

For a change, I want people to be able to talk about our state of health, instead of our sickness:

What is good in us; instead of our flaws.

What we are good at; instead of what we are short of.

Our strengths; rather than our vulnerabilities.

What we can do; rather than what we have been unable to do.

This morning is a good time for talking positively. Because this morning, we summon the spirit that is distinctly Filipino — *bayanihan*, *kapit-bisig*, *tulong-tulungan*, *sama-sama*.

We shall be mobilizing all these virtues in the Filipino character to achieve the vision we share for our country.

An NIC by the Turn of the Century

This morning, we bring together agriculture, industry, and trade to join forces with Government, the academic community, and our scientists, non-government organizations and people's organizations — in a drive to make the Philippines a newly-industrializing country (NIC) by the end of this century.

This forum shall offer you a prescription for our country's economic health. We want you to examine this program from your point of view — and also from the national interest. If you agree — as we hope you will — we want your wholehearted commitment to this program.

We want all of you to join us in undertaking a series of measures that will continue without let-up until our goals are attained — that of reconciling our country with its promise: that of reaching an industrial status at the turn of the new century.

These measures include a *National Technology Agenda* which shall teach us to enhance our skills and optimize our productivity; to give us greater access and control of our resources in people and in nature; and to propel us into modernized agriculture and an industrialized society.

My Vision for Our Country

My vision for our country — which I have long articulated and which I know you share — is for the Philippines to become a place where those who have the least can afford to have the minimum food

requirements; decent clothing and shelter; able to carry on with dignity; and be given the chance to lead their lives to the fullest possible.

I want every Filipino to be secure in his home and in the street. I want our politics to be cooperative — not confrontational — and based on our people's welfare and the national interest.

During my Presidency, I want to see our per capita income to rise to at least US\$1000; our economy to grow by at least 6-8 percent; and our incidence of poverty to decline to at least 30 percent from the present 50 percent.

Guided by this vision, our Medium Term Development Plan for 1993-1998 has taken up the twin themes of *global excellence* and *people empowerment*.

Export orientation of the economy shall 'enlarge the pie.' People empowerment shall both help enlarge the pie and divide it more equitably.

Achieving this Vision

How do we achieve this vision? Achieving it depends on many factors. Scanning the environment at home and in the world — the environment in which the Philippines must operate — we need to identify five major problems we must deal with — before we can place our economy on the way to growth.

First, we must bring down the old economic order. Our "infant industries — coddled by over 40 years of tariff protection and import controls — are too soft, too inefficient, and too self-satisfied to compete in the world.

The second problem — a by-product of the first one — are cartels and monopolies. Competition at home has also been distorted by political entrepreneurship, crony capitalism, and oligarchic power.

The third problem is corruption in the agencies that regulate and control the economy. Corruption undermines not just the economy but, even more grievously, the entire civic structure of people's faith in government.

Fourth is the quality of our infrastructure. Our electric power, transport and telecommunications facilities, and other services are either deficient, inefficient, or mismanaged. This historical neglect is costing us dearly — in lost investments; in raising the prices of goods and services; and, in wasted production capacity.

The fifth constraint is the unfavorable economic climate in the world.

We have taken much too long to get our act together. Competition in the world market is now much stiffer than it was when our neighbors — today's dragon economies of East Asia — began their own ascent to growth.

Exclusivist economic blocs, increasing protectionism in Europe and America, and even the shift from central planning to market mechanisms in the former communist countries — all these trends indicate that we shall be venturing out into a tough and unforgiving world.

We must factor these five problem areas into our growth equation. We must deal decisively with those we can deal with on our own, as urgently as we can.

Learning From Our Neighbors

How do we best realize our growth targets? What operational strategy do we pursue?

The way to growth is no longer a mystery. The road to development is, by now, well-mapped. And we also have the example of our vigorous neighbors.

Scholars and practitioners from 35 Pacific Rim countries, getting together in Taipei in 1988, identified the secrets of success of five Asian countries — Japan, Hongkong, Taiwan, Singapore, and South Korea. They identified three preconditions for economic growth that all five countries have met and seven strategies they have followed.

The three preconditions which made the economic "miracles" of Japan, Hong Kong, Taiwan, Singapore, and South Korea possible are:

- 1.) Civic order and political stability;
- 2.) A deeply ingrained work ethic; and,
- 3.) Commitment by the political and economic elite to the common good.

The Seven Growth Strategies

As for the seven strategies, they are:

- 1.) Commitment to a 'planned' free-market economy;
- 2.) Giving the people a stake in the economy;

- 3.) Industrializing from a base of agricultural productivity;
- 4.) Encouraging a high savings rate;
- 5.) Developing an educated work force;
- 6.) Fostering export industries; and,
- 7.) Building a solid infrastructure.

The Example of Japan, Inc.

What is more — with the exception of Hong Kong, which follows classical *laissez faire* — all governments in these countries organized their national businesses, labor unions, and elite bureaucracies into veritable country operations.

The most conspicuous example of this kind of tripartite collaboration is Japan. A core of permanent high-level bureaucrats — located for the most part in the Ministry of International Trade and Industry, the world-famous MITI — regularly consults top political, business, and labor officials to provide a communitarian vision, and an industrial and trade strategy for the Japanese nation.

So successful has this approach been that countries as far apart as Germany, France, Brazil, Malaysia, and Thailand have all adopted it. Even President-elect Bill Clinton's America is gearing up for this same kind of collaboration among government, business, and unions.

Our Own Strategy: Philippines 2000

We ourselves have started to reach out to key national actors — to forge a strategic alliance with them. I see this cooperative venture as characterized by:

- 1.) Informal but close cooperation between Government, business, labor, and NGOs and POs;
- 2.) A corporate approach to development. We must set for ourselves clear and achievable targets, and select potential 'export winner'; and,
- 3.) Maximum use of information — the great strategic resource of the twenty-first century — to enable us to respond actively to threats, and opportunities, in the world marketplace.

Role of the Key Players

For this strategy to be effective, each key sector must take its role to heart.

Government must shift from regulative to promotional and developmental modes of intervention in the economy.

This is why we are undertaking pump-priming activities and focusing on electric power generation and product research and development.

Above all, Government must create the proper policy-environment for private enterprise to flourish.

Government must ensure that the home market is truly competitive by dismantling the unfair advantages enjoyed by a privileged few.

I believe the passage of an Anti-Trust act by Congress is now opportune. Such a law will benefit even those who now enjoy monopolistic positions in the home market. It will lead them to become more innovative and competitive.

And government must pursue internal reforms to eradicate political, and judicial, corruption. The passage by Congress of a RICO statute against racketeering and corrupt influences is now also timely.

Business should widen the base of entrepreneurship; while labor should cultivate among its ranks the work ethic — industry, productivity, technical skills, and the passion for excellence.

Civic Responsibility and the Elite

To achieve economic growth, we are more than willing to unleash the energy of self-interest, the drive for individual profit. But we shall insist that Philippine capitalism maintain a high regard for the welfare of our masses, and for the good of society as a whole.

Though wealth is best owned privately, its owner should use it for the public good.

One of the reasons our neighbors have grown so splendidly is that in every one of these countries, the political and economic elites have been so deeply committed to the common good.

By contrast, development in our country so far has failed — because this enduring commitment to civic welfare has largely been missing from among our political and economic leaders.

From the centuries of colonialism through the first decades of Independence, our elite has held family and social class above the Filipino nation.

I have always thought it ironic that Filipinos of means — who are the quickest to complain about the quality of our social services — should also be the most adept at shortchanging Government on their taxes.

We shall insist that our business and political elites commit themselves unequivocally to the common good.

A Movement for Development

We see Philippines 2000 as more than just a forum. We see it as a movement, a campaign, a tidal flow — a huge machinery for development, whose every cog and wheel must be fine-tuned for maximum efficiency.

I call on business and industry; our workers, organized and unorganized; every agency of the Government; the civil service; our intellectual, scientific, and academic communities; and all our people's organizations to align all their programs to the principles and framework of Philippines 2000.

I expect this group assembled here today, from many sectors and with many talents, to draw up — before the day is over — a draft consensus of a National Agenda for Industry and Technology.

I also expect you, in the coming days, to consult as many other groupings as you can.

Reach out to every segment of the national community — particularly those with the least access to power and privilege.

Speak to them of our vision, our hopes, and our programs. For my part, I shall be in the lead to pull you up.

The hour is late. All of these things we must do should really have been done yesterday. We must redouble our collective efforts. We must all work as we have never worked before.

There will be many hardships and few material rewards for those of us who take up this challenge. But if we keep faith with ourselves, with our people, and with God, we shall not fail. We can do it; so let us do it.