broad based across sectors and the general population by providing equal opportunities irrespective of income, gender, or size of enterprise.

CONNECTIVITY

Sustainable and inclusive development will be one of the key elements of our economic integration. Securing this growth is based on ensuring robust connectivity within and between our Member States. Connectivity encompasses physical, institutional, and people-to-people connectivity and therefore requires adequate physical infrastructure, human capital mobility, technology transfer, and access to markets.

COHESIVE ACTION

To ensure growth is inclusive and sustainable, the equitable economic development pillar mutually reinforces actions under the other AEC pillars of a single market, competitive economic region, and integration in the global economy. In addition to this function, the equitable development pillar guides policy actions to remove obstacles in narrowing development gaps.

SINGLE MARKET AND PRODUCTION BASE

An effective and sustainable integration of our region requires addressing the equity consequences of the transition to our integrated community. We must ensure that the poor as well as the less and especially the least developed Member States take advantage of the available opportunities that integration provides. Identifying the value chain and connectivity issues to enable access to markets by those in less and especially the least developed regions and Member States will be our focus. We will promote inclusive growth through enhanced economic activities by reducing and/or eliminating barriers to trade and investment, increasing private investment in the region and ensuring production and transaction costs remain competitive.

COMPETITIVE ECONOMIC REGION

We will ensure that actions to enhance competitiveness also support equitable economic development. We commit to addressing institutional, regulatory and policy bottlenecks to private investment, especially in less developed regions and Member States. Equity considerations will help prioritize infrastructure projects guided by the basic needs of our populations and targeting bottlenecks to development of less developed regions and Member States. We commit to ensure equitable growth by reducing the development divide through design and implementation of effective sub regional cooperation programmes that promote private sector investment.

INTEGRATION INTO THE GLOBAL ECONOMY

To ensure that all of our peoples benefit from the growth opportunities of our integration into the global economy, we affirm our collective resolve to take actions at the national and regional level. We recognize the importance of education and skills development in raising productivity, support for small and medium size enterprise, as well as broadening access to technology and finance.

FOSTERING INCLUSIVE GROWTH

Specific measures to target poverty reduction and protect the most vulnerable are needed under our pillar of equitable economic development. It is necessary to foster human development, strengthen national and regional connectivity, promote coherent macroeconomic cooperation, promote private sector industrial collaboration, SME development and effective capacity building. As our Member States integrate, they should look into introducing or improving the quality, coverage and sustainability of social protection. These measures should be complemented by contingency plans in the event of economic or other forms of instability. In this regard, we recognize the role of employment creating public outlays, such as on small-scale pro poor infrastructure projects.

FINANCING

With Member State led development efforts guided by our shared experiences, we recognize the need for mechanisms to support efforts guided by this Framework. In this regard, we see important roles for both private and public capital to support the needed institutional and capacity building, technology transfer, and financing. Innovative actions, such as aid-for-trade, that can boost the prospects for successful integration are encouraged.

We task the concerned ASEAN Ministers and the Secretary-General of ASEAN to implement this Framework with the support of Member States, Dialogue Partners, Development Partners of ASEAN as well as other external parties.