Democracy and Development in the Philippines: Triumphs and Challenges

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Since April of this year, I have had the honor of representing President Obama and the American people as Ambassador to the Republic of the Philippines, a major ally with whom the United States has an enduring partnership based on respect, shared values, and a desire for stability and prosperity. The Philippines is at a pivotal moment in its history. The election of Benigno S. "Noynoy" Aquino III, son of slain Senator Benigno "Ninoy" Aquino and his late widow, President Corazon C. Aquino, has brought fresh hope to the country for a better future, even in the face of enormous challenges. The United States strongly supports President Aquino's goals of peace, prosperity, and stability. To those ends, as Ambassador to the Philippines, my top priorities are raising awareness of the scourge of human trafficking in the Philippines, promoting business opportunity and investment, and deepening mutual understanding between the United States and my host country. I have also promoted investment in "green" sources of energy, not only to stimulate economic and job growth but also to protect the environment of this beautiful country and the world we share. My Embassy team and I are working vigorously to enhance our people-to-people ties through cultural and professional exchanges, the Peace Corps, and other programs that build mutual understanding so that we may expand our partnership in the spirit of mutual respect in the years ahead.

Elections as a Fresh Start and Challenges Ahead

President Barack Obama described the Philippine elections as "a model of transparency and a positive testament to the strength and vitality of democracy in the Philippines." No one took a peaceful election for granted, bearing in mind the November 23, 2009 massacre in Maguindanao, Mindanao, which took the lives of 57 people, including at least 34 members of the media. In the end, however, the 2010 election progressed not only peacefully but was the first to use automated election technology, bringing the Philippines' electoral process to the new digital era. For the first time in history, the results of the elections were reported within two days of the elections, rather than a lengthy waiting period for a tedious hand counting of ballots.

The June 30 inauguration of President Noynoy Aquino was reminiscent of President Barack Obama's in January 2009. Excitement grew throughout the Philippines in support of President Aquino's campaign theme: "Kung Walang Corrupt, Walang Mahirap" (No Corruption, No Poverty). Young presidents find a way to invigorate hope within their people and President Aquino inspired Filipinos with the promise of better days ahead. When I met with the then-President-apparent Aquino, he described to me his vision to confront poverty and corruption, improve the health and education systems, and create jobs for Filipinos. What struck me most was the President's determination to be treated, as

much as possible, as any other Filipino; he wants to be one with the people, like his late and much-beloved mother.

The elections proved once again that democracy thrives in the Philippines, yet the new Aquino administration faces a multitude of challenges and opportunities where I hope we can work together.

Cultivating Development and Trade Relationships

Currently, the United States remains the number one trading partner with the Philippines and one of its largest foreign investors. In 2009, US trade with the Philippines amounted to $12.6 billion, and the American business community continues to see great potential in the Philippine economy. My team is eager to engage with the Aquino administration to facilitate the flow of commerce, cultivate closer economic relations, and create more wealth and prosperity to share with our partners. We promote investment regulations that ease market entry and remove trade and investment barriers to reduce the cost, time, and other constraints to doing business in the Philippines.

US investors are interested in opportunities in renewable energy, transportation, and other infrastructure projects, as well as the ever-growing business process outsourcing (BPO) sector. US business engagement is strong and positive in the Philippines, and American firms play a major role in the economy. American products and services are well-known and trusted. US businesses are leaders in human resource development in this country, as they create a positive work environment focusing on the importance of exceptional customer service, dedication to quality, and respect for labor rights.

I recently signed the US Trade and Development Agency's grant to the First Gen Mindanao Hydro Power Corporation to assess the requirements to expand hydroelectric power in Northern Mindanao. This grant is an early gesture of support from the United States to support President Aquino's goal of developing the Philippines' infrastructure while developing additional clean and renewable energy sources. By addressing issues of corruption, investment in social and physical infrastructure, and fair regulation implementation, the Philippines has the potential for exceptional economic growth and opportunity that will create the necessary jobs to lift many in the Philippines out of poverty.

Poverty remains a persistent problem in the Philippines, where roughly 45 percent of the people currently subsist on less than US$2 per day, according to the World Bank. The Millennium Challenge Corporation (MCC) and the US Agency for International Development (USAID) will work in collaboration to support President Aquino's efforts to reduce poverty, stimulate economic growth, combat corruption, and ensure a better future for all Filipinos. The MCC announced in early August that it is prepared to enter into a compact with the Philippines. The compact provides funding for three major projects: the redesign and computerization of key business processes within the Department of Finance's Bureau of Internal Revenue to increase the efficiency, sustainability, and integrity of revenue collection; the expansion of a community-based rural development

program focusing on small-scale infrastructure and related services that stimulate economic growth and reduce poverty; and the construction and rehabilitation of the 220-kilometer Samar Road in the Central Philippines.

USAID's assistance to the Philippines also directly supports President Aquino's anti-poverty and anti-corruption agenda. It focuses on a more competitive and job-creating investment environment, improved governance and rule of law, protection of human rights, improved access to higher-quality public health and education, protection of the environment, and improved energy security through clean energy development. Again, the renewable energy sector is one strong area of opportunity for development and job creation that I see for both our countries. In an era of global warming and growing energy demands, the Philippines has the potential for tremendous growth in this sector, given its abundance of sunshine and underground geothermal resources. Through investment in sources of energy such as geothermal, hydro, solar, and wind, the Philippines, along with the United States, can work toward clean energy alternatives and growth for the future.

In 2011, the US Peace Corps and USAID will both celebrate the 50th Anniversary of their founding and initiation of operations in the Philippines. In 1961, the first Peace Corps Volunteers arrived, and this year will see 140 new Volunteers, nearly doubling the size of the Peace Corps in the Philippines. Since 1961, over 8,000 American Peace Corps Volunteers have worked alongside Filipinos to help alleviate poverty and support development of schools, accessibility to water and sanitation, English training programs, and much more. Since 1961, USAID has provided more than $4.7 billion for infrastructure, training, partnerships, rule of law projects, health upgrades and many other collaborative activities. As a result, millions of Filipinos have gained access to health and education services, clean water, and financing to start small businesses, and the Philippines has become a well-functioning democracy with a vibrant civil society and well-crafted legislation and reforms. Expatriate Filipino managers are among the most well regarded in the world. And, a Central Nautical Highway exists, significantly reducing transport costs for inter-island trade.

Strengthening Security, Countering Terrorism, and Protecting Lives

One problem that is exacerbated by poverty and lack of opportunity is human trafficking, in which unscrupulous criminals lure the unemployed and vulnerable into exploitation. The Government of the Philippines, with the help of NGOs, has taken strides in the prosecution of traffickers and protection of victims, yet much work remains to be done. I have had the privilege of meeting many of the leaders who work for the conviction of those responsible for these heinous crimes. I have met trafficking victims and those who are helping them rebuild their lives. By sharing our knowledge and support, Philippine authorities will apprehend and prosecute these criminals, protect victims, and prevent vulnerable people from falling prey to this scourge.

An additional challenge facing the Philippines is the need to strengthen its justice system. Access to an independent, credible judiciary is critical to sustaining democratic processes, tamping down extremism and fostering economic development. The government

has taken steps to combat political and extrajudicial killings, including those of journalists, but greater progress is needed to prosecute and convict the perpetrators of such crimes. The United States is committed to helping the Philippines realize a future of justice, accountability, and equality under the law.

Violence in Mindanao, also exacerbated by poverty and lack of economic opportunities, continues to mar the global image of the Philippines. Terrorist organizations such as Jemaah Islamiyah and the Abu Sayyaf Group create an atmosphere of fear that inhibits education and development in central Mindanao and the Sulu archipelago. The US military has strongly supported the Armed Forces of the Philippines' (AFP's) civil-military operations that provide free medical care and build small infrastructure in communities where those services are needed to increase the people's confidence in their own armed forces and decrease the space in which terrorists can operate. These efforts complement the larger-scale development work of USAID. After the Philippine government signed the 1996 Peace Agreement with the Moro National Liberation Front (MNLF), USAID contributed substantially to the peace process by assisting 28,000 former MNLF combatants to transition into the peace time economy by training them as farmers. Since 2006, USAID assistance has helped local partners to settle thousands of clan disputes per year before they escalated into violent conflict. USAID expands economic opportunities in conflict-affected areas in Mindanao; strengthens local governance in the Autonomous Region of Muslim Mindanao (ARMM); builds roads, bridges and other community infrastructure; supports rural electrification through renewable energy sources; provides teacher training and education for out-of-school youth; and works with the public health system to improve basic health services. With our partnership, Philippine authorities are improving conditions for peace, stability, and economic development in Mindanao.

President Aquino has called for an "honest dialogue" with tangible solutions from the leaders of the Moro Islamic Liberation Federation (MILF), whose separatist insurgency has persisted since 1977. The ongoing struggle between the Philippine government and the MILF has displaced many people in Mindanao and dampened opportunities for development. While the United States is not a party in the peace negotiations, the US Embassy remains a major proponent for the peace process in Mindanao. We have encouraged regional peace and security by investing 60 percent of development aid to target economic growth, infrastructure, education, and family health in Mindanao.

The United States and the Philippines have a Visiting Forces Agreement (VFA) that provides the legal framework and support for Philippine Defense Reform, bilateral training exercises that fulfill obligations under the Mutual Defense Treaty of 1951, and US military assistance in response to natural disasters. Each year, the Philippines hosts joint training exercises that allow both our militaries to practice skills to ensure we are effective partners whether working on a UN peacekeeping mission or responding to natural disasters in many parts of the world, including those that have struck the Philippines. This regular collaboration through training and humanitarian assistance, made possible by the VFA with absolute respect for Philippine sovereignty, is the kind of partnership that saves lives.

Building Regional Relations, Strengthening People-to-People Ties

The Southeast Asian region is dynamic and growing in its economic and political significance. The Philippines supports US engagement with the Association of Southeast Asian Nations (ASEAN) by coordinating the US-ASEAN Dialogue and advancing areas of mutual interest in human rights, security, political stability, and economic growth. Our partnership in global initiatives and general support for ASEAN will only help to strengthen our bilateral and regional cooperation to increase trade and investment, promote human development and human rights, and combat transnational crime.

With more than four million Americans with Filipino heritage living in the United States and over 150,000 Americans living in the Philippines, progress toward economic development, stability, and peace is not only in the interest of the Aquino administration and the Filipino people; it's in the US interest as well. Each year, the Embassy's Cultural Affairs Office sends more than 30 promising Filipino professionals to the United States on the International Visitor Leadership Program, and two of the grantees are given special recognition as Ninoy and Corazon Aquino Fellows, in memory of the Aquinos' contributions to democracy, public service, and a free press. Many other Filipinos go to the United States through the Fulbright Commission, as Voluntary Visitors, or on Youth and Citizens Exchanges. American experts come to the Philippines as well through the Fulbright program, US speakers programs, and performing arts and sports programs. Whether we engage Filipinos through American pastimes such as baseball, through our shared love of basketball, through American Jazz workshops and public concerts, or through student exchange programs, we build bridges of mutual understanding that will help our strong bilateral partnership and alliance ensure peace, stability, and prosperity remain steadfast for generations to come.

Conclusion

The May 2010 election was a triumph over logistical adversity, but it was also much more. It was a testament to "People Power" through the ballot box. The Philippines has a new President who has already inspired hope and renewed the commitment of Filipinos to move their country forward toward growth, prosperity, and better governance free of corruption and terrorism. President Aquino's campaign slogan was, "If no one is corrupt, no one will be poor," and he is off to a strong start toward fulfilling his promise to improve governance by setting an ethical and honest example.

In my short time here, I have seen so much potential. I have seen potential for business to flourish with the hardworking, energetic Filipino workforce. I have seen potential for more tourism along the lovely beaches and clear ocean waters of these 7,000 islands. In visiting memorials and even meeting a few of the thousands of brave Filipinos and Americans who fought side by side to liberate the Philippines in World War II, I have gained a greater understanding of one of the most powerful ties that binds us, and I see potential for an even closer, enduring friendship. The United States will continue to be a committed friend and ally to the Philippines as we go forward, together, shoulder-to-shoulder, for the benefit of both our peoples.