

Keynote Address of

HONORABLE ALBERT F. DEL ROSARIO

Secretary of Foreign Affairs

Manila Conference on Global Economic and Development Issues

Organized by the Department of Foreign Affairs and the Foreign Service Institute

In coordination with South Centre, Asian Institute of Management

02 August 2011

His Excellency, Mr. Benjamin William Mkapa, Chairman of the South Center Board and former President of the United Republic of Tanzania,

Distinguished Members of the South Center Board,

Mr. Martin Khor, Executive Director of the South Center,

Distinguished participants,

Ladies and Gentlemen.

At the outset, let me thank the Foreign Service Institute, the organizer of today's conference among prominent economic thinkers, for inviting me as keynote speaker for the conference. I hope that my message today would stimulate discussions on how the developing countries, the so-called Global South, survive, and more importantly, progress under the current global economic weather.

### ***The Philippine National Development Perspective***

Development is a critical component of the national policy of the Philippines under the leadership of H.E. President Benigno S. Aquino III. Indeed, in the Philippines, the entire government and people are aware of the imperative need to quicken national development.

Development is not just about growth from a Philippine perspective. Past economic growth did not reduce poverty significantly enough, because the benefits were not broadly shared. Under President Aquino, however, the new commitment is to inclusive growth. President Aquino has a Social Contract with the Filipino people to attain this objective through a concerted national effort.

The new Philippine Development Plan (2011-2016), which is the national development blueprint of the Aquino Administration for implementing the President's Social Contract, goes beyond growth or even economic dynamism. It views development as a transformative process that generates progress through good governance that can diminish corruption and waste, boost the pace of development, deliver economic empowerment to the people and foster social justice.

The main themes of the Philippine Development Plan are:

- Attaining high rate of economic growth that provides productive employment

opportunities;

- Equalizing access to development opportunities for all Filipinos (through better education, primary healthcare and nutrition, and other basic social services, etc.); and
- Implementing effective social safety nets to protect and enable those who do not have the capability to participate in the economic growth process.

The PDP centers on five key strategies, including:

- Boosting competitiveness in the productive sectors to generate massive employment;
- Improving access to financing;
- Investing massively in infrastructure development;
- Promoting transparent and responsive governance;
- Developing *human resources* through improved social services and protection.

Under the Philippine Development Plan, we aim for real annual GDP growth averaging 7 - 8 percent. This should triple per capita income to about US\$ 5,000 in two decades. Every year, some one million jobs are to be created. Philippine poverty incidence, as a result, should decline from 33.1 percent in 1991 to 16.6 percent or less by 2015, in line with the Philippines' Millennium Development Goals (MDG's) commitment.

The President clearly reinforced this central message in his Second State of the Nation (SONA) address delivered last week. In addition, he emphasized the importance of cleaning up the government, fighting corruption and ending a culture of unjust and unearned entitlements as key elements required for true national development.

The President's economic prescriptions are already producing important early results.

The macroeconomic foundations of the economy have been stabilized and are now sounder than ever before. Foreign and domestic investor confidence is returning. The Philippines' once low credit ratings have been upgraded four times since the beginning of the President's tenure, which has also lowered interest on Philippine debt.

The government's innovative fiscal approach has saved taxpayers 23 billion pesos in the first

four months of this year alone. Rice imports have been brought under control and conditional cash transfers are proving an effective tool for poverty alleviation.

The prospects are good for the economy as a whole.

### ***Development and Global Economic Engagement***

Yet the Philippines, and other developing nations of the Global South, cannot attain all these ambitious national development objectives without active engagement in the global economy. This, however, entails profound challenges for the Global South.

Globalization was supposed to be a tide that lifted all boats. Instead, in real terms, despite and growth in some parts of the world, whole communities of the poor and the underprivileged are being ravaged by unfair and exploitative trade and investment practices.

Technology transfer and foreign investment were supposed to unleash latent development potential in poorer nations. Instead, in many cases, we find unfair and unreasonable restrictions on the spread and sharing of knowledge.

The developing world has increased its participation in the global economy. Unfortunately, the voice of the Global South is still largely unheard and unheeded in global economic decision-making.

While the overall global economy is expected to rebound from recession, this rebound is unlikely to be either smooth or evenly-spread. The number of poor in the Global South has increased, and many countries will have to work extremely hard just to get back to where they were immediately before the global economic slowdown, threatening their ability to attain their MDG aspirations by 2015.

The Philippines is part of this wider world. Philippine economic diplomacy must, therefore, address the gross imbalances and inequities we find throughout the global economy, in addition to pursuing export markets, foreign investment, technology transfer and tourism.

The fact that economic diplomacy is one the major pillars of Philippine foreign policy reflects its profound significance for the national interest. As we seek inclusive national development at home, so do we strive for inclusive globalization abroad for the many and not just for the few.

It is in this context that the Department of Foreign Affairs is pleased to co-host the Manila Conference with the South Centre. Our gathering today is a unique opportunity to exchange views on pressing economic and development questions from the perspective of the Global South. We will confront cross-cutting issues of interest to all developing countries as we pursue our respective development objectives through global economic cooperation.

The South Centre has been a reliable and invaluable partner in the Global South's efforts to help shape the global economy. In the conduct of its work, the South Center takes into account the legitimate interests of developing nations. As a member of the South Centre, the Philippines has benefitted immensely from interaction with other developing nations, which has helped to forge platforms and positions for consultation and cooperation. The studies and policy papers of the South Centre have been important intellectual inputs in this regard.

***Special and Differential Treatment and Preservation of Policy Space and Flexibilities***

If the Global South is to have any chance of influencing the global economic dialogue, we must stick together. We must preserve our ranks in the face of any attempt to divide developing nations and to undermine our collective interests.

Above all, we must maintain the solidarity of the South on certain key principles in our struggle to secure a just and equitable international system. These include ensuring full recognition of special and differential treatment for developing countries in the context of the World Trade Organization and other fora. The global trade system must take into better account the reality of our situation as developing nations.

Members of the Global South are already doing their part to expand global trade and even investment. But international trade mechanisms are still heavily weighted against the majority of the world's poor, who receive fewer benefits than they should from the current style of globalization. It is in the interest of the Global South, and for the health of the global economy as a whole, that this imbalance be redressed.

Another key principle must be the preservation of policy space and flexibilities in aligning our individual national interests with emerging trends in global economic governance. This is particularly important in the area of Intellectual Property Rights (IPRs). The Global South must hold firm in insisting that IPRs be seen as important for development and not just for the enforcement of private rights.

Our IPR obligations, accordingly, should not go beyond the World Trade Organization's Agreement on Trade-Related Aspects of Intellectual Property Rights (WTO-TRIPS). Public development policy must guide the global IPR agenda if the majority of the world's nations are to prosper through the creative power of intellectual property.

***Meeting the Challenges of Climate Change***

Climate change is another major issue that must concern the members of the Global South, individually and collectively, in the United Nations Framework Convention on Climate Change (UNFCCC) negotiations and elsewhere. We must take to heart the warning of no less than H.E. Ban Ki-Moon, Secretary General of the United Nations, who called climate change one of the great defining challenges of our time.

At home, the Philippines is already manning the ramparts. The Philippines has passed such landmark laws as those creating the Climate Change Commission, the Clean Air Act and the Renewable Energy Act (REA). We have been active, despite the fact that the Philippines has a very small carbon footprint and adds next to nothing to global warming.

But neither the Philippines nor the Global South can hope to succeed alone in this crucial endeavor. Those nations with the historic responsibility of having been the major producers of greenhouse and other damaging emissions must act with greater resolve in the common interest as well.

We, in the Global South, must stand together on the principled position that while we promote sustainable development in our countries, developed countries should meet their commitments on climate change-related mitigation, financing and technology. There can be no other basis for fair global burden-sharing to counter this danger as a single international community.

### ***Migration: Development Implications***

Migration is a serious concern for the Philippines and many other nations, developed and developing. The total number of international migrants has increased over the last ten years from an estimated 150 million in 2000 to 214 million persons today. This accounts for 3.1 percent of the world's population. The rise in number has development, as well as social implications. The Philippines recognizes this fact and has made the protection and promotion of the rights and welfare of Filipinos overseas as a priority pillar of Philippine foreign policy.

The Philippines has joined with others in the Global South to forge international instruments on global migration issues. The Philippines is a major advocate of the U.N. Convention on the Protection of the Rights of All Migrant Workers and Their Families. The Philippines has also chaired the International Labor Organization (ILO) committee that drafted the Convention on Domestic Workers which was adopted by the ILO earlier this year. The Global South must also continue to fight against human trafficking and migrant exploitation.

People are a nation's greatest source of strength and progress. It is in our common interest, therefore, to help ensure that our migrants, wherever they may be, are empowered to continue contributing to our development as well as to that of the nations that generously host them.

### ***Gender and Development***

True and lasting development cannot be attained where the role of women in nation-building is not encouraged and respected. The Philippines is already well-known for its progressive views and advocacies on gender equality. We have had renowned women leaders in every field, from government to academe, from business to civil society, from among the poor and among the powerful. The Philippines is attempting to do even more. It has adopted a plan for gender-responsive development. The Philippine Commission on Women (PCW) oversees its implementation with government agencies. In addition, we recently passed the landmark Philippine Magna Carta on Women which provides for substantive equality between men and women and prohibits discrimination.

Gender and development is a fruitful area of cooperation for our countries. We should collectively encourage greater international efforts to meet the gender-related objectives of the MDG's.

### ***South-South Cooperation***



South-South Cooperation is important for developing nations and is a priority for the Philippines. The Philippines takes pride in being an active member of the South Centre, which has served and continues to serve as a key mechanism for developing countries to enhance their cooperation and to galvanize their collective ability to make a difference in world affairs.

The Philippines fully supports the vision, objectives, plans and programs of the South Centre, and would like to take this opportunity to formally welcome the South Centre Board Members and its Secretariat, led by Dr. Martin Khor, to our country.

### ***The Right to Development***

In closing, let me say this:

If we do not think for ourselves, we will remain mired in the poverty of ignorance.

If we do not speak for ourselves, no one can speak for us in the councils of the nations.

And if we do not act for ourselves, others will define how we will live.

Only through solidarity can we, the members of the Global South, give substance to the Declaration on the Right to Development that the United Nations adopted a quarter-century ago, and whose first article states that:

*"The right to development is an inalienable human right by virtue of which every human person and all peoples are entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be realized."*

Thank you for your kind attention. END