



**ASEAN Inter-Parliamentary Assembly (AIPA)
Meeting
on
“Post Financial-Economic Crisis and the Issue of Sustainable
Development: The Role of Parliamentarians”
Da Nang, Viet Nam, 07 March - 10 March 2010**

REPORT

**MEETING ON POST FINANCIAL-ECONOMIC CRISIS AND THE ISSUE
OF SUSTAINABLE DEVELOPMENT: THE ROLE OF
PARLIAMENTARIANS**

INTRODUCTION

1. Pursuant to the Resolution 30GA/2009/Eco/04 on Global Economic and Financial Crisis of the 30th AIPA General Assembly in Pattaya City, Thailand in 2009, the National Assembly of the Socialist Republic of Viet Nam was entrusted to host the AIPA Meeting of “Post Financial-Economic Crisis and the Issue of Sustainable Development: The Role of Parliamentarians” in Da Nang from 7 – 10 March 2010.

2. The Objectives of the Meeting were as follow:
 - a) Share information and experience to assess the impact of the economic crisis;
 - b) How ASEAN can play its role to turn crisis into opportunities and how it can direct its economy in the global arena to gain comparable advantage;
 - c) Encourage countries in the region to change development paradigm. Economy has to diversify its resources;
 - d) Encourage parliamentarians to maintain the fostering of economic growth and to take active role in sustainable development;
 - e) Improve legal framework to sustain development and continue reform agenda on economy and to enact law to help solve the problem, mindful of parliament as the highest policy making branch in our political system

PARTICIPANTS

3. The Meeting was attended by delegations from AIPA Member countries:

Cambodia was led by Hon. Mr. Min Sean, Indonesia was led by Hon. Mr. Ferrari Roemawi, Lao PDR was led by Hon. Dr. Ms. Souvanpheng Boupphanouvong, Malaysia was led by Hon. Mr. Ago Anak Dagang, the Philippines was led by Hon. Mr. Roque R. Ablan Jr., Thailand was led by Hon. Mr. Niramit Sujaree and Viet Nam was led by H.E. Mr. Nguyen Duc

Kien. The AIPA Secretariat was represented by Hon. Mr. Antonio V. Cuenco, Secretary General of AIPA. Brunei Darussalam and Singapore had sent apologies for not being able to attend the Meeting. Experts from Asian Development Bank (ADB) and World Bank were also present.

4. A list of the delegate is attached as Annex A.

OPENING CEREMONY

5. The Opening Ceremony was declared open by Hon. Mr. Nguyen Van Son, Chairman of the Foreign Affairs Committee of the National Assembly of the Socialist Republic of Viet Nam at 08.30 hours on Monday, 8 March 2010.

6. In his Opening Remarks, Hon. Mr. Nguyen Van Son, Chairman of the Foreign Affairs Committee of the National Assembly of the Socialist Republic of Viet Nam stated that this event is the implementation of Resolution adopted in the 30th AIPA General Assembly in Pattaya, Thailand last year. He noted that the aims of this seminar is to share information and experience to assess the impact of the economic crisis as well as to work out recommendations to encourage parliamentarians to maintain the fostering of economic growth and to take active role in sustainable development. This seminar is one of many activities organized under the chairmanship of AIPA Presidency currently held by Viet Nam.

7. The full text of the opening remarks is attached as Annex D.

8. After the Opening Remark, H.E. Mr. Nguyen Duc Kien, Vice President of the Socialist Republic of Viet Nam delivered a Welcoming Speech to the participants.

9. H.E. Mr. Nguyen Duc Kien, Vice President of the Socialist Republic of Viet Nam warmly welcomed participants to the AIPA Seminar and in his speech he stated that ASEAN as a region has been negatively impacted by the global financial and economic crisis. A new development plan is to take place to handle the post economic crisis. Such issues like poverty eradication, environment, curbing economic slowdown and achieving higher economic growth are some of the issues that can be shared in this seminar beside experience exchanges. He believed that this seminar is a good opportunity for Member of Parliaments to meet, share information and exchange experiences in legislation and monitoring responses to negative impacts of the financial and economic crisis and work out recommendation to Parliaments and Governments of ASEAN countries in maintaining sustained growth targets.

10. The full text of the Speech is attached as Annex E.

11. The Meeting adopted:

(a) Agenda (as Annex B);

(b) Programs of Activities (as Annex C);

FIRST SESSION:

12. The First Session of the Meeting “**Overview of the Crisis and its Economic and Social Consequences**” was held on Monday, 8 March 2010 at 09.40 hours and presided over by Hon. Mr. Nguyen Van Son, Chairman of the Foreign Affairs Committee of National Assembly of the Socialist Republic of Viet Nam.

13. Ms. Yumiko Tamura, Deputy Country Director of Asian Development Bank delivered her presentation on the topic of the Session which emphasizing on how Viet Nam responded to the global economic crisis. Her presentation is focusing on the Viet Nam case (**Responding to the Crisis-Viet Nam’s Experience and Lessons Learned**). Viet Nam has been able to attain a rapid recovery upon quick response and proper policy measures taken by the Vietnamese Government which include sending the right signal in timely manner, prioritization and sequences of policy measures, yet, Viet Nam must alert growing risk/vulnerabilities and need to continue improving business environment. As for the ASEAN as a collective entity, ASEAN can seek collecting efforts and concerting different measures to be exercised in order to overcome the crisis, and sending appropriate messages to the market.

14. She added that economic stimulus package was a social protection, mechanism to curb negative impact from economic crisis is important to prepare for future crisis. She emphasized on the need to restore fiscal sustainability through expenditure rationalization, enhance revenue, monetary tightening and restore confidence. Further on, she underscored the need to change development paradigm. Countries cannot continue to rely only on export-led model. They need to enhance efficiency to be a part of regional/global integration and a need for a changing regional scene. Turning the post-crisis challenges into opportunities by testing the maturity of the economy, applying policy effectiveness and market responsiveness. Continue, review or accelerate the reform of agenda and reinstate poverty reduction orientation.

15. The full text of ADB’s presentation is attached as Annex F.

16. H.E. Mr. Nguyen Duc Kien, Vice President of the S.R. Viet Nam stated that parliamentarians should take active part in overcoming the crisis, this is not only the job of Government. In the perspective of connection between growth and inflation, he said why Vietnam should accept higher growth but cannot lower inflation. In his opinion National Assembly of Viet Nam wants a higher economic growth in order to reduce deficit. National Assembly of Socialist Republic of Viet Nam has adopted a Resolution on adjusting some of the overall goals and specific targets of socio-economic development plan to match the new situation. In specific terms they are: highly focus efforts on curbing economic slowdown, maintain a proper and sustainable economic growth rate and stable macro-economy, actively prevent inflation, ensure social security of which the primary task is to curb economic slowdown. The National Assembly and its agencies’ proactive involvement has contributed to the overall success in preventing economic slowdown, recovering the economy and stabilizing the Vietnamese social situation. This crisis helped us be aware of quality of growth, policy and management of financial, monetary and banking flows, proactiveness and due care for employment, environmental pollution, social security, poverty reduction and negative consequences of urbanization.

17. Mr. Dinh Tuan Viet, Representatives from the World Bank stated that in the case of Viet Nam (in particular during economic crisis), the government can prevent part of the society

become worsefully affected by the crisis through applying price control on certain commodities such as milk for children. Reasonable price is registered to protect the society though different price practising is also found in Viet Nam. In his view, Viet Nam is integrating itself deeper into the global market.

18. The full text of the World Bank's presentation is attached as Annex G
19. Each Delegation of AIPA Member Countries presented their papers on the Topic of the Sessions.

Cambodia

20. The impact of financial crisis is affecting the world and is threatening long term objectives like the achievement of the Millennium Development Goals (MDGs). The emerging economies and least developed countries are suffering the effects of the global crisis. Financial market has collapsed, lending and investments opportunities are declining and exports are falling as demand decreases. Developing countries already facing higher food and energy price, lack the means and resources to protect their financial institutions or banks from bankruptcy. As the global recession continues to unfold, the financial economic crisis impact on the poorest is becoming visible. The world Bank is reporting that as many as 55 to 90 million people could be pushed into extreme poverty as a result of the crisis in addition to the estimated 160 to 200 million people who fell into poverty from rising food prices between 2005 and 2008.

21. The full text of the Cambodian presentation is attached as Annex H.

Indonesia

22. In Indonesia, small medium enterprises bear significant effects caused by the crisis. Production cost and living cost increased definitely. Crisis has contributed negative impacts to the nation in the region. Unemployment, reduction in real wages and benefits as well as tight credit facilities are serious problems that occurs globally. As financial crisis spreads, new vulnerable groups have emerged and the vulnerabilities are deepening in the societies. However, Indonesia views that global economic and financial crisis has provided opportunity to reform the existing international economic structure and requires active participation of developing countries. As member of the G20, Indonesia will continue to promote a constructive approach discussing issues in the G20 and continue to support the spirit of democracy in the G20 which encourage equality, trust building and solution-oriented whereas all countries have the opportunity for speaking on equal footing. Indonesia is committed to continue to maintain the basic characteristics of the G20 from the dominance and pressure of other countries

23. The full text of the Indonesian presentation is attached as Annex I

Lao PDR

24. The Global financial and economic crisis has been moderately affected to the overall socio-economic development in Lao PDR. Since the fifth National Socio-Economic Development Plan (NSEDP) in the period of 2001-2005 was developed under favorable conditions, the economy has begun to expand and build up the potential for growing at a faster pace in the following years. Production forces and socio-economic elements have built the necessary initial base for future growth. Lao PDR is less affected than many of its neighbours. The rate of growth remains stable and fundamentally strong due to continue expansion in production in mining and hydropower projects, manufacturing industry, construction and service sectors. However, there would be some impact to balance of payment for 2009 if there is a postpone of big foreign direct investment projects and prolonging economic contraction which may cause a decline in remittance of Lao people working abroad. The government budget deficit widened substantially during the first half of 2009, partly because of a decline in tax revenues including lower profit taxes from copper, and mainly because of a substantial jump in government expenditures (including off-budget expenditures) to finance the SEA Games in December 2009 and the subsequent 450th Anniversary of Vientiane Capital City.

25. The full text of Lao PDR's presentation is attached as Annex J.

Malaysia

26. Earlier in the 1997 crisis, Malaysian Government recognized regional crisis would deteriorate further rather than improve and decided to establish the National Economic Action Council (NEAC) in January 1998 to deal with the crisis, and prevent the economy from sinking into a deep recession. The recent financial and economic crisis stems from the fallout of the subprime mortgage crisis in the USA. This led to the collapse of large inter-connected financial institutions and subsequently triggering a global recession, the worst since 1930's.

27. The full text of Malaysian presentation is attached as Annex K

Myanmar

28. 2008 Global economic crisis was seemingly originated from developed nations in particular the USA as the economic power of the world. Myanmar could not escape from the situation though the consequences were less. Myanmar was not directly impacted but indirectly affected through foreign trade partners and investment. Myanmar still enjoys some kind of economic stability with its good neighbours such as China (as a powerful economy in the region), also with India, and Japan as traditional trading partner, Thailand, and other ASEAN countries. During the crisis, capital inflows and investments come from neighbouring countries. These are the factors that formed Myanmar's current economic policy.

29. The full text of Myanmar's presentation is attached as Annex L.

Philippines

30. The global financial and economic crisis started in the USA and other advanced economies. The crisis was transmitted to other countries in the world including the ASEAN through the slowdown in exports growth. This slowdown, combined with lower private consumption spending, resulted in lower growth rates for ASEAN economies in 2008 and 2009. Apart from the rapid decline in international trade volumes, another factor undermining growth in the region has been the flight to safety in capital markets. Capital has flowed back to the advanced economies from which the crisis originated, owing to their perceived fiscal capacity to protect their financial sectors. The crisis may already have costly and irreversible effects on human welfare and progress towards the Millennium Development Goals, as families with few (alternative) employment opportunities and little or no access to credit are forced to reduce the quantity and quality of their food intake or withdraw children from schools.

31. The full text of the Philippines's presentation is attached as Annex M.

Thailand

32. Thailand prepares with economic stimulus and social-welfare package to respond to the crisis.

SECOND SESSION:

33. The Second Session of the Meeting “**Measures to Respond to the Crisis by Respective Government of ASEAN Countries: Experiences and Practices**” was held on Monday, 8 March 2010 at 14.00 hours and presided by Hon. Anusart Suwanmongkol, Senator from the National Assembly of the Kingdom of Thailand.

34. The highlights of the discussions are as follows:

Cambodia

35. Cambodia has been approaching the crisis by two different angles, to address the financial and economic vulnerabilities while dealing with the social impacts on employment and income simultaneously. Cambodia is committed to ensuring macro-economic stability through the implementation of financial policy to stimulate growth, soft monetary policy and promoting the most active implementation of systematic reform programs, aiming at improving local business and investment climate in order to win the confidence and attract local and international investments. At the same time, Cambodia employs the existing and newly created social safety net programs to channel funding to fuel consumption as well as helping the poor and affected people. Within ASEAN, closer financial cooperation should become our top priority. Relationships with the plus three countries have become critical not only for ASEAN integration process, but also for a joint response to the global financial crisis.

36. The full text of the Cambodian presentation is attached as Annex H.

Indonesia

37. The Indonesian Parliament has supported the reactive and proactive policies of the Indonesian Government. Specifically, within the realms of its legislation and budgetary function. Indonesian Parliament has approved fiscal stimulus public spending amounting to 73,3 trillion Rupiahs as a package proposed by the Government jointly with the Central Bank (Bank Indonesia) equivalent to 2,6% of GDP. This is oriented towards achieving stability and enhancing household purchasing power so as to keep the consumption above 4%. The stimulus package consists of two elements, the first is the tax saving program which will benefit households and business, and the second is the additional program on infrastructure projects which are expected to create significant multiplier effects in household and spending on private sector. The Indonesian Parliament has supported the policies and effort of the Indonesian Government in restructuring the global economic regimes within the G20 Forum to accomodate developing economies in the world especially Southeast Asian region.

38. The full text of the Indonesian presentation is attached as Annex N

Lao PDR

39. To mitigate the impact on Lao people of future external and domestic crisis, measures are taken to place strong and clear law enforcement and regulations. Some of the measures are; Seek and increase opportunity to access for new funding. Promote all economic sectors equally to boost domestic production base on resource allocation, internal consumption, exports, tourism and investment. Maintain currency stability. Strengthening banking supervision. Raise effectiveness of good governance and cooperation between public and private sectors. Increase economic cooperation with neighbouring countries especially Viet Nam, China, Thailand and others to minimize current crisis.

40. The full text of Lao PDR's presentation is attached as Annex J.

Malaysia

41. The Malaysian Government implemented two stimulus packages. The first in November 2008 amounting to RM 7 billion (USD 2.1 billion) was financed through savings from fuel subsidies. As global economic conditions worsened, a second more comprehensive package of RM 60 billion (USD 17.6 billion) was announced in March 2009. The package involved a direct fiscal injection of RM 10 billion (USD 2.9 billion) in 2009 and RM 5 billion (USD 1.45 billion) in 2010. These stimulus packages focus on easing the burden of the people, sustaining credit flows to support private sector activities, job creation and training as well as building capacity for the future. With higher government spending, GDP contracted at a slower pace of 3.9% in the second quarter. Malaysia is comitted to transform itself into a high-income economy. The transition will be premised on the ability to innovate, creativity, and move into a higher-value activities. The common denominator in these factors is knowledge and technology. High-income economy requires labour force with strong analytical skills and inquiring minds.

42. The full text of the Malaysian presentation is attached as Annex O

Myanmar

43. The economic system of Myanmar is operated by both government and private enterprises (not totally relied on private sectors). When indications of instability of global and regional economy and financial occurs, Myanmar government as the strongest financial institution will act immediately to overpower the whole economic system. Problem solving is decisively and forcefully being put in place. When government monitoring system has made appropriate evaluations then a more relax financial system will return. The basic principles of the country is to conserve financial resources and raise productions. Lessons learned from the international crisis shows that without proper knowledge and appropriate functioning system, financial vulnerability is unpredictable.

44. The full text of Myanmar's presentation is attached as Annex P

Philippines

45. To reduce the impact of the global financial crisis, the Philippines has adopted several measures such as Assistance for OFWs and vulnerable domestic workers. Intervention program, deployment to emerging and niche foreign labor markets. Repatriation and reintegration assistance and livelihood enhancement. Increased focus on social protection programs to help vulnerable sectors cope with the effect of the crisis. Among the programs implemented are; (i) Conditional Cash Transfers for the poor to alleviate short term needs while investing in human capital, (ii) Philhealth Indigent Program which covers hospitalization and medical needs of the poor, (iii) Pangulong Gloria Scholarship which provides free job-directed training program and (iv) Food for School Program, an in-kind transfer program seeks to address hunger among the poor and reduce dropout rate. A growth strategy is also adopted to spur growth which accelerates spending for fast, simple, small-scale and off-the-shelf infrastructure with no right-of-way problems.

46. The full text of the Philippines's presentation is attached as Annex Q.

Thailand

47. Thailand responded to the crisis by implementing Prime Minister's economic stimulus and social-welfare package. The first package aims to prevent the economy from worsening further. Monthly living allowance of Bt 2000 for about 9 million low-income earners. Continuation of free electricity, tap water and bus transportation. School subsidies, retraining unemployed workers and improve quality of community through Sufficiency Economy program. The second package consists of doubling the annual tax deduction from Bt 100.000 to Bt. 200.000 for new home purchases and improving farm irrigation and water supplies to industries.

48. The full text of Thailand's presentation is attached as Annex R.

Viet Nam

49.

THIRD SESSION

50. The Third Session of the Meeting “**Challenges Facing Legislative Process to Ensure Sustainable Development Goal in the Post-Crisis-Period**” was held on Tuesday, 8 March 2010 at 08.30 hours and presided over by Hon. Ago Anak Dagang, Member of Parliament from the House of Representatives of Malaysia.

51. The highlights of the discussion are as follows:

Cambodia

52. Parliaments embody the will of the people in government and must ensure that they are truly responsive to the needs of their constituents. Essentially, Parliaments must help solve the problems that people are confronted with their daily lives. Responses to the crisis manifested themselves at a macro and micro level. At micro level, responses focused more on the regulatory framework of banks in the developed world. At macro level, the focus is more on the country specific responses to macro economics fundamentals. Irrespective of the varied responses, the crisis calls for a systematic and coordinated approach to manage its consequences. Parliaments have very important role to play in addressing the Global Financial Crisis. The crisis presents an opportunity to Parliaments for a robust and proactive action, which would ultimately ensure that governments remain accountable and responsive to the most vulnerable people in society.

53. The full text of the Cambodian presentation is attached as Annex H.

Indonesia

54. Indonesia views that it is important to emphasize the growing coherence of ASEAN Parliaments and promoting common position and possibly common legislations to gain greater voice in the process of globalization and reform of the global financial system. Parliament has a major role in overcoming the global financial crisis through fiscal discipline and the understanding and flexibility to provide for contingencies within the budget. Indonesian government has worked closely with parliament to develop fiscal stimulus and contingencies and implement them under strict parliament monitoring. Indonesia also views that high degree of economic interdependence among ASEAN countries indicates that there is an urgent need to have ASEAN Parliamentary collective actions to address the crisis including the support for the establishment of a new global financial architecture. Parliament needs to help government design fiscal policies, design better social and protection systems and incentives to keep existing jobs and create new ones, improve financial regulation and strengthen budgetary and legislative oversight to ensure rapid recovery.

55. The full text of the Indonesian presentation is attached as Annex S.

Lao PDR

56. Parliaments can raise public awareness for better understanding of the impact of financial and economic crisis. Urge to promote more financial cooperation between developed and developing countries to restore financial stability, mitigate negative social impacts on the livelihoods of people and provide support to socio-economic growth. Promote the efforts to implement constructive policies to overcome current economic and financial crisis. Response to ensure transparency and accountability, provide parliamentary oversight, oversee government intervention and lay down effective legislative and regulatory frameworks in the time of crisis.

57. The full text of Lao PDR's presentation is attached as Annex J.

Malaysia

58. The strategies for sustainable development called for are highly participatory instruments intended to ensure socially responsible economic development, while at the same time protecting the resource base and the environment for the benefit of our future generations. The Malaysian government launched a landmark policy called the National Green Technology Policy in July 2009. This policy serves as the basis for all Malaysian to enjoy an improved quality of life by ensuring that the objectives of national development policies will continue to be balanced with environmental consideration. Malaysia views that Green technology is essential for national economic growth towards achieving sustainable growth. Green Technology principles should be incorporated in developing any country's economy to help facilitate the development and application of products, equipment and system used to conserve the environment resources. National initiatives must also be supported with additional resources from developed partners, be it financial, technology and capacity-building. We must also ensure that financial assistance and transfer of related technologies is equally accessible to developing countries on a favourable term.

59. The full text of Malaysian presentation is attached as Annex T.

Philippines

60. The Philippines Congress has passed a number of key reform measures in the past three years that have cushioned the economy from the impact of the global crisis and which are expected to support long-term growth. In the 2010 budget, The House included substantial funds to finance the fight against poverty and attain the targets set in the Millennium Development Goals. Social services sector will get P 480 billion or almost a third of the entire budget. Of the amount, P 230 billion will fund services in education and manpower development, including Department of Education's operational budget.

61. The full text of the Philippines' presentation is attached as Annex U.

Thailand

62. The basis of sustainable economy contains two main activities; production and consumption. Once consumption equals production there is a balanced economy. To become sustainable economy, every community should be encouraged to produce or consume as needed rather than to produce or consume as wanted. Reducing excess consumption to the level of production will help reduce the community's debt burden. The community should produce to meet its consumption level. This will reduce dependency on other community, and shall bring the economy back to its normal level by using rationality, adequacy and proper immune system, according to the sufficiency economy.

63. The full text of Thailand's presentation is attached as Annex V.

Vietnam

64.

FOURTH SESSION

65. The Fourth Session of the Meeting "**Discussion on Proposal and Recommendations of the Seminar**" was held on Tuesday, 09 March 2010 at 09.00 hours and presided over by Hon. Mr. Tran Duc Linh, Member of Committee on Economics, the National Assembly of Viet Nam.

66. After discussions and agreement, participants from AIPA Parliament Members suggested recommendations to be submitted to the 31st General Assembly.

67. The full text of the Recommendations is attached as Annex W.

CLOSING SESSION

68. The Meeting was held in an atmosphere of traditional spirit of ASEAN hospitality and solidarity.

69. The Meeting was officially closed by Hon. Mr. Nguyen Van Son, Chairman of the Foreign Affairs Committee of the National Assembly of the Socialist Republic of Viet Nam at 11.50 hours on Tuesday, 9 March 2010.