

**DEMOCRACY AND DEVELOPMENT****Speech of H.E President Fidel V. Ramos  
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FOR THE FIRST TIME IN JUST OVER A LITTLE A YEAR, I AM PRIVILEGED TO ADDRESS THIS ANNUAL BUSINESS CONFERENCE OF THE PHILIPPINE CHAMBER OF COMMERCE AND INDUSTRY. AS YOU WILL RECALL, LAST YEAR, I WAS ONE OF THE MANY CURTAIN RAISERS IN THIS CONFERENCE, WHERE WE HAD PRESENTATIONS BY THE VARIOUS PRESIDENTIAL CANDIDATES OF THEIR ECONOMIC PLATFORMS.

AND AS YOU ASKED ME DURING THAT ENCOUNTER WHAT MY CHANCES WERE. MY ANSWER WAS VERY FORTHRIGHT. I SAID, "BETTER THAN THE OTHERS."

A YEAR AGO, ALSO MY DEAR FRIENDS, I CAME HERE PROMISING MANY THINGS TO YOU, TO OUR PEOPLE AND TO OUR COUNTRY. AND TODAY I AM UNDER CHALLENGE BY YOU, BY THE MEDIA, BY THE MASSES OF OUR PEOPLE FOR ME TO REDEEM THOSE PROMISES.

AND I WILL SAY NOW BEFORE THIS CONFERENCE: THE BUSINESS OF THIS NATION IS MOVING FORWARD, AND NATIONAL PROSPECTS HAVE NEVER BEEN BETTER THAN THEY ARE TODAY!!!

**FROM ANXIETY TO OPTIMISM**

MY FRIENDS,THIS CONFIDENT ASSESSMENT OF OUR SITUATION WILL PERHAPS DIFFER FROM THE PERCEPTIONS OF OTHERS.

LOOKING AT THE SAME PHENOMENON, SOME GET AN ACUTE CASE OF DEPRESSION -- WHILE OTHERS MAY FIND ILLUMINATION AND ENCOURAGEMENT.

SOME ARE MOVED TO INDICT DEMOCRACY IN OUR COUNTRY -- WHILE OTHERS DERIVE HOPE FROM IT.

VIEWPOINTS DIFFER -- AND EVEN COLLIDE -- BECAUSE WE'RE ALL LOOKING AT THE PHENOMENON OF NATIONAL DECLINE, AND POOR ECONOMIC SITUATION COMPARED TO OUR NEIGHBORS WHO'RE MODERNIZING AT THE WORLD'S FASTEST RATE.

AT THE SAME TIME, CHANGES ARE TAKING PLACE IN THE WORLD AT BEWILDERING SPEED AND SCOPE -- AND WE'RE WORRIED THAT WE MIGHT BE LEFT BEHIND EVEN FARTHER.

WE ALL REALIZE WE MUST THINK ABOUT OUR ECONOMIC CHALLENGES AND ABOUT INTERNATIONAL POLITICS IN A DIFFERENT WAY.

TO COPE WITH THESE TWIN CHALLENGES, WE NEED TO LOOK OUTWARD NOT INWARD, AS WE HAVE BEEN DOING THESE PAST 42 YEARS.

WE NEED NEW INTELLECTUAL AND BEHAVIORAL ATTITUDES TO REPLACE OUR NARROW NOTIONS OF THE WORLD AND OUR PLACE IN IT.

BECAUSE THERE ARE AS YET NO CERTAIN ANSWERS -- NO PROVEN SOLUTIONS FOR THE PHILIPPINE PROBLEM MANY OF US ARE ANXIOUS -- LEST THE POLICIES WE ADOPT FOR RENEWAL DO NOT WORK.

BUT THERE ALSO COMES A POINT WHEN THIS SORT OF TALK TURNS INTO A PARALYZING KIND OF ANXIETY AND PESSIMISM. THEN IT SERVES ONLY AS AN EXCUSE FOR DOING NOTHING -- APART FROM MAKING JOKES ABOUT OURSELVES.

WHEN AN AMERICAN DISC JOCKEY GOES TO THE EXTENT OF ABUSING FILIPINOS ON THE AIR, WE MUST WONDER WHETHER THIS IS NOT AN OFFSHOOT OF OUR OWN MASOCHISTIC PENCHANT FOR SELF-FLAGELLATION.

FOR THE PLAIN TRUTH IS THAT THERE IS ALSO ANOTHER -- AND MUCH BRIGHTER SIDE -- TO THE STORY OF THIS COUNTRY. AND WE SHOULD NOT FAIL TO REMIND OURSELVES ABOUT IT.

ONE PART OF THAT STORY IS OF THE SACRIFICES ORDINARY FILIPINOS HAVE MADE FOR THE SAKE OF FREEDOM AND DEMOCRACY IN THIS COUNTRY. THROUGH OUR OWN EFFORTS, WE HAVE FOUNDED IN THIS REGION OF ASIA AN AUTHENTIC DEMOCRACY, IN A REGION I MIGHT ADD -- IN WHICH SOME SO-CALLED "DEMOCRACIES" ARE DEMOCRACIES ONLY IN NAME.

WE MUST BE PROUD AS FILIPINOS OF HAVING INVENTED A NEW NON-VIOLENT PEOPLE'S REVOLUTION IN FEBRUARY 1986 THAT BECAME THE MODEL FOR OTHER PEOPLE REVOLUTIONS IN THE REST OF THE WORLD.

THE OTHER PART OF THE STORY IS HOW-- OVER THESE PAST FEW YEARS -- WE HAVE TURNED THE CORNER IN OUR QUEST FOR NATIONAL RENEWAL. WE HAVE BEGUN TO PUT OUR HOUSE IN ORDER AND TO PUT OUR ACT TOGETHER BY REACHING OUT TO ALL THE LEADERSHIP SECTOR OF OUR SOCIETY IN ORDER TO ATTAIN GREATER CONSOLIDATION AND TEAMWORK.

"IN EACH COUNTRY WHERE ECONOMIC CHANGE HAS BEEN SUCCESSFUL," OBSERVES THE INTERNATIONAL HERALD TRIBUNE, "THE KEY HAS BEEN A NATIONAL CONSENSUS FOR CHANGE."

WE HAVE STARTED TO BUILD THIS CONSENSUS. THIS 18TH PHILIPPINE BUSINESS CONFERENCE IS ONE OF SUCH BUILDING BLOCKS FOR THAT CONSENSUS. AND GIVEN THIS CONSENSUS, I TRULY BELIEVE THAT WE CAN NOW CARRY OUT ALL THE POLICY REFORMS, AS WELL AS NATIONAL AND REGIONAL PROGRAMS WHICH ARE NECESSARY FOR TAKEOFF.

#### **THE DISCIPLINE OF DEMOCRACY**

YET SOME OF US -- IMPATIENT FOR A QUICK FIX FOR ALL OUR PROBLEMS -- WOULD THROW AWAY OUR HAND-WON GAINS IN THE POLITICAL SPHERE, IN EXCHANGE FOR EASE IN DECISION-MAKING.

AND I NOTE THE COUNSEL OF OUR VALUED FRIEND, THE DISTINGUISHED SENIOR STATESMAN OF SINGAPORE, SENIOR MINISTER LEE KUAN YEW, URGING ON US MORE DISCIPLINE AND LESS DEMOCRACY. SURELY WHAT HE MEANS IN THE PHILIPPINE CONTEXT IS GREATER SELF-DISCIPLINE FOR ALL FILIPINOS. SURELY WHAT HE MEANS IN THE PHILIPPINE CONTEXT IS GREATER DISCIPLINE IN POLITICS, AND LESS OF THE POLITICS OF PATRONAGE. SURELY WHAT HE MEANS IS GREATER DISCIPLINE IN BUSINESS, GREATER DISCIPLINE IN PAYING OUR TAXES, GREATER DISCIPLINE IN THE USE OF PUBLIC FUNDS, GREATER DISCIPLINE IN GOVERNMENT ITSELF, WHICH

MEANS LESS IF NOT NEGLIGIBLE GRAFT AND CORRUPTION, GREATER DISCIPLINE IN OUR RELATIONS WITH EACH OTHER AS MEMBERS OF FILIPINO SOCIETY, WHICH MEANS LESS BICKERING, LESS FACTIONALISM, LESS OF THE CRAB MENTALITY AND MORE OF THE GREAT AND TREASURED FILIPINO VALUES THAT CARRIED THIS NATION TO ITS INDEPENDENCE AS STARTED BY OUR HEROES A CENTURY AGO.

I MYSELF, MY DEAR FRIENDS, AM A GREAT BELIEVER IN DISCIPLINE BECAUSE I CAME TO THE PRESIDENCY FROM A PROFESSION IN WHICH DISCIPLINE CAN BE A MATTER OF LIFE AND DEATH.

I CAN APPRECIATE HOW BRUSHING ASIDE OBSTACLES TO HIS AGENDA CAN SAVE A LOT OF TIME AND EFFORT FOR ANY POLITICAL LEADER.

BUT THIS PRESCRIPTION FAILS TO CONSIDER OUR ILL-FATED FLIRTATION WITH AUTHORITARIANISM NOT SO LONG AGO.

AND THEN ALSO, IT FAILS TO ACKNOWLEDGE THAT IN WHAT WE HAVE TODAY -- AT THE RAMPARTS OF OUR GOVERNMENT -- WE HAVE INSTALLED A PROCESS THAT ENABLES OUR POLITICAL LEADERSHIP -- IN CONGRESS AND IN THE EXECUTIVE BRANCH -- TO WORK MORE CLOSELY TOGETHER.

THIS GOVERNMENT IS GRIPPED BY NEITHER PARALYSIS NOR GRIDLOCK. AND I AM CONFIDENT THAT WHAT IS REQUIRED FOR NATIONAL DELIVERANCE, THE EXECUTIVE AND CONGRESS SHALL PROVIDE BY CLOSER COLLABORATION.

WE SHOULD NOT SKIP OVER THE ENTIRE STORY OF OUR NATIONAL LIFE -- FOCUSING ONLY ON THE TROUBLES OF THE MOMENT. OUR HARD-EARNED POLITICAL ACHIEVEMENTS ARE IN EVERY WAY PART AND PARCEL OF THE NATIONAL PROMISE THAT WE ENJOY TODAY. BECAUSE WITHOUT THEM, WITHOUT DEMOCRACY, WE CANNOT TRULY WIN DEVELOPMENT.

AND WE SHOULD NOT RUSH TO SUBSTITUTE FOR OUR DEMOCRATIC PROCESSES THE DISCIPLINE OF COMMAND. DEMOCRACY EVOKES FROM CITIZENS A DISCIPLINE OF ITS OWN -- THE BETTER FOR BEING VOLUNTARY, AND NOT IMPOSED FROM ABOVE.

AND THAT IS THE CIVIC DISCIPLINE OF PARTICIPATION, PERSUASION, AND CONSENSUS.

#### **DEVELOPMENT STRATEGY**

PEACE AND ORDER AND POWER SUPPLY ARE BASIC REQUIREMENTS FOR IMPROVING THE BUSINESS CLIMATE. BUT WE MUST NOT STAND TRANSFIXED AND IMMOBILIZED BY THESE PROBLEMS. THESE ARE BEING STRONGLY ADDRESSED. WE MUST NOT WAIT UNTIL THEY ARE SOLVED BEFORE WE ATTEND TO THE OTHER NEEDS OF THE ECONOMY, OR BEFORE IMPLEMENTING OUR DEVELOPMENT STRATEGY.

ONLY TWO DAYS AGO WE CONVOKED THE NATIONAL SECURITY COUNCIL FOR THE FIRST TIME IN SEVERAL YEARS. AND ON THAT OCCASION I MADE SOME OPENING REMARKS THAT REVIEWED VERY BRIEFLY OUR EXTERNAL AS WELL AS OUR INTERNAL SITUATION. AND I'D LIKE TO QUOTE PORTIONS OF THAT BRIEF SPEECH BEFORE THE LEADERS OF OUR COUNTRY AND I QUOTE:

'WE MUST BEGIN TO APPRECIATE HOW ECONOMIC AND TECHNOLOGICAL FORCES ARE CHANGING THE GLOBE BEFORE US. THE DEPTH AND SPEED OF CHANGE IN THE REGION AND IN THE WORLD HAS BEEN UNPRECEDENTED. ALL OF THESE EVENTS AND TRENDS HAVE PROFOUND IMPLICATIONS FOR OUR NATIONAL

INTERESTS, FOR OUR NATIONAL STABILITY, FOR OUR ECONOMIC GROWTH AND OUR PUBLIC SAFETY. THEY PRESENT CHALLENGES WE MUST FACE UP TO, AND ALSO OPPORTUNITIES WE CAN EXPLOIT. TO COPE WITH THIS FAST CHANGING WORLD. OUR DIPLOMACY MUST LEARN TO BE SUBTLE, FLEXIBLE AND FOCUSED IN OUR STRAITENED CIRCUMSTANCES, WE MUST LIVE BY CHURCHILL'S ADMONITION, WHICH IS "THAT THE REASON FOR HAVING DIPLOMATIC RELATIONS IS NOT TO CONFER A COMPLIMENT BUT TO SECURE A CONVENIENCE"

AS HIS REACTION TO THAT NATIONAL SECURITY CONFERENCE, ONE OF OUR MOST DISTINGUISHED, EXPERIENCED AND LEARNED COLUMNISTS WHO IS ALSO A RANKING MEMBER OF THE SENATE (ALTHOUGH, NOT FROM MY POLITICAL PARTY), HAD THIS TO SAY, AND I QUOTE SENATOR BLAS OPLE:

"IN THAT MEETING OF THE NATIOAL SECURITY COUNCIL, PRESIDENT RAMOS AND HIS CLOSE ADVISERS GAVE BRIEFINGS ON THE ECONOMY, FOREIGN POLICY, THE POWER CRISIS, THE PEACE PROCESS AND THE CAMPAIGN AGAINST ORGANIZED CRIME. IT WAS A VERY INSTRUCTIVE MEETING, ESPECIALLY SINCE THE PRESIDENT ENCOURAGED A FREE GIVE-AND TAKE BETWEEN MEMBERS OF CONGRESS AND HIS ADVISERS.

I WAS SATISFIED THAT THE PRESIDENT HAS SHOWN A MASTERY OF THE INTER-RELATIONSHIP OF ALL OF THESE FACTORS AS THEY BEAR ON OUR NATIONAL SECURITY. HE MAY HAVE BEEN THE FIRST PRESIDENT TO DEFINE NATIONAL SECURITY IN AN ESSENTIALLY ECONOMIC FRAMEWORK."

THAT MEETING TWO DAYS AGOIS ALSO WHAT THIS MEETING, THE 18TH PBC IS ALL ABOUT.

WE HAVE MENTIONED THAT DEVELOPMENT STRATEGY MUST REST ON THE EMPOWERMENT OF PEOPLE -  
- PEOPLE EMPOWERMENT: EMPOWERMENT OF THE BUSINESS SECTOR -- BY FREEING IT FROM UNNECESSARY REGULATIONS THAT ONLY DETER IT FROM DOING ITS BEST UNDER CONDITIONS -- NOT OF CARTELS OR MONOPOLIES -- BUT OF FREE AND EQUAL COMPETITION.

THE EMPOWERMENT OF OUR CITIZENRY -- SO THAT THEIR TALENTS AND ENERGIES CAN BE MADE TO BEAR ON THEIR WELL-BEING AND THE UPLIFT OF THE WHOLE SOCIETY.

EMPOWERMENT OF OUR LOCAL COMMUNITIES -- SO THAT THEY CAN BECOME NET CONTRIBUTORS TO NATIONAL GROWTH.

THIS ADMINISTRATION HAS STARTED THE PROCESS OF FREEING THE ECONOMY FROM TOO MANY REGULATIONS -- SO THAT IT CAN GENERATE PRODUCTIVE JOBS AND LIVING WAGES FOR OUR WORK-PEOPLE.

ALREADY, AS YOU ALL KNOW, WE HAVE REMOVED ALL CONTROLS ON FOREIGN-EXCHANGE TRANSACTIONS. WE ARE MOVING PROGRESSIVELY TO REDUCE TARIFFS AND QUANTITATIVE RESTRICTIONS ON MOST OF OUR IMPORTS. AND WE ARE CHIPPING AWAY AT THE HIGH INTEREST RATES, FROM ABOUT 24 PER CENT A YEAR AGO, TO ABOUT 16 PER CET A MONTH AGO. AND WE HOPE TO KEEP THEM GOING DOWN.

HOSPITALITY TO FOREIGN INVESTMENT AND TOURISM AND OPENNESS TO COMPETITION ARE INTEGRAL TO THIS PROGRAM -- BECAUSE WE'RE ACUTELY AWARE THAT WE CANNOT, ON OUR OWN, GENERATE THE CAPITAL AND THE TECHNOLOGICAL SKILLS WE NEED TO ENABLE OUR ECONOMY TO DEVELOP RAPIDLY.

ON THE FOREIGN DEBT, THE FINANCING PACKAGE WE SIGNED IN JULY HAS REDUCED OUR DEBT-SERVICE OBLIGATION AS A PERCENTAGE OF EXPORTS FROM A HIGH OF 33% TO 19% AFTER THE AGREEMENT WAS ENTERED INTO.

AND IN THE COUNTRYSIDE -- FROM REGION TO REGION -- OUR LOCAL GOVERNMENTS HAVE STARTED THE VITAL PROCESS OF MAKING THEIR COMMUNITIES MORE HOSPITABLE AND ATTRACTIVE TO INVESTMENTS.

AT THIS VERY MOMENT THE MEMBERS OF THE CABINET AND OUR REGIONAL DEVELOPMENT COUNCILS WHICH CONSIST OF GOVERNORS, CITY MAYORS AND LEADERS OF THE PRIVATE SECTOR, ARE THEMSELVES WORKING AND STUDYING IN A WORKSHOP, PRECISELY TO FIND OUT HOW WE CAN MAKE THIS BOTTOM UP KIND OF APPROACH, STARTING WITH OUR COMMUNITIES, CAN BECOME MORE EFFECTIVE IN OUR DEVELOPMENT STRATEGY.

IN THIS RESPECT, THERE HAS BEEN A LOT OF EXCITEMENT EVOKED BY THE PROMISE OF SUBIC WHICH IS BEING REPLICATED BY MAJOR PROJECTS ALSO GOING UP IN THE VISAYAS AND MINDANAO.

ONE MEASURE OF OUR ECONOMIC REFORM PROGRAM IS THE WAY IT HAS ALREADY ELICITED INTENSE INTEREST OF THE FOREIGN COMMUNITY.

BUT EVEN MORE DRAMATIC IS THE RESPONSE OF OUR OWN BUSINESS COMMUNITY, JUDGING BY YOUR CONFERENCE THEME: "READY FOR TAKEOFF."

#### **OUTLOOK FOR EXPORTS**

IN OUR EXPORT SECTOR -- ON WHICH THAT TAKEOFF WILL GREATLY DEPEND -- THERE HAS BEEN MUCH ALARM OF LATE OVER THE STRONG PESO, WHICH HAS ARISEN FROM THE FOREIGN-EXCHANGE DEREGULATION AND THE ENTRY OF A LOT FOREIGN MONEY, INCLUDING \$1.2 BILLION WORTH OF REMITTANCES BY OUR FILIPINO OVERSEAS CONTRACT WORKERS .

WE BELIEVE THIS IS A TEMPORARY TRAVAIL. LIBERALIZATION SHALL SOON ENOUGH PRODUCE ITS PROMISED REWARDS IN TERMS OF MORE STABLE AND FAVORABLE EXCHANGE RATES FOR OUR EXPORTS. NEVERTHELESS, WE'RE MINDFUL OF HOW THE SITUATION COULD HURT OUR EXPORT SECTOR, AND WE'VE ADOPTED A TWO-PRONGED APPROACH TO THE PROBLEM.

AT THE MACRO LEVEL, WE HAVE IMPLEMENTED MEASURES TO MAINTAIN EXCHANGE RATES AT LEVELS THE WOULD ENCOURAGE EXPORTS; BRING DOWN INTEREST RATES; LIBERALIZE THE INVESTMENT CLIMATE, AND MAINTAIN LOW TO MODERATE INFLATION RATES. THESE HAVE BEEN REPORTED UPON BY YOUR RESOURCE SPEAKERS DURING THE LAST TWO DAYS. I WILL ADD THAT THIS ADMINISTRATION HAS PROPOSED PRIORITY BILLS TO CONVERT THE CENTRAL BANK INTO A CENTRAL MONETARY AUTHORITY, AND TO LIBERALIZE THE BANKING INDUSTRY SO AS TO PROVIDE FOR MORE EFFECTIVE COMPETITION.

AT THE MICRO LEVEL, MEASURES ARE CONTINUOUSLY BEING TAKEN TO REDUCE TRADE RESTRICTIONS -- INCLUDING THOSE THAT WILL ALLOW THE PRICE SYSTEM TO OPERATE MORE FREELY.

ON TRADE AND EXPORT PROMOTION, OUR COMMITMENT TO A LIBERALIZED TRADE REGIME WILL BE ENHANCED BY OUR ACTIVE COMMITMENT AND PARTICIPATION IN THE AFTA -- THE MAIN MECHANISM OF WHICH IS THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT) SCHEME. THE CEPT SCHEME WILL EFFECT A GRADUAL REDUCTION IN INTRA-REGIONAL TARIFFS ON ALL MANUFACTURED PRODUCTS WITHIN FIVE YEARS.

TO PREPARE OUR INDUSTRIES FOR PHILIPPINE PARTICIPATION IN THE AFTA, I HAD PREVIOUSLY DIRECTED THE SECRETARY OF TRADE AND INDUSTRY TO SUBMIT A DRAFT EXECUTIVE ORDER TO INSTITUTIONALIZE --

IMMEDIATELY -- AN AFTA COMMISSION TO SERVE AS A FORUM FOR CONSULTATIONS ON POLICIES CONCERNING THE SAID AGREEMENT.

AS YOU KNOW, A MULTI-SECTORAL AFTA STUDY COMMISSION WAS PREVIOUSLY DISSOLVED AFTER IT HAD SUBMITTED ITS REPORT TO PRESIDENT AQUINO. SINCE GOVERNMENT NOW SEES THE NEED FOR A MORE PERMANENT AFTA ADVISORY COMMISSION TO CONTINUE EVALUATING THE IMPACT OF AFTA ON OUR ECONOMY OVER THE NEXT 15 YEARS, I AM PLEASED TO ANNOUNCE BEFORE YOU THAT I HAVE APPROVED THE PROPOSED EXECUTIVE ORDER PROPOSED BY SECRETARY NAVARRO RECONSTITUTING THIS AFTA COMMISSION -- AND PROVIDING FUNDS FOR IT FROM THE PRESIDENT'S CONTINGENT FUND.

IN SUM, THIS COMMISSION SHALL HAVE THE FOLLOWING POWERS AND FUNCTIONS:

PREPARE STUDIES TO DENTIFY THE ISSUES AND IMPLICATIONS OF AFTA AND ASEAN ECONOMIC COOPERATION ON THE PHILIPPINE ECONOMY AND ITS INDUSTRIAL, AGRICULTURAL AND FINANCIAL AND SERVICE SECTOR, INCLUDING LABOR AND THE FARMING SECTORS, AND PROPOSE A CONCOMMITTANT WORK PROGRAM, INCLUDING LEGISLATION WHERE NEEDED, PRIVATE SECTOR INITIATIVES, AND TECHNOLOGICAL INNOVATION TO ENHANCE OUR COMPETITIVE ADVANTAGES IN THE REGIONAL MARKET.

RECOMMEND DIRECTIONS, POLICIES AND GUIDELINES FOR THE GOVERNMENT IN ITS CONTINUING DISCUSSIONS AND NEGOTIATIONS WITH THE ASEAN GOVERNMENTS AND THE DIALOGUE PARTNERS IN ALL AREAS OF ECONOMIC COOPERATION. ENHANCE COLLABORATION AND AIM CONSENSUS AMONG THE VARIOUS SECTORS SUCH AS BUSINESS AND INDUSTRY, AND AGRICULTURE, THE SERVICE SECTORS, SCIENCE AND TECHNOLOGY CENTERS ,AND LABOR AND NON-GOVERNMENT ORGANIZATIONS.

AND TO CREATE SUCH SUB-COMMITTEES AND TASK FORCES AS MAY BE NECESSARY TO ACCOMPLISH ALL OF THESE.

I CAN TELL YOU IN ADVANCE THAT THIS AFTA COMMISSION WILL HAVE FOR ITS JOINT CHAIRMEN SECRETARY NAVARRO AND MR. JOSE PARDO, YOU PRESIDENT OF THE PCCI, PLUS 14 OTHER PROMINENT REPRESENTATIVES OF THE PRIVATE SECTOR.

WE CANNOT REPEAT THIS POINT OFTEN ENOUGH; EXPORTS ARE THE KEY TO LONG-TERM SUSTAINED GROWTH. THERE IS NO OTHER WAY FOR US. I AM CONFIDENT THAT THE OUTWARD-LOOKING POLICIES WE ARE NOW ADOPTING WILL SIGNIFICANTLY REDUCE DISTORTIONS IN RELATIVE PRICES, GENERATE EMPLOYMENT AND IMPROVE THE DISTRIBUTION OF INCOME.

WE EXPECT THE LIBERALIZED TRADE AND INVESTMENT ENVIRONMENT TO IMPROVE THE EMPLOYMENT SITUATION IN THE COUNTRY. CLEARLY, WE CANNOT BE SATISFIED WITH THE 1.1% GROWTH IN PRODUCTIVITY FOR THE PERIOD FOR TE SIX-YEAR PERIOD OF 1985-1991. A SIGNIFICANT INCREASE IN PRODUCTIVITY LEVELS WILL HAVE TO DEPEND ON OUR ABILITY TO RETRAIN THE WORKFORCE AND PRODUCE THE NEW HUMAN CAPITAL NEEDED BY THE PHILIPPINE ECONOMY.

STEPS ARE NOW BEING TAKEN TO CORRECT THE EXISTING DYSFUNCTIONS IN THE LABOR SECTOR, THE DISMAL STATE OF TECHNICAL AND VOCATIONAL EDUCATION, AND EXISTING POOR RETRAINING SCHEMES -- WHICH ARE BECOMING A BURDEN IN OUR DRIVE TOWARD SUSTAINED GROWTH.

ALONG THIS LINE, I HAVE ASKED CONGRESS TO IMMEDIATELY ENACT PENDING LEGISLATION AIMED AT ALLEVIATING THE WORSENING EDUCATION AND WORKPLACE CRISIS. THIS INCLUDES THE MAXIMIZATION OF THE DUAL TRAINING SYSTEM IN THE PHILIPPINES WHERE GOVERNMENT AND THE PRIVATE SECTOR JOIN HANDS TO INSURE HIGHLY SKILLED AND EFFICIENT WORKERS.

ONCE ENACTED, THESE MEASURES WILL FURTHER STRENGTHEN OUR COMPARATIVE ADVANTAGE WITHIN ASEAN IN TERMS OF AN EDUCATED AND EFFICIENT LABOR FORCE.

#### **POVERTY AND COUNTRYSIDE DEVELOPMENT**

FINALLY, I MUST UNDERScore, THE CENTRALITY OF PEOPLE IN OUR DEVELOPMENT PROGRAM. WE CANNOT TALK OF THE STRUGGLE FOR DEVELOPMENT MERELY FROM THE POINT OF VIEW OF THE BUSINESSMEN AND THE ENTREPRENEUR. FOR THIS MUST BE STRUGGLE OF THE PEOPLE -- OF ALL OUR PEOPLE -- FOR CHANGE AND DEVELOPMENT.

THIS STRUGGLE MUST BE FOUGHT IN THE CITIES AND THE COUNTRYSIDE; IN OUR FACTORIES AND IN THE FARMS; IN OUR BOARD ROOMS AND IN OUR HOMES. AND WE CANNOT CLAIM VICTORY UNTIL WE SUCCEED IN CUTTING THE MASSIVE POVERTY THAT AFFLICTS SO MANY OF OUR COUNTRYMEN.

PRESIDENT CLINTON CAMPAIGNED ON THE THEME OF PEOPLE EMPOWERMENT, AND HE SUCCEEDED IN WINNING THE ELECTIONS. AND SO DID EDDIE RAMOS. I BELIEVE THE WORLD IS NOW THROUGH WITH "TRICKLE-DOWN ECONOMICS," WHICH HAS MERELY LEFT OUR POOR FARTHER AND FARTHER BEHIND THE REST OF THE NATIONAL COMMUNITY.

EMPHASIS IS NOW EQUALLY ON THE DELIVERY OF BASIC SOCIAL SERVICES; ACCESS TO SKILLS-TRAINING AND EXTENSION SERVICES, AND THE PROMOTION OF COOPERATIVES.

EFFORTS AT PROMOTING COUNTRYSIDE DEVELOPMENT IS A MAJOR STRATEGY IN THIS ADMINISTRATION'S WAR AGAINST POVERTY. AND WE HAVE EMBARKED ON MEASURES TO IMPROVE CREDIT ACCESS IN RURAL AREAS, RESEARCH, EXTENSION AND OTHER SUPPORT SERVICES, PROVISION OF RURAL MARKET INFRASTRUCTURES AND THE STRENGTHENING OF COOPERATIVES.

SUCH INNOVATIONS AS ASKING CONGRESSMEN AND SENATORS TO GIVE SOME OF THEIR COUNTRYSIDE DEVELOPMENT FUNDS TO BE INVESTED IN THE LAND BANK OF THE PHILIPPINES SO THAT EVEN MODEST AMOUNTS CAN BE LEVERAGED 3,4, OR EVEN 5 TIMES, ARE AMONG THE PROGRAMS THAT WE ARE NOW PURSUING TO PROVIDE ACCESS TO EASIER CREDIT TO OUR FARMERS.

THE POINT IS THAT WITH THIS POSITIVE DISCRIMINATION ON BEHALF OF OUR POOR, WE SHALL THEREBY RAISE THEM TO A LEVEL WHERE THEY CAN DECISIVELY HELP MAN THE MACHINES AND MECHANISMS OF BUSINESS AND INDUSTRY. THEIR GREATER PRODUCTIVITY WILL SPELL THE PRODUCTIVITY OF THE ENTIRE ECONOMY.

#### **POLITICAL WILL**

CERTAINLY, WHAT WE HAVE DONE IN NEARLY FIVE MONTHS IS STILL NOT ENOUGH. BUT CHANGE WE ARE NOW RELENTLESSLY PURSUING, AND WE WILL NOT RELENT UNTIL WE FULLY TRANSFORM THE CLIMATE FOR ECONOMIC PROGRESS IN OUR COUNTRY.

BY TRAINING AND INCLINATION, I AM A REALIST. I DO NOT READ TOO MUCH INTO ANY SITUATION -- NO MATTER HOW PROMISING. I BELIEVE IN MEASURABLE TARGETS AND MEASURABLE ACHIEVEMENTS. THE BOTTOM LINE FOR ME IS THE ACCOUNTANT'S LEDGER.

NONETHELESS, I CANNOT BUT FEEL ELATED BY THE EVIDENCES OF CHANGE IN ATTITUDES AND PERCEPTIONS BORNE HOME TO ME BY MY VISITS ACROSS OUR COUNTRY AND MY MEETINGS WITH DELEGATIONS OF BUSINESSMEN FROM HERE AND ABROAD WHO HAVE COME TO VISIT AND SEE FOR THEMSELVES WHAT IS HAPPENING IN OUR COUNTRY.

IN MY MEETINGS WITH LOCAL LEADERS AND COMMUNITIES, I CAN TESTIFY TO THEIR STRENGTH OF CONFIDENCE, THEIR EAGERNESS AND THEIR READINESS FOR THE CHALLENGE OF ECONOMIC TRANSFORMATION IN OUR COUNTRY. THEY ARE WEARY OF POLITICS, SPECIALLY THAT KIND WHICH WE CALL TRADITIONAL, PATRONAGE POLITICS. AND THEY WANT TO GET THINGS DONE. THEY UNDERSTAND THAT FOR DEVELOPMENT TO HAPPEN, GOVERNMENT CANNOT DO THE JOB ALONE. THEY MUST THEMSELVES TAKE PART.

THESE -- MORE THAN ANYTHING ELSE, MORE THAN EVEN THE INTEREST OF INVESTORS IN OUR COUNTRY -- ARE WHAT SIGNIFY TO ME THAT THIS COUNTRY CAN REVERSE ITS RECORD OF DECLINE AND FAILURE. THAT OUR REFORMS ARE TAKING HOLD. AND THAT WE ARE INDEED READY FOR TAKE OFF. OUR TASK, THEN, AS LEADERS AND AS ENTREPRENEURS IS TO TURN THIS PROMISE TO THE LASTING BENEFIT OF OUR PEOPLE AND OUR COUNTRY -- TO MAKE THIS FINAL DECADE OF THE 20TH CENTURY INTO A TIME OF GROWTH AND DYNAMISM IN OUR LAND.

WHERE THIS TASK OF TRANSFORMATION CAN BE FILLED BY OUR LABORS IN THE EXECUTIVE, YOU CAN BE ASSURED THAT I WILL SPARE NO EFFORT TO DO WHAT MUST BE DONE.

WHERE THIS TASK REQUIRES THE ENERGETIC COLLABORATION OF CONGRESS, I WILL URGE OUR LEGISLATORS TO ENACT FOR US THE LAWS THAT WILL RELEASE THE ENERGIES OF THE NATION.

AND WHERE FINALLY THIS TASK MUST BE FILLED BY THE ENTERPRISE OF THE PRIVATE SECTOR, I URGE YOU IN THIS CONFERENCE TO TAKE UP WITH ZEAL AND DEDICATION YOUR ROLE AS THE ENGINE OF DEVELOPMENT IN OUR FREE SOCIETY.

LET US ALL JOIN TOGETHER IN THIS CRUSADE FOR CHANGE AND TRANSFORMATION, LET IT NOT BE SAID THAT IN THIS OF PROMISE, WE DID NOT SOUND THE CLARION AND OUR PEOPLE DID NOT HEAR THE CALL. BY ALL MEANS, LET'S TAKE OFF.

THANK YOU AND MABUHAY.

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