Philippine-American Relations in the Emerging Asian Regional Architecture

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Speech delivered at the Center for Strategic and International Studies (CSIS) Leadership Forum, Washington DC, February 5, 2010

I am pleased—and immensely honored—to be asked to speak before this inaugural 'Banyan Tree Leadership Forum. And I thank the Center for Strategic and International Studies (CSIS) for its gracious invitation.

CSIS and Dialogue

This is a noteworthy initiative CSIS has taken: to bring together leaders from Southeast Asia and the United States in genuine dialogue.

And, indeed, through dialogue and consensus-building Southeast Asia and the United States have much to learn from each other — from *deeper* engagement to cooperation *broader* than in the past.

It is in this spirit that I welcome this opportunity to share with you my country's vision, as well as its policies, and in the context of the *emerging* Asian regional architecture its relations and ties with the United States.

The Philippines and the United States: The origins of an enduring alliance

In 1898 America's *Manifest Destiny* and the Filipinos' aspirations for freedom—we had by then proclaimed our independence from Spain— clashed and collided in a bloody guerrilla war ending with the capture of our President Aguinaldo and the demise of Asia's first Republic.

Over time, the bitterness of defeat—and the triumphalism of empire—gave way to grudging collaboration, then evolving into mutual trust and respect.

Filipinos won America's admiration for their patriotism, love of country, and their steadfast and unwavering resolve to be free. And the United States committed itself to ever-greater measures of self-government for its Pacific empire.

Eventually in 1935, we achieved home rule through a Commonwealth — and the pledge within a decade of full independence.

The outbreak of the Second World War strengthened even more the ties that joined the Philippines and the United States. The Filipinos stood as one, shoulder to shoulder with America and its allies in the war against aggression.

For both our peoples, Filipinos and Americans, freedom and democracy are not just abstract ideas or principles. They are real, day-to-day values we are willing to defend—values for which we are willing to pay the ultimate price.

And that price we paid – then, in the 1940's from the foxholes of Bataan and the tunnels of Corregidor to the barbarous death march to Capas and Camp O'Donnell; and *now*, against extremism, poverty and terrorism.

At war's end, in 1946, the Philippines attained its hard—earned independence. And, with the signing of the 1953 Mutual Defense Treaty, the Philippines became the United States' first treaty ally in Asia.

Philippines-US bilateral relations

Since then, relations between our two countries have matured into a partnership between sovereign equals.

Defense cooperation has widened from joint military training exercises to cooperation in dealing with non-traditional security threats— terrorism, pandemics, natural disasters, and transnational crime.

The Visiting Forces Agreement—whose validity the Philippine Supreme Court has affirmed no less than three times—and its Security Engagement Board seek to improve the defense capabilities of our two countries as well as its soft and hard power to counter terrorist threats and radical attacks.

In the quest for a *just* and *lasting* peace in Mindanao, the United States is the Philippines' staunch ally in its effort to conclude a peace agreement with the Moro Islamic Liberation Front.

With the recent unanimous re-selection of the Philippines as compact-eligible by the US government's Millennium Challenge Corporation, the two countries launched their partnership programs on poverty reduction and good governance.

As for trade and economic linkages, they continue to flourish. American companies are investing heavily in Philippine service industries—the key ones being electronics assembly and business process outsourcing—as well as in newly-opened industrial sectors such as mining and non-conventional energy sources.

People-to-people connections, too, are being constantly reinforced and renewed. The estimated four million Americans of Filipino descent with their strong and active participation and involvement in US local and national politics — and the 250,000 American citizens residing in the Philippines—are living proof of how vigorous these ties are.

In the aftermath of typhoons *Ketsana* (Ondoy) and *Parma* (Pepeng), the U.S. has also led the international community in providing relief and recovery assistance to the Philippines.

Total US assistance after the typhoons raised millions of contributions in cash as well as in kind.

The US Congress also passed House Resolution 800, which expressed condolences to the victims of Ketsana and Parma and urged President Barack Obama to continue supporting the Philippines with emergency relief, logistical and transportation assistance, and financial support

Of course, the political leaderships of our two countries provide direction and impetus to broader collaboration and cooperation.

President Barack Obama recognizes the special ties between our two nations, and appreciates Philippine contributions to international efforts to promote international peace and security, and a more prosperous world. When he received President Gloria Macapagal Arroyo at the White House last June—the first ASEAN head of state to be so received—President Obama noted that "The Philippines punches above its weight in the international arena."

That remark is telling—since it speaks not just about the United States' view of our bilateral ties but also of Washington's view of the Philippines' potential role in the new regional architecture emerging in Asia.

<u>The Asia-Pacific Region in the new</u> Millennium: Challenges and Concerns

Asia Pacific is a region of immense diversity.

In ASEAN, this diversity has enriched the region – through its cultures, its languages, its histories, its colonial experiences, its religious practices and its political systems.

At any other time in history, and in any other region, this kind of diversity might have led to endless ethnic and religious strife and conflict.

ASEAN, however, has resisted polarization and confrontation. Over the years since its founding four decades ago, ASEAN has evolved into a community that through dialogue and consensus-seeking resolves its disputes, and promotes cooperation among its members.

Yet 'dialogue in diversity' while a strength is also a challenge.

For as Southeast Asia grapples with pressing issues and urgent developments, its need for *concerted action* becomes more and more acute.

More and more, regional challenges transcend national borders. These challenges have become increasingly inter-related—and most often shared. And their solutions require a coherent and interlinked approach.

Security concerns beset many of our states.

Territorial disputes remain potential powder kegs of conflict.

Terrorism still rears its ugly head. Extremism continues to take root among the politically disenfranchised and economically marginalized.

The threat of nuclear proliferation *lingers*—casting its shadow of uncertainty over the whole of Asia Pacific.

And poverty remains intractable—despite the economic successes many of our nations have achieved. Gaps in primary health care and in basic education need to be bridged—sooner rather than later.

Environmental degradation endangers individuals, communities and countries. Global warming and climate change threaten to reverse gains achieved—at so great cost—by modernizing economies.

The competition for dwindling oil and energy resources has added another dimension to the already complex relations in the region. The energy needs of developed and developing countries has brought major oil companies like Shell, Exxon, BP and Chevron and China's CNOOC and India's Reliance Industries into Asian seas, where oil and gas reserves are believed to be found in and around the disputed islands in the South China Sea.

Piracy on the high seas disrupts the flow of vital goods. In the heart of ASEAN, the Strait of Malacca is the shortest sea route between Persian Gulf suppliers and the Asian markets –notably China, Japan, South Korea, and the Pacific Rim. It is the key chokepoint in Asia, where about 40% of the world's trade passes through on 50,000 vessels that ply its waters every year.

No single state no matter how powerful—no one nation no matter how rich—can cope with all of these concerns by itself.

This is why our need for multilateral cooperation is so crucial—in our collaborative effort to shape a regional architecture supportive of peace, security and development.

ASEAN at the center of an emerging Asian regional security architecture

ASEAN stands at the center of this emerging power structure taking shape in Asia.

From five original Charter members in 1967, ASEAN has expanded its membership to 10. It now encompasses Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

ASEAN has not only prevented the outbreak of conflicts in the region but also region-wide political stability by incorporating the three states of Indochina, thus transforming Southeast Asia into one of the world's most dynamic economic regions.

With its adoption of a historic Charter in 2008, ASEAN has vested itself with *full* legal status. It has also enshrined its fundamental values: democracy; respect for human rights and fundamental freedoms; good governance; and the rule of law. All of which shall form the basis of an ASEAN Community by 2015.

In the absence of a pan-Asia organization that provides a mechanism for dialogue, ASEAN has become the *nucleus* of regional dialogue and cooperation. Not only is ASEAN interlocking its respective national economies and spurring growth and development in the larger East Asia region. It is also addressing security and development issues within—and beyond—Southeast Asia.

Even with the advent of other regional Asian organizations such as SAARC, the Shanghai Cooperation Organization and APEC, ASEAN remains the core of many efforts to secure a peaceful, progressive and prosperous Asia Pacific.

Given China's rise—and the key roles played by Japan and South Korea in Asia—ASEAN is the only organization with a ready mechanism for engaging these three Northeast Asian countries—both individually or collectively.

The ASEAN formula for engaging China economically—through "ASEAN plus 1"—comes fully on stream this year, after several years of "early harvests." And ASEAN is confident through "ASEAN 10 plus 3", greater trade, financial and economic cooperation will be possible with the three Northeast Asian economies.

For his part, Japan's Prime Minister Yukio Hatoyama *proffers* the idea of an East Asian Community. The Philippines is open to exploring this idea with Japan and other interested countries..

Other Asian and Asia-Pacific powers regard ASEAN as an important dialogue partner. Among them is India—whose economic and political footprint is growing bigger and bigger. New Delhi, in pursuit of economic modernization, has adopted a "Look East" policy.

Australia, New Zealand and Russia, too, increasingly identify themselves with Asia. All *three* are also ASEAN dialogue partners.

Australia has broached the need for an over-arching regional body that would cover a broad spectrum of cooperation. Prime Minister Kevin Rudd has proposed creating an Asia Pacific community with a "pan-regional mandate that covers the full policy spectrum."

Beyond its regular dialogue partners, ASEAN has also engaged other nations in a security forum under the ASEAN Regional Forum that includes Pakistan and DPRK.

The vitality of its trade and investment networks is also a key factor in ASEAN's prominent role within the region.

The 10 ASEAN states make up a market of close to 600 million people, with a combined gross domestic product of nearly US\$1.5 trillion.

Collectively, we are a very important trading partner for the US. The 10-member countries of ASEAN comprise the fourth largest export market of the United States, and is its fifth largest two-way trading partner. Trade between the U.S. and ASEAN continues to grow steadily, and two-way trade in goods totaled \$177 billion in 2008. US exports to ASEAN amounted to \$66.9 billion in 2008, only slightly behind exports to China which registered \$69.7 billion in the same year.

Along with other Asian economies, ASEAN economies have shown the greatest resiliency amid the global economic downturn. And they are among those leading the way toward recovery from the financial recession.

Amid this interplay of interests, one might ask, "What role can the United States continue to play in reshaping the regional power structure?" "And how can relations between the Philippines and the United States be strengthened amid the *converging* and *diverging* national positions at regional level?"

US Re-engagement in Asia

The United States maintains a strong and constant presence in the Asia Pacific. The whole of the Asian continent continues to respect its military power and its ideological attraction.

One year into President Obama's term, I believe that Asian-US relations have been given a fresh impetus and have entered an even more dynamic phase.

Very early in his administration, President Obama signaled a willingness to dialogue and to update vehicles of cooperation with the US' Asian partners. And his avowed policy of re-engaging Asia was welcomed by leaders in the region. Not a few were curious as to how he would match action with his rhetoric.

In the months that followed, the US acted swiftly and convincingly made manifest the *priority* it accords its relationships with the Asia-Pacific states, particularly ASEAN.

In what is perhaps the strongest signal of its re-engagement with Southeast Asia, the Obama Administration at the first possible opportunity, acceded to the Southeast Asia Treaty of Amity and Cooperation (TAC) where its predecessors had feared to tread.

Then, Secretary of State Hillary Rodham Clinton made several trips to the region—including to the Philippines—making sure, wherever she went, to convey the abiding American interest in maintaining regional peace, progress and stability.

President Obama himself embarked to visit key partners such as China, South Korea and Japan. He also received at the White House Asian leaders such as the Indian Prime Minister, Manmohan Singh, and our own President Arroyo.

The series of high-level visits President Obama and Secretary Clinton made to East Asia signaled a rekindling—a warming—of both bilateral and regional ties.

These American initiatives signal that the US is re-engaging Asia. They demonstrate America's recognition of the value and

importance of the individual Asian countries and their critical role in advancing peace, stability, security and prosperity throughout the Asia Pacific.

<u>RP-US Relations: Toward a</u> <u>Stronger Asia-Pacific Region</u>

Its special ties with the Philippines have proved to be an anchor of the US engagement in the Asia Pacific.

Philippine-US relations are a strategic partnership nurtured not only by enduring historical ties but also by an adherence to shared values—especially by a commitment to political freedom, representative democracy and individual enterprise.

From combating extremism to waging a war against poverty, the partnership between our two countries is multi-faceted and forward-looking. Compelled as we are, by shared interests and complementary priorities, to meet global and regional challenges, we expect to open fresh avenues for greater cooperation in coming years.

Ours is a long-standing and well-established alliance, which Secretary Clinton described recently as "among the most successful bilateral partnerships in modern history."

The best measure of the success of this partnership, I believe, extends beyond the confines of our bilateral relations.

The Philippines is a country with a *global outlook* that is also deeply aware of its regional responsibility. We are intent on enhancing our contributions to the region and the community of nations.

As current ASEAN coordinator of the ASEAN-US Dialogue relations, we managed a milestone early on: the convening last November of the first ever meeting between the leaders of all ten ASEAN members and the American President in Singapore.

A second Leaders' Meeting is to be held this year. We're also working to establish an ASEAN-US Eminent Persons Group (EPG) that will give both visionary *focus* and pragmatic *advice* to our dialogue relations.

On human rights, the Philippines continues to be a strong ally of the United States in protecting and promoting basic individual freedoms in the region.

Our country strongly endorsed the creation of a Human Rights Body within ASEAN, and is actively engaged in putting together the mechanisms for such body. And ours is the strongest and sometimes solitary *voice* in ASEAN calling for the unconditional release of oppositionist leader Aung San Suu Kyi, and for concrete progress on Myanmar's *tortuous* road toward democracy.

For East Asian security, the US-Philippine mutual defense alliance is a key stabilizing influence. At the same time, collaboration between the Philippine and American defense and security establishments—under our Visiting Forces Agreement (VFA)— facilitates the collective effort to neutralize extremist elements operating clandestinely in the region.

Collaboration among our police and intelligence agencies in keeping down the notorious Abu Sayyaf Group, Jemaah Islamiyah and other terrorist groups linked with Al Qaeda, have limited their ability to disrupt the lives of East Asians who want only to go on with their lives in peace.

In recognition of our vital role, we were acknowledged as a major non-NATO ally in October 2003, the first to be recognized as such in Southeast Asia. U.S. assistance to the Philippines has risen over the years. And we get our fair share of official development assistance.

Of course, we know that terrorism and radical insurgency cannot be defeated decisively by force of arms alone.

Winning the support of our people must override all other goals.

This is why we in the Philippines—with American support—now combine 'soft' and 'hard' power to counter terrorist threats and radical attacks—to build long-term peace and development, especially in strategic Mindanao.

For this same reason, we're at the forefront of global efforts to build bridges of understanding between peoples of the great religions through Interfaith Dialogues. We've found these Dialogue useful in heading off extremist appeals to people who have been marginalized by material poverty and disenfranchised by spiritual alienation.

In March this year, the Philippines will host the 'Special Non-Aligned Movement's Ministerial Meeting on Interfaith Dialogue.'

This meeting will move further along this crucial initiative that the Philippines steered through the United Nations system.

This year, too, our two countries have a unique opportunity to move against the global threat of nuclear terrorism. We shall be working relentlessly for the success of the Nuclear Security Summit in April, in which President Arroyo will take part.

In the following month of May, the Philippines will assume the presidency of the Nuclear Non-Proliferation Treaty (NPT) Review Conference. We aim to achieve progress on the three pillars of nuclear disarmament, non-proliferation and the peaceful uses of nuclear energy.

With a growing number of potential nuclear powers, including in Asia, the problem of nuclear proliferation is compelling for our home region, without prejudice to the other two pillars of the NPT.

Another grave challenge that demands concerted effort is climate change—which we can ease only by more efficient energy use and in protecting the environment.

The joint efforts of the Asia-Pacific countries and of the United States in the Coral Triangle Initiative (CTI) have attracted awareness and support for programs that aim to protect marine biodiversity, while also protecting the livelihoods of peoples in sea-coast communities.

Lastly—It is clear that, as regional and global realities evolve, so too will the dynamic ties between the Philippines and the United States.

Amid the evolving regional architecture in the Asia Pacific, one thing remains constant.

We who share political and moral ideals and values must continue to deepen our engagement with one another—even as we seek to broaden our engagement with others. *END*

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