



WILLIAM F. ACHTMEYER
CENTER FOR
GLOBAL LEADERSHIP

COLLECTIVE STRATEGIES FOR AN INTERDEPENDENT WORLD

SPEECH OF FORMER PRESIDENT FIDEL V. RAMOS
OF THE REPUBLIC OF THE PHILIPPINES
CEO SPEAKER SERIES AND TUCK LEADERSHIP FORUM
APRIL 23, 2002

INTRODUCTORY: OUR WORLD HAS BECOME TRULY INTERCONNECTED

I AM DELIGHTED TO BE AMONG YOU HERE IN THE TUCK SCHOOL OF BUSINESS AND THE DARTMOUTH COMMUNITY THANKS TO THE HOSPITALITY OF THE UNIVERSITY AND TO DR. VIJAY GOVINDARAJAN'S PERSISTENCE. ALLOW ME TO SPEAK ABOUT EAST ASIA AND THE ASIA-PACIFIC WHERE I COME FROM AND, IN ADDITION, TO DEAL WITH THE INTER-RELATED CONCERNS ON POVERTY AND TERRORISM, WHICH AFFECT ALL OF US.

PUSHED BY THE REGION'S STEADY RECOVERY FROM THE EAST ASIAN FINANCIAL CRISIS OF MID-1997, THE MOMENTUM FOR ECONOMIC INTEGRATION IN EAST ASIA IS BUILDING UP. IT'S IMMEDIATE IMPETUS HAS COME FROM AN UNEXPECTED DIRECTION: THE AGREEMENT IN BRUNEI DARUSSALAM IN NOVEMBER LAST YEAR BETWEEN ASEAN AND CHINA TO NEGOTIATE A FREE-TRADE AGREEMENT – "WITHIN FIVE-TEN YEARS." ASEAN PLUS CHINA WOULD EASILY BECOME THE WORLD'S LARGEST FREE-TRADE AREA—A POTENTIAL MARKET OF SOME 1.7 BILLION PEOPLE.

JUST AS INTERESTING WERE THE REACTIONS EVOKED BY THE AGREEMENT; FOR INSTANCE, THE UNITED STATES—WHICH HAS ALWAYS BRISTLED AT THE VERY MENTION OF AN EAST ASIAN ECONOMIC GROUPING—THIS TIME SAID NOT A WORD. HISTORICALLY, WASHINGTON HAS CONSISTENTLY OPPOSED THE IDEA OF AN EAST ASIAN ECONOMIC GROUP (EAEG) EVER SINCE PRIME MINISTER MAHATHIR FIRST PROPOSED IT IN 1990. THIS TIME THE U.S. WAS UNCHARACTERISTICALLY SILENT ABOUT

VERY MUCH THE SAME IDEA, WHEN IT WAS INITIATED BY CHINA'S PRIMER ZHU RONGJI.

SOME OBSERVERS OPINED THAT, IF AMERICA WOULD NOT BLOCK THE INITIATIVE THEN, PERHAPS, JAPAN WOULD. YET TOKYO—ONCE IT HAD RECOVERED FROM THE SHOCK OF BEIJING'S "DIPLOMATIC COUP"—PROFESSED IT WAS PLEASED WITH THE AGREEMENT AND THE PROBABLE BENEFIT OF STRENGTHENED RELATIONS BETWEEN ASEAN AND CHINA.

ALMOST UNNOTICED BECAUSE OF THE DRAMA OF THE ASEAN-CHINA ACCORD WAS THE INAUGURAL—ON NEW YEAR'S DAY OF 2002—OF THE FIRST PHASE OF AFTA, ASEAN'S OWN FREE TRADE AREA.

OUR WORLD, INDEED, HAS BECOME TRULY INTERCONNECTED—BUT IN A WAY FEW OF US HAD FORESEEN BEFORE SEPTEMBER 11TH (9-1-1). LET ME SAY A FEW WORDS ON THIS TO INTRODUCE THE GLOBAL DIMENSION.

LIKE MULTINATIONAL INDUSTRY, OSAMA BIN LADEN'S AL-QAEDA ORGANIZATION HAS SPREAD ITS NETWORK TO ALMOST EVERY CONTINENT. IT COUNTS ON PEOPLES OF VARIOUS NATIONALITIES FOR THEIR FANATIC LOYALTY IN THE WAR IT HAS DECLARED ON THE WHOLE OF WESTERN CIVILIZATION. THE SEPTEMBER 11TH TERRORISTS ATTACKS ON NEW YORK AND WASHINGTON KILLED CITIZENS FROM 83 COUNTRIES AND (ACCORDING TO UNITED NATIONS ESTIMATES) COST THE GLOBAL ECONOMY AT LEAST \$350 BILLION.

INTERNATIONAL TERRORISM, INDEED, IS PROVING TO BE THE DARKER SIDE OF GLOBALIZATION, AND THE ANTI-TERRORIST CAMPAIGN LED BY THE U.S. HAS BECOME A TWILIGHT STRUGGLE THAT INVOLVES COUNTRIES ALL AROUND THE WORLD IN A RANGE OF COMMITMENTS—FROM UNCONVENTIONAL WARFARE AND INTELLIGENCE COOPERATION TO HUMANITARIAN OPERATIONS AND PEACEKEEPING MISSIONS.

LIKE MOST OF THE GLOBAL COMMUNITY, THE PHILIPPINES SUPPORTS—UNEQUIVOCALLY—THE DIPLOMATIC, POLITICAL, AND OPERATIONAL

ACTIONS THE UNITED STATES AND ITS CLOSEST ALLIES ARE TAKING BY VIRTUE OF RESOLUTION 1368 OF THE UNITED NATIONS SECURITY COUNCIL.

NOT ONLY HAS THE PHILIPPINES OFFERED ITS AIR SPACE AND ITS SEA AND AIR BASE FACILITIES FOR THE TRANSIT OF COALITION PERSONNEL AND MATERIAL TO THE BATTLEFRONTS.

EVEN NOW OUR ELITE TROOPS—HELPED BY AMERICAN MILITARY SPECIALISTS—ARE PURSUING THE ABU SAYYAF BANDITS ASSOCIATED WITH THE AL-QAEDA NETWORK IN A SMALL CORNER OF MINDANAO IN THE SOUTHERN PHILIPPINES.

WHY WE NEED AN EAST ASIAN ECONOMIC GROUPING

THE DRIVE TOWARD AN ECONOMIC GROUPING RAISED SOME KEY QUESTIONS ABOUT EAST ASIAN INTEGRATION. IT IS OBVIOUS THAT A FREE TRADE AREA OF ASEAN-10 PLUS CHINA WOULD BE TEMPTING AND ULTIMATELY IRRESISTIBLE FOR THE INCLUSION OF JAPAN, SOUTH KOREA AND OTHERS.

WOULD SUCH A GROUPING BE OPEN AND INCLUSIVE—OR EXCLUSIVE AND CLOSED? AND WHAT OTHER COUNTRIES SHOULD THE EAST ASIAN ECONOMIC GROUPING INCLUDE?

HOW WOULD THE EAEG RELATE TO THE LARGER ASIA-PACIFIC ECONOMIC COOPERATION (APEC) FORUM?

WILL EAEG BE THE BUILDING BLOCK OF AN EVENTUALLY INTEGRATED ASIA-PACIFIC COMMUNITY?

THE SHORT ANSWER IS THAT WHILE THE ASEAN STATES ARE CULTIVATING THEIR NICHEs IN THE GLOBAL ECONOMY, THEY ALSO NEED ECONOMIES OF SCALE. ALL THE ASEAN CAPITALS ARE ACUTELY AWARE THAT THE ALTERNATIVE TO REGIONAL UNITY IS TO BECOME MARGINALIZED IN GLOBAL COMPETITION. EMERGING ECONOMIES CAN BENEFIT FROM GLOBALIZATION IF THEY CULTIVATE THEIR NICHEs IN THE GLOBAL DIVISION OF OPPORTUNITY AND SHARPEN THEIR COMPETITIVENESS.

TOWARD THIS GOAL, SINGAPORE IS WORKING TO TRANSFORM ITSELF INTO THE FINANCIAL CAPITAL AND HEADQUARTERS SITE FOR ALL OF SOUTHEAST ASIA. THAILAND HAS BECOME AN AGRICULTURAL POWERHOUSE; MALAYSIA ONE OF THE WORLD'S LARGEST MANUFACTURERS OF SEMICONDUCTOR COMPONENTS.

THE PHILIPPINES IS BUILDING UP ITS "BACK-OFFICE" EXPERTISE IN GLOBAL INFORMATION AND COMPUTER TECHNOLOGY, ESPECIALLY IN ACCOUNTING, SOFTWARE DEVELOPMENT, AND TECHNICAL SUPPORT—THANKS TO ITS PLENTIFUL SUPPLY OF "KNOWLEDGE WORKERS."

BUT THE SMALLER ECONOMIES OF EAST ASIA MUST NOT ONLY FIND GLOBAL NICHES WHICH WILL ENABLE THEM TO FOCUS ON THEIR CORE COMPETENCIES. THEY MUST ALSO CREATE SCALE FOR THEMSELVES BY FORMING OR JOINING REGIONAL BLOCS.

THROUGHOUT THE WORLD, REGIONALISM CONTINUES. ALREADY THE BUSH ADMINISTRATION HAS PROPOSED EXPANDING NAFTA (THE NORTH AMERICAN FREE TRADE AREA) TO ENCOMPASS CENTRAL AND SOUTH AMERICA IN A GRAND "FREE TRADE AREA OF THE AMERICAS."

MEANWHILE, THE EUROPEAN UNION—WHERE REGIONALISM IS MOST ADVANCED—STARTED TO USE A COMMON CURRENCY. EIGHTY PERCENT OF WESTERN EUROPE'S TOTAL TRADE IS NOW CARRIED ON WITHIN THE EURO ZONE MADE UP OF 12 COUNTRIES. AND THE E.U. IS ALSO ADDING A EUROPEAN ARMED FORCES TO ITS POLITICAL MUSCLE.

EVEN AS EUROPE AND NORTH AMERICA CONSOLIDATE POWERFUL TRADING AND NEGOTIATING BLOCS, EVEN WHILE ASEAN IS COMPLETING THIS FIRST PHASE OF AFTA, ASEAN IS SPEEDING UP ITS EFFORT TO REACH OUT TO THE THREE NORTHEAST ASIAN POWERS (ASEAN PLUS THREE), REALIZING THAT THE ALTERNATIVE TO REGIONAL UNITY IS TO BE LEFT OUT IN THE COLD.

SUCH A COMBINATION OF ASEAN PLUS THREE (OR ASEAN + CHINA + OTHERS) COULD GENERATE ENOUGH LEVERAGE TO COMPEL RECIPROCITY ON THEIR TRADING

PARTNERS IN NAFTA AND THE EUROPEAN UNION. ONLY BY STANDING TOGETHER CAN EAST ASIA PERSUADE THE RICH COUNTRIES TO DISMANTLE THE HUGE EXPORT SUBSIDIES THEY STILL GIVE THEIR FARMERS, AND TO ALLOW FREER MARKET ACCESS TO FOOD PRODUCTS, TEXTILES AND OTHER LABOR-INTENSIVE EXPORTS FROM THE DEVELOPING COUNTRIES.

ONLY AN EAST ASIAN ECONOMIC BLOC CAN SPEAK AUTHORITATIVELY FOR ALL THE POOR COUNTRIES ON THE QUESTION OF INTELLECTUAL PROPERTY RIGHTS, AS WELL AS ON ENVIRONMENTAL, LABOR, AND HUMAN RIGHTS ISSUES ON THE WORLD TRADE ORGANIZATION AGENDA.

ASEAN PLUS CHINA

ASEAN PLUS ONE MITIGATES CHINA'S COMPETITIVE IMPACT ON SOUTHEAST ASIA'S ALREADY-FRAIL LABOR-INTENSIVE ECONOMIES—A CHALLENGE BOUND TO INTENSIFY WITH CHINA'S ACCESSION TO THE WORLD TRADE ORGANIZATION.

NO COUNTRY HAS EXPANDED ITS FOREIGN TRADE AS FAST AS CHINA HAS DONE OVER THESE LAST 20 YEARS. WHILE JAPAN DOUBLED ITS FOREIGN TRADE DURING THE SAME PERIOD, CHINA'S FOREIGN TRADE HAS QUINTUPLED OVER A SIMILAR TIME-FRAME.

ALREADY, CHINA IS THE SEVENTH-LARGEST TRADING ECONOMY. IN 1999 ITS EXPORTS TO THE UNITED STATES ROSE TO OVER 24% OF ALL EAST ASIA'S EXPORTS, UP FROM 22% IN 1997. MEANWHILE, ASEAN'S OWN SHARE FELL TO 20% FROM 23%.

CHINA'S LABOR COSTS ARE THE LOWEST IN EAST ASIA—OUTSIDE OF INDONESIA'S. ALREADY IT HAS BECOME THE PRE-EMINENT PRODUCER OF LOW-VALUE MANUFACTURED GOODS IN THE WORLD. RELATIVELY CHEAP CHINESE EXPORTS LIKE GARMENTS, REFRIGERATORS AND MOTORCYCLES ARE STRANGLING DOMESTIC MANUFACTURING OF SIMILAR HOUSEHOLD ITEMS IN INDONESIA AND VIETNAM.

THE ONLY LONG-TERM SALVATION FOR CHINA'S COMPETITORS IS TO MOVE UP THE VALUE-ADDED LADDER TO HIGHER-TECHNOLOGY LEVELS—AHEAD OF CHINA'S

LOWER-COST MANUFACTURING SECTOR. THIS STRATEGY THE PHILIPPINES ADOPTED DURING MY TERM AS PRESIDENT.

GIVEN THE DOWNTURN IN ASEAN'S TRADITIONAL MARKETS (IN THE U.S., JAPAN AND THE E.U.), CHINA IS EMERGING AS A MAJOR ENGINE OF GROWTH FOR SOUTHEAST ASIA. TRADE BETWEEN CHINA AND THE SIX OLDER ASEAN STATES HAS MULTIPLIED FROM LESS THAN \$9 BILLION IN 1993 TO MORE THAN \$32 BILLION IN MID-2001. AND CHINA'S ACCESSION TO THE WTO SHOULD MAKE IT AN EXPANDED EXPORT MARKET FOR ASEAN.

ASEAN PLUS CHINA WILL HAVE A POTENTIAL MARKET OF MORE THAN 1.7 BILLION PEOPLE; A COMBINED GNP OF SOME US\$ 2 TRILLION; AND TOTAL EXTERNAL TRADE VALUED AT ABOUT \$1.3 TRILLION.

ASEAN PLUS CHINA ALSO OFFERS THE PROBABILITY OF INCREASED INVESTMENTS FROM CHINA'S NEW MULTINATIONALS. ALREADY, CHINA'S BIGGEST CORPORATIONS ARE BEGINNING TO LOCATE THEIR PLANTS IN SOUTHEAST ASIA TO SERVE AS EXPORT BASES AVAILING OF THE ADVANTAGE OF AFTA'S PREFERENTIAL TREATMENT. GIVEN ASEAN'S STRONG LINKAGES TO THE GLOBAL NETWORKS OF THE OVERSEAS CHINESE, WE MAY EXPECT SOUTHEAST ASIA TO BE A PRIME DESTINATION OF CHINA'S GROWING FOREIGN INVESTMENTS.

JAPAN'S INITIATIVES TO BROADER REGIONALISM

CAN JAPAN AFFORD TO STAY OUT OF AN ASEAN-CHINA FREE TRADE AREA? OR, TO PUT IT ALTERNATIVELY, CAN ASEAN AND CHINA AFFORD TO KEEP JAPAN OUT?

JAPAN'S ECONOMY, AS WE KNOW, HAS BEEN STAGNANT FOR A DECADE—BUT EVEN IN ITS DOLDRUMS, JAPAN'S ECONOMY STILL DWARFS ALL OF EAST ASIA'S. ITS ECONOMY OF \$4.7 TRILLION IS EIGHT TIMES LARGER THAN ALL THE ASEAN ECONOMIES COMBINED, AND ALMOST FIVE TIMES LARGER THAN CHINA'S ECONOMY.

EVEN WITH ASEAN PLUS CHINA PUT TOGETHER (AT \$2 TRILLION PER TODAY'S GNP ESTIMATES), JAPAN'S ECONOMY WOULD STILL BE MORE THAN TWICE LARGER. NOT ONLY THAT, JAPAN IS ALSO THE BIGGEST OFFICIAL DEVELOPMENT ASSISTANCE (O.D.A.)

DONOR TO MALAYSIA, INDONESIA, THAILAND, MYANMAR, CAMBODIA, THE PHILIPPINES, VIETNAM AND LAOS—NOT TO MENTION CHINA.

WHILE JAPAN'S O.D.A. HAS BEEN REDUCED BY SOME 10%, AND ITS FOREIGN DIRECT INVESTMENT SLOWED DOWN CONSIDERABLY, JAPANESE FIRMS STILL INVESTED \$2 BILLION IN ASEAN ECONOMIES IN 2000, EVEN AFTER A DECADE OF DECLINE.

BEYOND BEING SOUTHEAST ASIA'S MOST IMPORTANT TRADING PARTNER, JAPAN CONTINUES TO BE A KEY PLAYER IN THE EAST ASIAN BALANCE OF POWER, IN THE FACE OF A STRONGER AND MORE ASSERTIVE CHINA TODAY.

MANY THOUGHT TOKYO WOULD BLOCK THE ASEAN-CHINA INITIATIVE, BUT THE KOIZUMI GOVERNMENT INDICATED ITS WELCOME AND SOON AFTERWARDS PROPOSED ITS OWN FREE TRADE ARRANGEMENTS WITH THE SOUTHEAST ASEAN STATES. VISITING THE KEY ASEAN STATES EARLIER THIS YEAR, PRIME MINISTER KOIZUMI SIGNALLED HIS REACTIONS TO THE ASEAN PLUS ONE AGREEMENT WITH HIS OWN PROPOSALS FOR STRENGTHENING REGIONALISM.

SPEAKING IN SINGAPORE—HIS LAST STOP—MR. KOIZUMI TOOK CARE TO STRESS THE MERITS OF USING GLOBAL AGREEMENTS—BETTER THAN REGIONAL BLOCS—TO LOWER TRADE BARRIERS. AFTER SIGNING AN “ECONOMIC AGREEMENT FOR A NEW AGE PARTNERSHIP WITH SINGAPORE”—ESSENTIALLY A FREE-TRADE AGREEMENT PAIRED WITH PLANS TO PROMOTE TIES IN SCIENCE AND TECHNOLOGY, HUMAN-RESOURCE DEVELOPMENT AND TOURISM—THE JAPANESE PRIME MINISTER SKETCHED HIS VISION OF A WIDER TRADING GROUP HE CALLED THE “PACIFIC ECONOMIC BLOC.”

THIS HE DEFINES AS A BROAD PARTNERSHIP BASED IN DEMOCRACY AND ECONOMIC OPENNESS THAT WOULD IMMEDIATELY BRING IN AUSTRALIA AND NEW ZEALAND AND SOUTH KOREA—AND THE UNITED STATES AND CANADA SOMETIME LATER.

THAT AN EAST ASIAN POWER BALANCE WITHOUT THE UNITED STATES BEING PART OF THE EQUATION WILL NOT WORK IS A PRINCIPLE OF JAPAN'S STRATEGIC VIEW OF THE REGION.

THE ALLIANCE WITH THE U.S. AS THE FOREMOST MARITIME POWER IS THEREFORE VITAL FOR JAPAN—WHOSE FIRST PRIORITY MUST BE TO PRESERVE IT.

TOKYO, APPARENTLY, ALSO THINKS THAT REGIONAL UNITY BY WAY OF A NETWORK OF BILATERAL FREE-TRADE AGREEMENTS WOULD BE EASIER TO ORGANIZE THAN FULL-FLEDGED, EUROPEAN-STYLE ECONOMIC INTEGRATION.

AS PART OF THIS EFFORT, JAPAN IS CONSIDERING TWO-WAY FREE-TRADE ARRANGEMENTS WITH THAILAND, SOUTH KOREA, TAIWAN, MEXICO, AND CANADA. TOKYO HAS ALSO LAUNCHED WHAT IT CALLS AN *INITIATIVE FOR DEVELOPMENT IN EAST ASIA* (OR I.D.E.A.) WHICH WOULD FOCUS ON REDUCING REGIONAL DISPARITIES AND STIMULATING REGIONAL COOPERATION—NOT ONLY WITHIN AN ASEAN PLUS THREE GROUPING BUT ALSO WITH ITS “DEVELOPMENT PARTNERS,” AUSTRALIA, NEW ZEALAND, THE UNITED STATES AND CANADA.

TOWARD AN EAST ASIAN COMMUNITY

LET US NOW TURN TO THE QUESTION OF HOW AN EAST ASIAN GROUPING WOULD RELATE TO THE ASIA-PACIFIC COMMUNITY ENVISIONED BY THE APEC ECONOMIES.

ON PRESIDENT KIM DAE-JUNG’S SUGGESTION TO THE ASEAN PLUS THREE LEADERS, AN INFORMAL COMMITTEE OF REGIONAL INTELLECTUALS HAS BEEN WORKING TO FLESH OUT THE SO-CALLED EAST ASIA FREE TRADE AREA. THE COMMITTEE ENVISIONS THE LIBERALIZATION OF TRADE WITHIN EAST ASIA AS BEING COMPLETED “WELL AHEAD OF THE BOGOR GOAL SET BY APEC” OF FREE AND OPEN TRADE AND INVESTMENT FOR APEC’S MATURE ECONOMIES BY 2010 AND FOR ITS DEVELOPING ECONOMIES BY 2020.

AN EAST ASIAN ECONOMIC GROUPING ALREADY IN PLACE BEFORE THESE TARGET-DATES WILL OBVIOUSLY INCREASE EAST ASIA’S BARGAINING POSITION. BUT I FOR ONE DO NOT FORESEE ANY MAJOR CONTRADICTION BETWEEN AN EAST ASIAN GROUPING AND THE WIDER APEC FRAMEWORK.

ALL OUR COUNTRIES REALIZE THE DANGERS INHERENT IN NARROW REGIONALISM—EVEN AS WE APPRECIATE THE VALUE OF HAVING LEVERS OF OUR OWN IN NEGOTIATING WITH OTHER BLOCS ALREADY WELL-ESTABLISHED.

ASEAN'S CENTRAL ROLE IN REGIONAL DIPLOMACY ASSURES US THAT FUTURE GROUPINGS WILL BE OPEN AND INCLUSIVE.

SINCE THE END OF THE COLD WAR, ASEAN HAS OFFERED THE GREAT POWERS WITH INTERESTS IN THE ASIA-PACIFIC A CONVENIENT FORUM FOR DISCUSSING THEIR POLITICAL AND SECURITY RELATIONS THRU THE ASEAN REGIONAL FORUM (ARF) AND THE POST-MINISTERIAL DIALOGUES WITH THE MAJOR ECONOMIES OUTSIDE THE ASIA-PACIFIC REGION.

BECAUSE ASEAN IS NON-THREATENING, THE LARGER POWERS HAVE BEEN CONTENT TO LET IT TAKE THE INITIATIVE ON REGIONAL SECURITY PROBLEMS. THUS, ASEAN HAS BECOME THE HUB OF CONFIDENCE-BUILDING ACTIVITIES AND PREVENTIVE DIPLOMACY IN EAST ASIA.

COLLECTIVE ACTION AGAINST TERRORISM

TURNING BACK TO OUR SHARED DANGERS RAISED BY INTERNATIONAL TERRORISM, LET ME RECORD THAT THE PHILIPPINES HAS HAD MUCH EXPERIENCE IN INTERNATIONAL COOPERATION TO DEFEND FREEDOM WHEREVER IN THE WORLD IT IS THREATENED. OUR TROOPS TOOK PART IN BOTH THE KOREAN AND THE VIETNAM WARS. AND WE CONTRIBUTED TO PEACEKEEPING FORCES TO THE FORMER BELGIAN CONGO, CAMBODIA, HAITI, KOSOVO, AND EAST TIMOR.

IN RECENT YEARS, OUR ARMED FORCES AND OUR NATIONAL POLICE HAVE OPERATIONAL SUCCESSES IN UNCOVERING A CELL OF TERRORISTS ASSOCIATED WITH AL-QAEDA—WHICH HAD PLANNED TO ASSASSINATE PRESIDENT BILL CLINTON IN NOVEMBER 1994 WHILE ON A STATE VISIT TO THE PHILIPPINES, TO KILL POPE JOHN PAUL II IN MANILA IN 1995 AND TO HIJACK ELEVEN AIRLINERS OVER ASIA. YOU MAY RECALL THAT ITS LEADERS, RAMZI YOUSEF, AN OSAMA BIN LADEN PROTÉGÉ, ALSO CARRIED OUT THE WORLD TRADE CENTER BOMBING OF FEBRUARY 1993.

IN EARLY 1996, WHILE PRESIDENT, I CALLED A GATHERING OF SENIOR OFFICIALS OF 20 COUNTRIES UNDER TERRORIST THREAT—TO PLAN COLLECTIVE ACTION AGAINST EXTREMISTS WHO WOULD USE VIOLENCE TO DISRUPT PEACE AND DEVELOPMENT IN OUR PART OF THE WORLD.

IN THAT SENSE, WE ANTICIPATED THE STRUGGLE THE GLOBAL COMMUNITY IS NOW BEING FORCED TO WAGE—AGAINST AN ENEMY WHO IS LARGELY FACELESS AND UNSEEN, AND WHO RANGES ACROSS NATIONAL FRONTIERS TO ATTACK VULNERABLE TARGETS.

NO ONE CAN MEASURE THE LIMITS OF THIS VIOLENT CHALLENGE—SINCE IT OPERATES NOT ONLY ON THE FRONTLINES OF TACTICAL COMBAT, BUT ALSO ON POLITICAL, ECONOMIC, ETHNIC, AND SCIENTIFIC BATTLEFIELDS.

BELIEVE IT OR NOT—IT IS THE EXPORT-ORIENTED DEVELOPING ECONOMIES THAT HAVE SUFFERED THE WORST COLLATERAL DAMAGE FROM THE SEPTEMBER 11TH ATTACKS. IN EAST ASIA, SEVERAL NATIONAL STOCK EXCHANGES—THAT OF THE PHILIPPINES AMONG THEM—DROPPED TO THEIR LOWEST LEVELS IN TEN YEARS.

AND, LIKE IT OR NOT, YOUR NEW BUSINESS MODELS MUST INCLUDE COLLECTIVE STRATEGIES FOR DEALING WITH THIS NEW THREAT TO THE TRANQUILITY—AND THE FRAGILE PROSPERITY—OF OUR INTERCONNECTED WORLD.

DEVELOPMENT WITH A HUMAN FACE

LAST MONTH—AT YET ANOTHER GLOBAL CONFERENCE ON POVERTY AND DEVELOPMENT IN MEXICO—THE RICH COUNTRIES PROMISED AGAIN TO DO MORE TO HELP THE WORLD'S NEEDIEST—TO END THE CYCLE OF ECONOMIC DISORDER THAT PLAGUES THE DEVELOPING WORLD, AND TO EASE THE MASS POVERTY WHICH HAS BECOME A BREEDING GROUND FOR ANGER, FATALISM, AND DESPAIR.

IN THE POOR COUNTRIES, BOTH UNEVEN GROWTH AND STAGNATION INEVITABLY CREATE SOCIAL STRESSES AND INTERNAL STRIFE—AND ENDURING HARDSHIP FOR

COMMON FOLK. FUNDAMENTALISM FEEDS ON THE FRUSTRATIONS INHERENT IN IMPOVERISHED PEOPLES LIVING ON THE MARGINS OF AN UNATTAINABLE KNOWLEDGE SOCIETY AND CONSUMERIST WORLD.

THEREFORE, THE GLOBAL ANTI-TERRORIST COALITION MUST DO ALL IT CAN TO REDUCE AND, HOPEFULLY, TO REMOVE POVERTY AS A SOURCE OF CONFLICT—BY HELPING THE WORLD’S POOREST PEOPLES TAKE PART IN HUMANKIND’S ADVENTURE OF DEVELOPMENT.

THE WORLD BANK CALLS FOR SCALING UP OF FOREIGN AID FROM THE RICH COUNTRIES. ITS PRESIDENT, JAMES WOLFENSOHN, ARGUES THAT OFFICIAL AND PRIVATE AID PROGRAMS SHOULD FOCUS ON DEVELOPMENT ASSISTANCE. WOLFENSOHN ASSERTS THAT THE POINT OF FOREIGN AID SHOULD BE TO HELP COUNTRIES THEMSELVES.

WHEN POOR PEOPLES BREAK THROUGH TO SUFFICIENT LEVELS OF INCOME, HEALTH, AND LITERACY, THEY COULD—ON THEIR OWN—SUSTAIN THE GAINS OF DEVELOPMENT. IN THIS REGARD, BUILDING SELF-RELIANCE AND MICRO-ENTREPRENEURSHIP SHOULD BE GIVEN TOP PRIORITY BY ANTI-POVERTY CAMPAIGNERS AND GOVERNMENTS.

INDEED, DEVELOPMENT MUST HAVE A HUMAN FACE: DEVELOPMENT MUST BE ACCOMPANIED BY ENDURING PEACE IN ORDER TO BE SUSTAINABLE.

AS A FOUNDING MEMBER OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION’S POLICY ADVISORY COMMISSION (WIPO-PAC), I HAVE ALWAYS ADVOCATED THAT THE RICH COUNTRIES SHOULD HELP EASE GLOBAL INEQUALITIES BY SHARING WITH THE POOR COUNTRIES THEIR INTELLECTUAL PROPERTY (CONSISTING OF INVENTIONS, INNOVATIONS, CREATIONS, AND R&D PRODUCTS).

AT THE THIRD MEETING OF THE COMMISSION IN GENEVA LAST OCTOBER, I REITERATED THE IMPORTANCE OF **CARING**, **SHARING** AND **DARING** AMONG NATIONS IN PUSHING FORWARD THE FRONTIERS OF UNIVERSAL PEACE AND DEVELOPMENT. AS IN A LOCAL

COMMUNITY, OUR **CARING, SHARING, AND DARING** FOR EACH OTHER COULD BE AS EFFECTIVE, RESPONSIVE AND IMPACTFUL WITHIN THE GLOBAL ARENA.

CARING AND **SHARING** MAY BE EASY ENOUGH TO DO. BUT **DARING** TO SACRIFICE FOR THE COMMON GOOD—TO GIVE MORE THAN TO TAKE—TO UNDERTAKE CONCERTED ACTION TO MAKE A DIFFERENCE—MAY BE MUCH MORE DIFFICULT.

I HAVE ALWAYS URGED THAT THOSE DISCOVERIES AND TECHNOLOGIES VITAL TO IMPROVING PUBLIC HEALTH, INCREASING LIFE EXPECTANCY, FACILITATING EDUCATION, ENHANCING THE ENVIRONMENT, AND REDUCING MASS POVERTY SHOULD BE TRANSFERRED EXPEDITIOUSLY, CONCESSIONALLY, AFFORDABLY—BETTER, AT COST—“PRO BONO” EVEN—TO THE “HAVE-NOT” PEOPLES.

TO MY MIND, BRIDGING THE GAPS IN FAMILY INCOME, HEALTH, SECURITY, ENVIRONMENTAL CONDITIONS, SOCIAL MOBILITY, JOB OPPORTUNITIES, AND MATERIAL COMFORT AMONG THE PEOPLES OF THE WORLD AND WITHIN EACH COUNTRY WILL DO A GREAT DEAL TO REDUCE TERRORISM, CIVIL WAR, SOCIAL CONFLICT.

SUMMING UP

WHAT I HAVE OUTLINED HERE ARE MY OWN THOUGHTS ON THE FUTURE OF REGIONALISM IN THE ASIA-PACIFIC, AND THE FIGHT WE MUST WAGE NOT ONLY AGAINST INTERNATIONAL TERRORISM OF THE AL-QAEDA KIND BUT ALSO THE MORE DEADLY FORM OF TERRORISM WHICH IS MASS POVERTY.

I AM CERTAIN MY MODEST PROPOSALS WILL NOT PLEASE EVERYBODY. I ALSO REALIZE THAT, AT THE VERY LEAST, A MORE SYSTEMATIC AND MORE RIGOROUS EXAMINATION OF REGIONAL RELATIONSHIPS IS NEEDED TO OVERCOME THE BARRIERS TO CLOSER COOPERATION.

OF COURSE, RELATIONS AMONG THE ASIA-PACIFIC POWERS WILL ALWAYS BE AN INTERPLAY OF COMPETITION AND COOPERATION. AND THE STRATEGIC CHALLENGE WILL ALWAYS BE FOR ALL OUR COUNTRIES TO ENSURE THAT THE SPIRIT OF

COOPERATION IS ALWAYS STRONGER THAN THE COMPETITIVE IMPULSE. AND, WE MUST ALWAYS KEEP BEFORE US THE VISION OF AN EAST ASIAN COMMUNITY IN HARMONY WITH THE GLOBAL SYSTEM.

FINALLY, LET ME SAY TO OUR AMERICAN PARTNERS THAT WHEN DEMOCRACY FRAYS BECAUSE OF THE LACK OF EQUAL OPPORTUNITY, OTHER POLITICAL SYSTEMS PREVAIL. THE WORLD HAS HAD ENOUGH OF TOTALITARIAN AND TERRORIST REGIMES, THERE IS WHERE TO PLANT THE SEEDS OF DEMOCRACY. THERE IS WHERE HUMANITY MUST BE SERVED. THERE IS WHERE WE NEED TO PUT OUR MUSCLE AND MINDS—BEHIND THE PROGRAM THAT EMPOWER PEOPLE.

EMPOWERING PEOPLE TO BECOME MORE SELF-RELIANT AND STRENGTHENING THE VOICES OF THOSE WE HAVE NOT HEARD FROM BEFORE—THESE COULD BE OUR GIFTS TO THE “HAVE-NOTS.”

THE POOR NEED A CHANCE—A WORKING CHANCE—TO LEAD LIVES OF PRODUCTIVITY AND PRIDE. THAT IS WHAT THEY WANT FOR THEMSELVES, AND THAT IS WHAT WE WANT FOR THEM.

WE CAN AMPLIFY THEIR VOICES IN BOARDROOMS, IN POLITICAL CIRCLES, IN PARLIAMENTS, IN ALL OTHER PLACES WHERE FUNDING IS GRANTED, PRIORITIES ARE SET, AND POLICIES ARE DETERMINED. OTHERWISE, TERRORISM MAY PREVAIL.

THANK YOU AND MABUHAY (BEST WISHES)!!!