January 2011

The Asia Foundation is a non-profit, non-government organization committed to the development of a peaceful, prosperous and open Asia-Pacific region. We welcome your comments, which can be sent to info@asiafound-dc.org. Please feel free to forward this update to colleagues and friends.

Upcoming Events:

January 1 - Mr. David D. Arnold formally assumed his new role as President and CEO to the Asia Foundation overseeing all aspects of The Asia Foundation, including its field offices across 18 Asia-Pacific nations, offices in San Francisco and Washington, D.C., as well as working closely with Give2Asia, its sister organization. Mr. Arnold is the former president of the American University in Cairo and is a former Ford Foundation representative who worked for years in India, Nepal, and Sri Lanka. He also served as executive vice president and interim president at the Institute of International Education in New York.

January 25-28 - Mr. Silas Everett, Asia Foundation Country Representative in Timor Leste will speak at a luncheon.

February 7-11 - The Asia Foundation will host Dr. Steven Rood, the Foundation’s Philippine Country Representative.

Past Events:

December 8 - The Asia Foundation hosted a film screening of Saving Seca along with The United States Agency for International Development. The Khmer language film is an innovative police training tool that demonstrates best practices for ensuring the protection of trafficking victims during brothel raids and rescues. Saving Seca was made possible through the generous support of the Women in Development office at the United States Agency for International Development, and complements activities under the Foundation’s larger USAID-funded Counter Trafficking in Persons (CTIP) program in Cambodia.

December 8 - The Asia Foundation held a roundtable luncheon discussion on Pakistan with Mr. Gareth Aicken, the Foundation's Country Representative in Pakistan.
**December 13-15** - The Asia Foundation hosted Dr. Jonathan Stromseth, the Foundation's Country Representative in China.

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**Highlights from Asia:**

The Lowy Institute’s The Interpreter blog picked up The Asia Foundation's December 15th In Asia piece, “First-Ever Foundation Survey in Thailand’s Troubled Deep South in Released” written by Kim McQuay.

Please click here to view the "Democracy and Conflict in Southern Thailand: A Survey of the Thai Electorate in Yala, Narathiwats, and Pattani."

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**Publications of Interest:**

**Local Governance in Nepal**

Asia Foundation's Country Representative George Varughese discusses issues affecting local governance in Nepal. To view this video please click here.

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**Philippine New Year 2011: Looking Back, Looking Ahead**

By: Steven Rood
January 5th, 2011

New Year in the Philippines comes in literally with a bang – with vigorous fireworks (derived from Chinese traditions) reaching a crescendo at midnight. While each year the media dutifully record the toll of injuries, Filipinos love the boisterous noise and lights (and this year someone captured on a mobile phone the spectacular destruction of a row of stalls selling fireworks). Such exuberance seems to come naturally to a country characterized as one of the “happiest on earth.” This is the home country of Manny Pacquiao, who won his eighth boxing title in 2010 – and also managed to win a seat in Congress. (He muses in his recently published autobiography about becoming president some day.)

Buses ply metro Manila's crowded streets. As 2011 begins, the Philippines enjoys strong economic growth and an all-time high in personal optimism. Psychologically, the Philippines is in a good place. Personal optimism is at an all-time high after a relatively peaceful (by Philippine standards) national election passed without disabling technological problems. A year ago, President Gloria Macapagal-Arroyo was at the end of a 9-year administration, and deeply unpopular with citizens. This year newly
elected President Benigno S. “Noynoy” Aquino III continues his honeymoon popularity six months after his inauguration.

Of course, not everything has changed. In the political sphere, former President Arroyo – who with her two sons and brother-in-law are now members of Congress – remains influential, even as some of her former allies align themselves with President Aquino. Perhaps more important is the fact that the officials she appointed before stepping down are still active throughout the government. The most prominent effect of this is in the Supreme Court, where she managed to appoint all 15 justices during her term in office. A series of rulings limiting Aquino’s initiatives has led to suspicions of the court being in opposition to the president, which the court naturally denies.

Substantively, there is sometimes more continuity between the Arroyo and Aquino administrations than either might want to admit. The Arroyo administration launched the Conditional Cash Transfer, a program that provides incentives to poor families on the condition that they keep their children in school and with access to health care, and the Aquino administration expanded it considerably in the 2011 budget. Once a flagship initiative of Arroyo, “RO-RO” – where cargo is rolled on and rolled off ferries to reduce costs – has under the new administration expanded to a regional level through the Association of Southeast Asian Nations (ASEAN).

The economy looks good, with low inflation, remittances from Overseas Filipino Workers on the rise, and economic growth remaining strong. Looking forward, we have the 2011 budget that attempted to be “zero-based” with hard choices being made on which items to retain and which to scrap. The flagship effort to overcome infrastructure deficits through varieties of private sector participation have been buoyed by the administration’s support for rate increases on privately built superhighways.

With the Philippines being part of the grass that often gets trampled when elephants dance, foreign policy is an exciting arena right now. The United States and China hold differing views on how to resolve competing claims among countries (including the Philippines) over the South China Sea. The Aquino administration has made moves to secure good relations with both countries. President Aquino made his first foreign trip to New York (for the U.N. General Assembly and the 2nd U.S.-ASEAN Leaders’ Meeting) and influential and respected businessman Jose “Joey” Cuisia has been nominated ambassador to the United States. On the other hand, the Philippines was one of the countries whose ambassador did not attend the award ceremony for Liu Xiaobo’s Nobel Prize, a stand that caused some controversy. That the stance was attributed to the need to protect Filipinos in Chinese jails only underscores the importance of protection of Overseas Filipino Workers as a pillar of Philippine foreign policy.

As Baseball Hall of Famer Yogi Berra said, “It’s tough to make predictions, especially about the future.” Still, I have four: Peace talks with insurgents will begin. Those with the communist National Democratic Front have already been announced, though its New People’s Army (NPA) has vowed to conduct offensives with the expiration of a holiday ceasefire. Those with the Moro Islamic Liberation Front have been delayed by disputes over the mode of Malaysia’s third-party facilitation, but seem likely soon since Malaysia’s Ambassador to the Philippines, Dato’ Seri Dr. Ibrahim, declared that matters are in good hands. The prospects for progress in both sets of negotiations are less clear, but at least 2011 is the year farthest from electoral concerns (with the next general elections due in May 2013). The president’s new Internal Peace and Security Plan (IPSP), dubbed “Bayanihan,” does focus more on stakeholder participation and protection of human rights, enhancing the prospects for successful peace talks. Concerns about factionalism within the Aquino administration will continue to hamper its unity of purpose.
Said to be rooted in the presidential campaign, the two most prominent factions – named after respective headquarters – are known as “Balay” (centered on the Liberal Party and unsuccessful vice presidential candidate Mar Roxas) and “Samar” (centered on those who supported Aquino but also successful vice presidential candidate Jejomar Binay – in the Philippines, the two offices are voted for separately). Factional infighting was a prominent characteristic of the 1986-1992 administration of President Aquino’s mother, Corazon Aquino, and even the current president’s supporters have expressed concern. How President Noynoy Aquino handles his inner circle will do much to determine his ability to accomplish his goals.

The Philippine government’s budgetary system will become more effective. For the first time in a decade, the 2011 budget was passed on time, the government is poised to begin spending promptly at the beginning of the year (before monsoon rains hamper project implementation), and the timetable for the succeeding 2012 budget has been moved up to provide Congress an extra month of deliberation before the end of the year. The contents of the budget are, of course, controversial. Some analysts characterize it as “pro-poor” due to the expanded Conditional Cash Transfer and increased education budget, while others criticize large lump-sum allocations that possibly hamper transparency. The administration counters that requirements for posting expenditures and projects on the Internet will overcome these problems, in pursuit of President Aquino’s campaign slogan, “Kung walang corrupt, walang mahirap” (“If no one is corrupt, no one will be poor”).

And, Manny Pacquiao will defeat Shane Mosley on May 7.