

Speech by Philippine Foreign Secretary Perfecto Yasay at the CSIS Banyan Tree Leadership Forum on September 15, 2016

PERFECTO YASAY: [...] I am indeed honored to join you this morning. It is appropriate that as Philippine secretary of foreign affairs, [music] ... was peaceful, and we saw the highest voter turnout of 81.62 percent, with President Duterte receiving [over 6.6 million votes more than his closest rival.] Every election exercise in the Philippines is meaningful, given that our country fought hard to ensure the democratic processes, restored through the bloodless People's Revolution in 1986, are preserved and never again compromised. My country's independence was also hard-fought—and hard-won—and we ceaselessly value and guard our independence. The Philippines' guiding principles are enshrined in the Constitution that include the supremacy of laws, freedom, equality, peace, justice, and the right of self-determination. Among these is also the mandate to pursue an independent foreign policy, to promote the paramount national interests.

First of all, may I speak of President Duterte. I know that his leadership style has been the subject of considerable news coverage these days. Allow me, someone who has known the President for many decades, to share with you an insight into the presidency. I have known President Duterte since we were students sharing a room at the YMCA Youth Center dormitory in Manila. He is a man of uncommon courage, a leader guided by the fundamental principles of truth-telling, justice, fair play, and compassion. He comes across as fearless, with a strong language, and he has a heart for the downtrodden and the poor. His character is marked by that rare quality of integrity and honesty. Some may think of him as unconventional: that is because he hates double-talk.

President Duterte brings to his presidency his experience as a trial prosecutor for 10 years and as a seven-term mayor of Davao City. His exposure to the grass roots and local government units has allowed him to know the pulse of the people—their needs and aspirations. He knows the government bureaucracy, or how the government bureaucracy works, and he has the talent and energy to master such bureaucracy that he can get things done fast. He has stated that he will be guided by established norms and procedures under the law to deliver the strong mandate given to him by the Filipino electorate. Under the firm and decisive leadership of President Duterte, the current administration has set its sight on establishing a clean government, free of corruption and criminality. During the State of the Nation Address, the President made pledges that reflect the goals of his administration. For your easy appreciation, I have clustered the President's pledges along four priority commitments. These commitments will be the basis of the Philippines' foreign policy and economic diplomacy initiatives.

First, the Philippines is unequivocally committed to the rule of law. The President has made clear that his platform of government will be based on the rule of law, and this is best manifested in his actions and orders to his team that they must strictly adhere to due process. This "rule of law doctrine" fully governs the President's war on criminality and illegal drugs. The President is a lawyer, and he knows exactly the extent and limits of the laws as they guide government actions and law enforcement. The President subscribes to the belief that the law must be used to protect the people from criminal elements and government abuses that have prevented our people's advancement. Please bear in mind that our War against Drugs encompasses the control of

demand, reduction of supply, and sending the guilty to jail to stop their nefarious activities, or to afford them a chance for rehabilitation so that they can go back to the mainstream of society as useful and law-abiding citizens.

The President also expresses his zero tolerance for corruption in government. For far too long, the Philippines has not been able to reap the benefits of its remarkable economic growth, due in part to corruption. The Philippines dropped ten notches in the most recent Global Corruption Index; as such, the President has made clear that corruption must stop on its track. In a real sense, corruption has become the breeding ground for the illegal drug trade, which has grown up to be a monster in the midst of Philippine society.

There is also a pressing need to eliminate the inequitable economic and political structures that have prevented and hampered growth. President Duterte would like to realize this within the shortest possible time. The extent of media coverage of Philippine War on Drugs and Corruption is not lost on us. Concerns have been raised on the rising numbers of death; as such, these deaths have been conveniently labeled as “extra-judicial killings.” Let me assure you, however, that full respect for human rights and the value and dignity of every person is a state policy in our Constitution, to which the Duterte administration is firmly committed to uphold. We will not veer from this. Law enforcement officials are bound by legal procedures and strict operational protocols. The President has made it clear: law enforcement authorities are to apprehend criminals and that the use of reasonable force may only be considered if the law enforcer’s life is threatened. We do not, and will not, and will never condone any unlawful killings, and Filipino authorities have been instructed to look into these incidents and bring the perpetrator to justice. In the book of President Duterte, and in my book, extrajudicial killing has no place in our society.

Second, the Philippines is committed to peace. The President is driven by his passion to bring about peace and stability in our country. For these reasons, he has opened the gates to the country’s stakeholders, who have had a strong running quarrel with our duly constituted government, to come to the negotiation table. The government, under the direction of the President, is now addressing the issues and grievances raised by such stakeholders as Bangsamoro, members of the Communist Party of the Philippines—which include the National Democratic Front and the New People’s Army. The President considers the Abu Sayyaf Group a terrorist organization of criminals who operate under the guise of religious beliefs. He declared an all-out war against these lawless elements with the full force of the armed forces of the Philippines. This Abu Sayyaf challenge has unfortunately become a regional issue, and thus, counter-terrorism efforts with neighboring countries—Indonesia and Malaysia—are currently being fast-tracked.

The tragic event in Davao City more than a week ago provides yet another reason to fast-track the President’s fight against criminality. We appreciate the expression of support—including U.S. offer of assistance in the investigation process. With our firm resolve and the support of our allies, we shall defeat these lawless elements and ensure the safety and security of our nation and people.

Third, the Philippines is committed to its people. Above all, what drives the President is the passion to seek the welfare, well-being, and a bright future for all Filipinos. He is firmly committed to delivering basic services to our people. Specifically, the President seeks a higher standard of living, efficient provision of social services, cutting bureaucratic red tape, and streamlining operations. Such social services include health, education, housing, food, and water. This is a policy that applies to all Filipinos—including the 10 million Filipinos abroad. We are steadfast in our commitment to protect and promote the right of overseas Filipinos. The country continues with its active efforts to combat human trafficking as part of our commitment to ensure the protection of all our nationals. I appreciate the State Department's acknowledgement of the Philippines' anti-trafficking efforts and will ensure we continue to exert our full effort to protect our nationals. We are confident that our efforts will continue to be recognized in terms of future tier-ranking of the Philippines.

And lastly, but not least, the Philippines is committed to being a responsible partner in its relations with the international community. Philippine foreign policy has always been anchored on three pillars: economic diplomacy, national security, and protecting Filipinos overseas. We will continue to be guided by these as we focus on cementing our old relationships and looking for new partners to address common interests and challenges. President Duterte's domestic concerns compel the Philippines to partner with like-minded countries in the areas of maritime security, counter-terrorism, disaster response, and trans-national crimes such as drugs and human trafficking. The Philippines is also committed to sustaining our role as a reliable economic partner and is looking to pursue reforms to maintain competitiveness and improve the ease of doing business in the country.

This commitment to the rule of law, to peace, to our people, and to our relations with the international community also extends to the recent decision of the arbitral tribunal of the Permanent Court of Arbitration in The Hague. The arbitral award, which is final and binding to all parties, is a clearly established fact and is now part of international jurisprudence in the maritime domain. President Duterte is uncompromising in his position that whatever track the Philippines pursues will be based on the decision of the tribunal. The Philippines views the decision as the guiding light for every decision made or action taken, and the unilateral action that are not rules-based will not be taken. With the tribunal ruling, the Philippines looks forward to pursuing confidence-building measures. The Philippines is also committed to peaceful resolution of dispute, including full respect for legal and diplomatic processes.

A vital component of Philippine independent foreign policy is the Philippines-U.S. alliance. Our American friends, from President Barack Obama to cabinet secretaries, to the leadership of the U.S. Congress, and to the officials with whom we deal daily have often spoken about their government's ironclad commitment to its alliance to the Philippines. We value this commitment and resolve to be a reliable, proactive, and responsible partner. We appreciate that the U.S. has invested a great deal of time and valuable resources in Asia with its rebalance policy, and the Philippines hopes to show that our partnership has been, and will continue to be, both important and mutually beneficial.

The past six years have seen a deepening of Philippine-U.S. military and security relations. Our security cooperation has broadened in terms of the areas of cooperation, levels of engagement,

and types of activities we are undertaking together. The decision of the Supreme Court earlier this year to uphold the constitutionality of the Enhance Defense Cooperation Agreement (EDCA) paved the way for the Philippines and the United States to better address security and disaster-related imperatives. As you may already know, agreements have been reached in five locations where EDCA will be implemented. The end goal of EDCA's implementation is to increase the interoperability of the armed forces of the Philippines and the U.S, enhance joint capacity for humanitarian assistance and disaster relief, and improve maritime security and domain awareness.

You will recall the visit of President Barack Obama to the Philippines last year. President Obama chose Manila to deliver the U.S.' longstanding commitment to the security and stability of Southeast Asia. He announced the transfer of the U.S. Coast Guard cutter *Boutwell* and an oceanographic research vessel *Melville* to the Philippines. I am pleased to note that the *Melville*, renamed BRP *Velasquez*, has already arrived in the Philippines, and the *Boutwell* has set sail for the Philippines on July 21 from Alameda County. We will also continue to do our share in preserving the peace and security of our region, specifically in terms of boosting our national capabilities and advocating for a rules-based international order.

Our solid security engagement is matched by a highly productive economic partnership. The central theme of the Philippine economic diplomacy with the United States is geared toward the economic transformation of the Philippines, and that transformative drive will be continued with more resoluteness by President Duterte. One piece of good news is the Philippine 70 percent second-quarter growth rate—the highest in ASEAN, and even higher than the growth trajectory of China. Some economic highlights include the Partnership for Growth, and the decision of the Millennium Challenge Corporation to develop a second compact for the Philippines. This followed a highly successful compact, which provided 434 million U.S. dollars for critical infrastructure, improved revenue management tools, as well as health and sanitation projects.

The Philippines and the United States also renewed their commitment to increased economic ties through the Trade and Investment Framework Agreement mechanism, or TIFA. The latest round of TIFA talks resulted in candid evaluation of trade-related matters, such as investment, customs, intellectual property rights, agricultural trade concerns, and the U.S. Generalized System of Preferences, or GSP. The healthy economic partnership with the U.S. is manifested in every of the following: TIFA, the renewal of the GSP last year, the removal of the Philippines from the Specialty 301 Watch List, or IPR, and FAA's reinstatement of the Philippines' Category 1 status. We also enjoyed a bumper harvest in our trade relations. In 2015, total PH-U.S. trade volume registered at 18.2 billion U.S. dollars—slightly down from 2014, but 15 percent higher than 2010.

Actually, ladies and gentlemen, we can do more. The Philippines and the U.S. are natural business partners because of our shared values and common interests. We are host to some 600 American companies and their affiliates, and I continue to invite more U.S. businesses to set up operation in the Philippines in the priority sectors of information technology and business process management, infrastructure, tourism, and manufacturing. One of the most robust sectors is the information technology business processing outsourcing, or IT-BPO industry. The Philippines has overtaken India as the call center of the world. In 2016, this industry is expected

to generate 1.3 million jobs, representing 17 percent annual growth. For those in the room who represent the business community, let us continue to challenge ourselves and see how we can work together and increase the volume of trade and the number of U.S. investment in the country.

With close to 3.4 million Filipinos in the U.S., we represent the fourth largest immigrant community in your country. I was exposed to the Filipino diaspora when I was living in New York as a practicing lawyer for over 10 years, and I am proud to have seen their positive contributions there. The U.S. has been the second-largest tourist market of the Philippines for four consecutive years since 2011. Several platforms are available for regular people-to-people interactions, such as the exchange of visitors' program of the U.S. Department of State and Young Southeast Asian Leaders Initiative by the White House. Filipino participants in these programs have been recognized for their competence, enthusiasm, and intellect. I wish to see in the coming year a great increase in the number of Filipino students pursuing higher education in the U.S. For the past three years, the number has hovered around 3,200 students, and I wish to see growth in that number. Everyone agrees that education is a great equalizer, and so I hope our two governments can work together to have more Filipinos study in the U.S. to complement the education they acquire from universities in the Philippines.

Change has come to the Philippines. That is not an empty boast. We cast a vision of a corruption-free and drug-free Philippines. We want our people to fully trust the government's ability to protect their fundamental rights and liberties. With such confidence in our ability to make new changes, we are prepared to break new grounds and explore new horizon. The changes we are seeking, however, will remain grounded in the most enduring precept—which is our own national interest. We recognize that a secure, stable, and prosperous Philippines will require a secure and stable rules-based regional order as well. Thus, we remain committed to the principle network of alliances that has for many years guaranteed stability and enabled prosperity in our region. We will continue to do our part in building a region where fundamental freedoms are respected in word and in deed.

In this effort, we will always view the United States as an esteemed and trusted ally, with whom we share not just a common history and shared values, but a common destiny as well. Just as the Philippines is completing a transition of power, the U.S. is finishing its own elections and transition. The Philippines looks forward to a continuation of the United States' ironclad commitment to the Philippines and will continue to strengthen its relations with the U.S. The priorities and commitments of the Duterte administration give the Philippines and the U.S. to build on their enduring alliances. They open the gates for wider cooperation with the U.S. The challenges ahead will require a nimble and nuanced diplomacy, but I am confident that our alliance, based on mutual trust and respect, will continue to contribute to a peaceful and stable region that both our countries have committed to our people.

History has shown that progress and prosperity have been achieved at phenomenal levels when men and women cross the boundaries set by customs and traditions. It is because, as Justice Oliver Wendell Holmes has put it wisely: "A mind stretched to a new idea never goes back to its original dimension." Together, as partners in peace and development, our two countries will

stretch our collective minds to new ideas of cooperation and productive endeavors, and such minds will grow bigger in dimension every time it is stretched. Thank you, and good day.

Q&A

AMY: Secretary Yasay, thank you so much for your visit here today. Your remarks have really shown the breadth of our relationship: it's not just a security alliance, but we have a very strong economic partnership, shared values, and very strong people-to-people ties. At the same time, President Duterte's prosecution of the War on Drugs—we've seen over the last three months the death toll from vigilante and police rise to about 3,500 people, which has given rise to a lot of concerns about human rights, and due process, and extrajudicial killing. President Obama has made clear that he wants to speak to these concerns when he has a chance to meet with your president, as he does with other leaders all over the world—including when he visited Vietnam and Beijing and in his meeting yesterday with Aung San Suu Kyi. But this expectation that President Obama might raise this issue is what led to the initial harsh words and the cancelled meeting in Laos—a missed opportunity for the two leaders to meet and discuss the breadth of our relationship. So clearly, this is going to be an issue that's going to be a bit of a thorn in our relationship, and how do you think we can manage it in the next several years?

YASAY: Well, I think we should proceed on the premise that the Philippines and the United States are equals. We work together in mutual respect, and we work together very closely in terms of promoting our mutual interests. And where these interests converge—let's work closer to achieve the kind of successes that we would like to achieve. On the other hand, if these interests would be in conflict in one way or another, you must realize that paramount national interests must always be pursued. So it is in this respect that we are asking America to look at our programs, to look at the things that we want to make sure the President's commitment to change will be achieved in light of our priorities, our urgent needs, and our historical experience. We would like to assure you that even before America became a colonial power in the Philippines—the Philippines being its only colony in Asia—the Filipinos have fully understood the sanctity of human life, the dignity of human life, the respect and certain inalienable rights about liberty, freedom, responsibility, and opportunity. These have already been well established in the minds of Filipinos and these were precisely at the core of our struggle for independence and for the right of self-determination.

So it is in this context that I'm asking our American friends and our American leaders to look at our aspirations—**we cannot forever be the little brown brothers of America**. At one point in time, we have to mature, we have to develop, we have to grow and become the big brother of our own people, of the next generation of Filipinos. And it is in this respect that I feel you manage it correctly. You do not go to the Philippines and say: "I'm going to give you something, I'm going to help you develop, I'm going to help you grow—but these are the checklist that you must comply with; we will lecture you on human rights." No. We know that our goal towards the full respect for human rights in accordance with international norms is that goal. But we also know that we are all striving—the United States and the Philippines—in meeting all of these goals and objectives. And in this sense we must show mutual respect and assistance in helping each other achieve our goals.

AMY: Let me ask you about the alliance, which you said is ironclad. We've made a lot of progress in the last two years, from signing the EDCA to agreeing on five locations for activities and investments. We've launched 2+2 meetings with the foreign secretaries and defense secretaries, and we've launched a range of new cooperative activities, such as joint patrols and other things we're providing assistance to the Philippines for maritime domain awareness under the Maritime Security Initiative. So I think it's fair to say that at the mil-to-mil level, the daily engagement and training and consultation between PACOM and the Armed Forces of the Philippines have never been stronger. And yet, at the same time, over the past ten days or so we've seen a sort of daily stream of some remarks made by President Duterte which seemed to be somewhat negative towards the United States and towards the close alliance with the United States. So, should Washington be concerned that Manila is seeking to soften its security ties to the United States and, specifically, should Washington be concerned at all about the momentum to implement EDCA?

YASAY: No. In fact, one of the first things that our president has assured our American friends and the international community was something that he said in his inaugural speech and that is, to keep maintain respect and preserve our alliances and our agreements with the United States. And he even mentioned specifically EDCA especially, so that the Philippine Supreme Court had ruled on its constitutionality and legality, and he is committed to this.

When he made those statements about no joint patrols, he made it in the context of preserving our territorial sovereignty in the Exclusive Economic Zone of the Philippines, where we have our maritime entitlements. He did not want any joint patrol in this area to be seen as a provocative stance that we have taken, that we are taking—especially so that all of us realize that the decision of the arbitral tribunal cannot be implemented because the PCA does not have any enforcement... in enforcing this arbitral tribunal decision. But the whole idea is, with respect to preserving the territorial integrity of the Philippines within our territorial boundaries—the 12-mile territorial limit—that is something that I'm sure that joint patrols will continue and must continue because this is our commitments to the United States. But insofar as our Exclusive Economic Zone, which is contested incidentally, and we're trying to see how we can peacefully arrive at a solution without exacerbating the tensions and engaging into violent confrontation. Our objective, or our recognition is that—even stated by the arbitral tribunal's decision—these are international waters; everybody can undertake their own exercises—even the Philippines will continue to undertake its own patrol in securing what is, from the standpoint of international law in 1982 UNCLOS, our rights in exploiting both living and non-living resources in the area.

And so that statement about the President that some people might have misunderstood must be seen in the light of precisely securing these matters—as I've said, in pursuit of our national interests. So the important thing that we must remember is that the President is firmly committed to keep and respect its alliances, including that with the United States.

AMY: Following former president Ramos's visit to Hong Kong to discuss the South China Sea issue with China, what are the next steps that the Philippine government plans to take with China on these negotiations?

YASAY: We are not, at this point in time, prepared to sit down with China on bilateral engagements with respect to our disputes in the South China Sea—until and unless both parties are prepared to sit down and discuss this matter. To begin with, we cannot proceed on engaging China in bilateral talks where China says that we can only talk outside of the framework of the arbitral tribunal decision, in the same way that the Philippines is insisting that if we talk, we should talk only in the framework of the arbitral tribunal's decision. But then, as you can see, the relationship of the Philippines with China is not limited to that area of the disputed territory in the South China Sea—it's a small portion of our relationship. We would like to continue engaging everyone, including China and our neighbors, in pursuing other interests that include trade, investment, infrastructure development, cultural exchanges, people-to-people contact. And this is the kind of job and special authority on the part of President Ramos to pursue. It has nothing to do with engaging China in this bilateral talks with respect to the South China Sea dispute. Of course, the natural effect of engaging China and the other areas of concern will precisely open the door for more open, unconditional discussions of the dispute with the view of receiving, or resolving the dispute peacefully. But the next step, with respect to what President Ramos will be doing, is now perhaps to go into a more official basis. He did so—the first trip was, according to him, a fishing expedition to renew ties with his old friends so, incidentally, are also well connected still with the government of China. But the next step to my mind should be, now, to undertake this on an official basis a special envoy with respect to the areas of concerns that relate to what we should promote in our relationship with China as I mentioned earlier. We would hope that this would open the doors for our more openness to talk without any conditions about how we resolve our dispute with respect to the South China Sea. But I'd like to just emphasize that even as we would like to forge closer relationship with our neighbors—with China, with the rest of ASEAN, especially as we are part of ASEAN with our traditional partners and our allies—it does not necessary mean that forging closer relationship with one is alienating the other. And that is precisely what he means in the context of saying that we must pursue an independent foreign policy, and that is what our constitution mandates and to pursue amity with all nations.

AUDIENCE QUESTION: In line with the last question, there have been some media reports of conflicting statements by the Philippine government on whether the government wants U.S. military troops to continue in Mindanao and support the government's efforts against terrorists. I wonder if you could clarify those statements?

YASAY : The President made a statement about Americans and certain military personnel of the Philippines to probably think about pulling out at this time when the Philippines is going to engage in an all-out offensive against Abu Sayyaf, and he has explained it only yesterday that this is a temporary measure to keep our friends, Americans, out of harm's way and also, at the same time, to give the Filipino people in the area even as we will be engaging in an all-out offensive against Abu Sayyaf and also engaging move forward towards finalizing and completing the peace process involving Bangsamoro and the other rebellious factions in the Philippines to give them a breather, and he has emphasized that this is not a change of policy—this is not a renegeing of our commitments and our alliances, but it is done simply on a temporary basis to achieve the two basic objectives: why, he said this to keep the Americans and other foreigners out of harm's way and two, to give the Philippines in the parties warning at the negotiating table insofar as achieving and including a lasting peace, especially about our

brothers—our moral brothers and sisters—a breather in this regard. No change in policy—it continues; we will continue to move further and strengthen our relationship with the U.S. and adhere to our commitments.