

“WE MUST SHOW MORE POLITICAL WILL TO DO WHAT IS RIGHT”

By Ambassador Albert del Rosario

(Speech delivered during the 2007 Philippine Development Forum on March 8-9, 2007 at the Marco Polo Hotel in Cebu City)

Please allow me to thank Secretary Gary Teves for the invitation to this annual Philippine Development Forum for a constructive discussion on this year’s theme of achieving Broad-Based Growth through Sustained Reforms and Higher Investments.

After spending five years in Washington DC, I returned to the private sector barely six months ago. Rather than dwell on my current limited experience in the private sector, I will endeavor instead to briefly share with you, if I may, my humble views gathered from various sectors in the US about Philippine development.

This, I believe, would be germane given that the US is cumulatively our largest foreign investor and is at the same time our largest trading partner. The US also provides us with the highest level of official development grant assistance, and is home to the largest Filipino community abroad with the highest disposable income, contributing about 60% of the total remittances to the Philippines.

In any discussion on Philippine development, all of us must join in praising the admirable success in our fiscal reforms which has resulted in a strengthened peso, increased international reserves, a vibrant stock market, a reduced budget deficit, lower interest and inflation rates along with record remittances and respectable GDP and GNP growth rates.

To achieve a broad-based growth however, the most major challenge we now face is how to aggressively increase employment in all sectors encompassing agriculture, industry and services. Without the necessity of citing statistics, our

performance in terms of meeting employment targets is falling short. We are, for instance, graduating more students than there are new jobs being created. Thus, we need to create many more jobs.

To create more jobs, we need to increase overall investment and continue to improve the investment climate. Whereas FDIs are on a significant upswing, total investments have also been falling short as local investors appear to be sitting on the sideline. We need to validate this and, if it so, we need to know why.

Since it is my intention to focus on the potential for more investments from the US, let me articulate, if you will, certain notable sentiments from the private and public sectors in the US.

One great observation is that nearly everyone wants this administration to succeed. A second great observation is there exists a huge reservoir of American goodwill for the Filipino people. Everywhere you go, you find this to be true, including the Executive and Legislative Branches of the US Government. I have been to 40 states and many more cities, and it was so gratifying.

The not so great observation is that we have not been fully successful in tapping this goodwill. In order to do this, we must show more political will to do what is right in addressing our country's problems. We are expected to do what is right: (1) in defending our democracy; (2) in continuing to reform the economy; (3) in improving governance through addressing corruption and inequality; and (4) in fighting terrorism and maintaining peace and order.

In terms of defending our democracy, our many friends are expecting that we will do what we can to ensure clean and credible elections. There are now unfortunately new concerns that the military may be involved in electioneering. In the Halls of US Congress, there are deep concerns about alleged human rights violation against journalists and political activists.

In terms of continuing economic reforms, it is essential for us to improve infrastructure and productivity. We must also lower the

cost of doing business, address red tape, and have a working national policy on competitiveness. There is an equal urgent need for more programs to cascade economic benefits to the countryside. For example, there is a US Digital Freedom Initiative for APEC developing member countries for the transfer of information and ICT to benefit entrepreneurs and small businesses in the countryside. This has not been offered to the Philippines but should be pursued. There may be also an opportunity to have Filipinos in America buy dollar denominated retail bonds to benefit microfinance initiatives in the countryside. Given our familiarity with various leaders of the Filipino American community, Ms. Loida Nicholas Lewis and I will be honored to help if a roadshow were to be organized.

In terms of good governance, we need to continue addressing the problem of corruption by accelerating effective programs against smugglers and tax evaders. The full force of the law should be applied to those found guilty and a message must be established that no one is above the law. Successfully addressing corruption will yield its own dividends in the form of revenues for increasing government investments.

In terms of addressing inequality, we must invest more in the livelihood, education and health of our people. This fortunately has begun as a result of improved fiscal performance.

In terms of fighting terrorism and maintaining peace and order, the signing of the Anti-Terrorism Law has strengthened our ability to take a position against terrorism. We must stay on course in reforming the AFP and the PNP. We must also endeavor to finalize the elusive peace process with the MILF which will serve to unleash the total potential of Mindanao.

Given the aforementioned challenges, we must fully focus on doing what is right and the results will come. Even local investors who may be currently on the sidelines would surely see this as an encouragement to invest more in our country.

I recall in one of our roadshows in the not too distant past, that we had been complimented for excellence in our rhetoric. In the same breath, however, it was also suggested that our ability to

execute needed to be reinforced. To respond to this constructive criticism, the government should resolve to move into other reform areas on the strength of its successful execution of fiscal reforms.

In terms of execution, there are countless opportunities for public and private sector cooperation. On marketing the Philippines as a preferred ICT outsourcing location, the Philippine Embassy in Washington was able to invite the private sector, more specifically PLDT, towards a successful partnership in working with the Embassy, and the DTI. On another successful partnership, the Philippine Embassy organized with 15 Philippine property developers as a roadshow in six US cities which served to increase remittances from the US to the Philippines.

In closing, if we are to achieve broad-based growth through higher investments, there must be a strong concurrence on our part to do what is right in defending our democracy, in continuing to reform our economy, in improving governance through addressing corruption and inequality and in fighting terrorism and maintaining peace and order. Without a doubt, these are challenges which we must address to enable the country to move ahead quickly.

What remains is for us to join together in doing what needs to be done.

Thank you.