

Keynote Speech

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Prime Minister Kim, Governor Woo, Director Shou, Mr. Chairman of the East Asia Foundation, and ladies and gentlemen. I thank the Jeju Peace Institute for inviting me to be among the keynote speakers for this forum on the New Asia for Peace and Prosperity. This current theme cannot be more timely at this juncture in the history of the region and the world. In the past half century, Asia has transformed from an impoverished Cold War battleground to a global economic juggernaut.

After the Americans left Vietnam in 1975 and the Russians relinquished Central Asia in the 1990's, our region has been blessed with rapidly spreading prosperity. In China and India, economies are doubling in size every half dozen years; lifting poor people by the tens of millions into a better life. East Asian smaller economies have rebounded from the global recession; Japan too, except for the devastation and disruption caused by the March 11 earthquake.

Meanwhile, North America and Western Europe remain mired in financial woes that hold back recovery and limit future gains for next economies in Latin America and Africa. The Asian Development Bank says

that if Asia continues to grow on its current trajectory, by 2050, it could account for more than half of the global domestic product trade and investment and enjoy widespread prosperity afterwards. This six-fold rise in income would be similar to current European levels. It thus holds the promise of bringing affluence for 3 billion additional Asians. Asia would regain its dominant global economic position held some 250 years ago before the industrial revolution. Some have called this possibility, the Asian Century.

The upcoming Asian Century calls for a new vision for Asia. A new vision of Asia's growth, that leads to the prosperity and development of the world economy. A vision for Asia where chronic poverty is marginalized and the marginalized become part of a robust middle class, a new vision of Asia that drives its economies to a first world status within 20 years, a vision of Asia with improved efficiency of natural resource use, a vision of Asia with a decrease in the disparities across countries and sub regions, a vision of Asia with a minimal carbon footprint, and a vision of Asia with whole models of a modern society where institutions are strong. In some, the new vision for Asia should be one where economic growth is able to sustain the social and environmental fabric in a responsible manner. Asia's present trajectory gives me confidence, I am optimistic that it should be well on its way to achieve this vision of prosperity. The growth engine of Asia can promise robust economies and lift up the poor; it must.

As our economic engines drive all of Asia to a first world status, we must not do so by surrendering the battle for the poor or at the expense of our environment. As a region, we have the chance to get it right. We can realize the best profits of development, while avoiding the mistakes of modernization that have plagued many nations. We must use every tool

available to us, education, technology, and micro finance, to lift up the poor and achieve equitable sustainable growth.

The Philippines is a case in point. My country needs to continue to develop a larger manufacturing base along with improving our service economy to create good jobs. At the same time, we must also become more self-sufficient and cost-effective in our energy consumption. We can do both through innovation, proper policy planning, a united political governance, and civic leadership.

For some time, I was the president of the Philippines. We launched a bio fuels program. It relied on investment and innovation to create jobs, skills, and self-reliance while keeping our environment clean. In this case, our model was Brazil because bio development needs bio fuels. We must continue to learn around the world and in our region.

In our region, we have much to learn from China as a model for development. China's remarkable rise reflects the promise and challenge of the world in which we live. China has unleashed the human potential of a vast citizen league for effective use of technology, science, and engineering. We have seen their dramatic growth, lifting millions of people out of poverty and catapulting their nation squarely onto the world stage as a new and responsible global power. As a result, China is the fastest growing country in the region and the world. It presents a significant opportunity for the region.

Certainly, this was also true for the Philippines during my term as president. During my administration, our overall relations with China became more confident, mature, and comprehensive, punctuated with substantial and important projects and the deepened exchanges in a number of areas that included trade and investment.

China became our sincere trading partner with whom we developed a substantial trade surplus. In terms of mining, China is one of the world's biggest consumers of metals. For the Philippine mining industry, this represented significant opportunities in terms of mineral exports, particularly at a time when we were looking to develop one trillion US dollars worth of mineral reserves across the country. From the Philippine experience, we can say that a rising China is more of an opportunity than a tangible threat.

During my administration as president, Texas Instruments decided to invest 1.7 billion US dollars to build a world-class fiber plant in the Philippines, instead of China. However, China has invested heavily in our electric power sectors. To cope with the competition for investments, my administration invested heavily to improve the quality of the nation's human resources, lower the cost of doing business, develop efficient access to financing, and build a seamless infrastructure network.

Another opportunity for prosperity and peace in Asia would be the eventual unification of North Korea and South Korea. This unification will lead to better lives on both sides of the demilitarized zone. Studies indicate that Korean reunification in the short term will first result in an economic downturn, but in the medium and long term, it will be followed by a rebound as South Korea rebuilds the North's economic productivity and income level. Yet, the people of North Korea suffer right now and live under the uncertain specter of a nuclear issue that must be resolved. The denuclearization of the Korean Peninsula is a key to attaining long-term peace, progress, and stability throughout our region. I hope that the recent visit of the North Korean leader to China will contribute to a peaceful and a diplomatic solution to the nuclear standoff. North Korea should return to the negotiating table for the greater benefit of peace and stability in the

region. The whole region should stand ready to provide any assistance that will facilitate a diplomatic resolution to this issue.

I have a personal interest in seeing a peaceful Korean Peninsula. In 1950, when Korea found itself embroiled in an ideological warfare that pitted brother against brother, my father, the late president Diosdado Macapagal was still a congressman. It was he who authored and sponsored the congressional resolution to send troops to Korea and made the Philippines one of the first countries to send soldiers to help the freedom loving people of South Korea.

My father's congressional resolution premised the success of the United Nation's action in Korea and as the best hope and security for the maintenance of world peace. In sending troops to the Republic of Korea to assist the United Nations, the Philippines would be participating in its own defense. The Korean government recognized my father's contribution to that effort. A few years after he left the presidency in 1965, the Korean government officially invited him to honor him with a decoration.

We were with the people of South Korea during the Korean War. We both shed blood and sacrificed lives for a common dream of freedom. South Korea won its freedom and prosperity with the help of friends like us and I am glad that we still remain such good friends.

During my administration, the relationship between Korea and the Philippines reached a new level of vibrancy. I made a state visit to Korea in 2003 and an official visit in 2009. President Noh Muhyeon made a return visit in 2005. Approximately 50,000 Filipinos have found a second home in South Korea as professional students, workers, missionaries, and spouses of Korean nationals.

During my state visit in 2003, we signed a MoU on the employment

permit system for overseas workers implemented in 2004. The Philippines was the first to avail themselves to the benefits of this program. In turn, there are 300 thousand Koreans in the Philippines and South Korea is our top source of tourists. The Philippines have become an affordable alternative for Korean students who travel abroad to further their studies in English. Korean soap operas and Korean pop culture like the movie 'Nobody' are huge hits in the Philippines.

During my administration, the Philippines was a regular transit point for those who wish to leave North Korea and come to live in South Korea. In addition, during my administration, Korea became one of our largest investors with billions of dollars invested particularly in shipbuilding, power, energy, electronics, and tourism. Korea has become a very important source of official development assistance for the Philippines that includes some of our most important highways and airports.

I come here once again on a visit to Korea on this beautiful island of Jeju, a symbol of peace and prosperity. I am filled with a hope that the people of the Republic of Korea and the people of the Philippines continue to join hands and continue to build upon our gains toward an Asia full of peace and prosperity. It is with great sincerity that I hope and wish that the Jeju Forum becomes a notable venue that brings Asian minds together to bring about the Asian Century.