



CONFERENCE R E P O R T

REINVIGORATING THE GLOBAL ECONOMY

SUCCESSES AND LESSONS
FROM ASIA AND EUROPE



Alliance of Liberals and Democrats for Europe
Alliance des Démocrates et des Libéraux pour l'Europe



Friedrich Naumann
STIFTUNG FÜR DIE FREIHEIT

12-15 NOVEMBER 2010 | KUALA LUMPUR, MALAYSIA





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FÜR DIE FREIHEIT

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CONCEPT PAPER

Two years after the global economy began to unravel in what has been described as the “worst economic crisis since the Great Depression”, the world still bears witness to an intense and lively debate amongst scholars, analysts and policy-makers on the main repercussions of and appropriate responses to this economic turmoil. Given that the impact of the crisis was not felt evenly in all parts of the world, the debate spills over to the effectiveness of the diverging policies adopted by the industrialized and emerging economies in the aftermath of the global financial downturn.

The verdict is still out on the outcomes of these different policy responses, and available evidence is still somewhat inconclusive. To this day, issues are still being raised on the usefulness of bailouts and stimulus packages and the necessity of regulating the financial sector. The industrialized economies, where the crisis originated, had adopted various configurations of stimulus packages which aim to prop up demand. To a significant extent, this response entails an increase in the economic power of the state, in terms of both the administration of stimulus package, and the accompanying regulation of the financial sector to ensure the former’s chances of success. The emerging economies, on the other hand, which were largely spared from the most damaging effects of the crisis, had taken a different tack – most of them called for more intensified deregulation and greater involvement of the private sector in the economy.

This debate has also played out in the regions of Asia and Europe, which arguably represent the emerging and industrialized economies respectively. Asia, having learned its lessons from the 1997-98 financial crisis, adopted serious reforms and more cautious practices which strengthened significantly its economic fundamentals. As a result, countries in this region, by and large, had been more prepared to weather the most recent crisis. The same cannot be said of the European continent. Europe, like the United States, was severely hit by the crisis - to the point that adoption of bailouts and stimulus packages became a matter of economic survival. Stimulus packages, however, have accompanying risks. On the one hand, a country’s effort to manage the growing budget deficit may lead to the premature withdrawal of much needed financial stimulus. On the other hand, heedless spending would definitely increase public debt and crowd out private investment. Despite the infusion of stimulus, however, scholars and analysts predict that European recovery would not happen immediately, and that it would take some time for countries in this region to get back to their pre-crisis economic standing. In the future, the region’s economic prospects would be made worse by declining working-age population and rising pension and health care costs. Hence, in an effort to avert further economic decline, tax rises and spending cuts have become the order of business for troubled European economies, particularly Ireland, Greece and Spain.



While it may be premature to conclude the “stagnation of the West and the emergence of the rest”, it cannot be denied that the global economic configuration at present is more complex than it was before. Reports from International Monetary Fund (IMF) suggest that the gap between real GDP growth in emerging markets and in rich countries widened from nothing in 1991 to about five points in 2007, and it would most likely stay at 5.3 points in 2008 and 2009. In recognition of this development, the Group of Eight (G8) was expanded to Group of Twenty (G20) to reflect the changes in the global economic landscape. G20 was established by the dominant powers soon after the global economic crisis of 2008 as a “premier forum for international economic cooperation”. The industrialized countries, it appears, correctly sensed that interstate economic cooperation, and consequently global economic stability, could only be achieved with the emerging economies on board.

It is in this light that the upcoming G20 Summit in Seoul, South Korea on November 11-12, 2010 is significant for it will be the first summit to be hosted by a non-member of G8 industrialized economies. It is supposed to tackle many things, from exchange rate policies and the impact of trade imbalances, to reforms of IMF lending facilities and enhancement of IMF's links with regional financial institutions. For this reason, the Seoul Summit could serve as “a bridge between developed and developing countries” - between Europe and Northern America on the one hand, and Asia and the rest of the world on the other.

It is said that time has come for Asia to play a leading role in the global economy. This claim, to a significant extent, is due to the economic rise of China, and to a lesser extent, India. The emergence of China, however, is not welcomed by everyone. For one, the current economic relationship between China and the United States, is tainted by the so-called “currency wars.” China has been accused of unfair trade practices by keeping its currency, the *yuan*, undervalued. In response, China argued that the US policy of quantitative easing creates a gross distortion in the economy as investors run elsewhere, particularly emerging economies, in search of higher yields. For this reason, China argues that it is justified in intervening in the economy by buying foreign currency or imposing taxes on foreign capital inflows. In line with the Chinese argument, Israel's Central Bank Governor asked, “Why emerging markets that did not have financial crises should accept currency appreciation forced on them by strong capital inflows as the rich world cleaned up its own mess?”

It may be wrong, however, to look at this issue as a battle between industrialized and emerging economies. As what the *Economist* said, “A fast-growing emerging world is fine, but a stagnating rich one serves nobody – especially if trade tensions start to rise.” At best, the issue brings to the fore the need for a multilateral approach to balance global demand away from indebted rich economies towards the emerging world. This demands concerted action on the part of industrialized and emerging economies,

particularly in undertaking the necessary macroeconomic and microeconomic reforms that stabilize the global economy.

All of these efforts, at the end of the day, boil down to one concern, how to make the world economy grow again. This time, however, there are sectors claiming that a simple return to the old ways is no longer acceptable, and that economic growth should be more sustainable and equitable in order to avert, or at least mitigate the impact, of future crises. How to realize this, and preserve the fundamentals of market economy, is a question that confronts both Asian and European liberals and democrats.

The recent global economic crisis was first discussed by CALD in its 15th Anniversary Conference held on March 27-30, 2009 in Bangkok Thailand. With the theme “Liberal Responses to the Global Financial Crisis,” delegates to this conference looked into the merits of the different policies adopted in the wake of the crisis, and their implications on the lives of ordinary individuals. The delegates agreed that the crisis had far-reaching implications, not only economically, but politically and socially as well.

Now with the benefit of historical distance, CALD revisits this topic with the Alliance of Liberals and Democrats of Europe (ALDE) in their 4th biennial meeting. There had been previous CALD-ALDE meetings in Brussels, Belgium (2008 & 2004) and Manila, Philippines (2006). Prior to these, a meeting between European and Asian liberals was also set under the auspices of European Liberal Democrat and Reform Group in the European Parliament (ELDR) and CALD at Seoul, South Korea (2002). These gatherings aimed at discussing the challenges and opportunities for liberals and democrats in the two continents, and were organized in cooperation with the Friedrich Naumann Foundation for Liberty (FNF), the German foundation for liberal politics.

The 4th CALD-ALDE Meeting on November 12-15, 2010 at Kuala Lumpur, Malaysia brings together delegates from Asian and European countries in order to discuss the current state and prospects of the world economy. Hosted by the Parti Gerakan Rakyat Malaysia (PGRM), and with the support of the Friedrich Naumann Foundation for Liberty, the gathering carries the theme “Reinvigorating the Global Economy: Successes and Lessons from Asia and Europe.” The objectives of the meeting are as follows:

- To assess the state and prospects of the global economy in the aftermath of the recent global financial crisis;
- To discuss the repercussions of the various policies adopted by governments of European and Asian countries in response to the crisis;



- To understand the issues and problems associated with global economic governance and international trade and how to address them;
- To examine the different proposals to prevent, lessen the possibility, or mitigate the effects of an economic crisis of such scale in the future; and
- To identify specific policy recommendations, drawing from the experiences of countries in Asia and Europe, on how respond to global economic crises and how to promote sustainable and equitable economic development.

The meeting is divided into four sessions. The first session provides a backgrounder of the current situation as well as the impact of the policy responses to the crisis. The second and third sessions look into the experiences of Asia and Europe with regard to global economic governance and international trade. The fourth session addresses the issue of how seemingly competing alternatives of economic development, social cohesion and environmental preservation can be achieved. These sessions are capped by a synthesis, where the major issues and recommendations are to be summarized and elaborated. Below are the guide questions in each of the four meeting sessions. Please note that this list is not exhaustive but is only meant to facilitate conceptualization and discussion. Presenters may tackle other related issues and questions apart from those listed.

I. Session I: Global Economic Crisis: Is the Worst Over? What Policies Worked and What Did Not?

How did the recent crisis change the global economy? What is the likelihood that the global economy will return to its former condition before the crisis? Is there an economic power shift from the Atlantic to the Pacific? What structural reforms and macroeconomic/microeconomic policies should be pursued by both industrialized and emerging economies? What set of policy choices brought about the success of countries in responding to the crisis? Alternatively, what policies failed to address the repercussions of the economic meltdown?

II. Session II: Asia and Europe and the Multilateral Approach to World Economic Governance

Is there a need for a new global architecture with enforcement mechanisms to oversee global finance? Should global economic institutions (IMF, WB, WTO etc.) be reformed to reflect the contributions of different regions to prosperity? What are the venues for Asia and Europe to cooperate in addressing the problems of the global economy? How important is the ASEM as a mechanism of dialogue



and cooperation between the two regions? What are the roles that Asian and European countries should assume in stabilizing the global economy?

III. Session III: Asia and Europe Trading Partners and The Role of Private Enterprise

What are the ways to promote inter-regional trade between Asia and Europe? How can international currency wars be addressed? How valid are the claims of China that America is destabilizing developing countries' economies by running a lax monetary policy? Alternatively, is there a basis for the counterclaim of the United States and Europe that China is encouraging a "damaging dynamic" of "competitive non-appreciation" in emerging economies through an artificially cheap *yuan*? Is China strong enough to become the new global economic leader?

IV. Session IV: Towards Recovery and Sustainable Development: Can Economic Development, Social Cohesion and Environmental Protection be Achieved Simultaneously?

What reforms, internal or external, need to be put in place in order to facilitate economic recovery? How can development be made more sustainable and equitable? What are the ways to narrow the developmental gap between developed and developing countries? What will be the role of global and regional financial institutions in the process? Is there a way to shield the global economy from wide-scale financial crises? How can liberals respond to the call for a rethinking, if not an outright rejection, of pro-market, neoliberal economy based on trade and financial liberalization, deregulation and privatization?

This meeting aims to take stock of Asian and European experiences regarding the various issues and concerns that they face during and in the aftermath of the crisis and how they respond to them. In particular, the meeting focuses on the lessons and successes of both Asia and Europe in addressing the economic crisis and its impact. By discussing issues which go to the very core of the global economy, this conference hopes to provide the participants with a set of policy guidelines and alternatives in responding to economic crises in the future.

PROGRAM OF ACTIVITIES

November 12 – Friday

Variable	Arrival of participants Hotel check-in
7:00 pm	Welcome dinner hosted by Parti Gerakan Rakyat Malaysia

*Ming Palace Chinese Restaurant,
Level 1, Corus Hotel*

Welcome Remarks

Mr. Ng Lip Yong

Chairman of the International Relations and Affairs
of the Parti Gerakan Rakyat Malaysia,
& former Deputy Minister of the Ministry of
International Trade and Industry, Malaysia

Dr. Rajiva Wijesinha, MP

Chair
Council of Asian Liberals and Democrats

Hon. Niccolo Rinaldi, MEP

Vice President
Alliance of Liberals and Democrats for Europe

November 13 – Saturday

8:00 am – 8:30 am	Registration
	<i>Crystal Ballroom, Level 1, Corus Hotel</i>

8:30 am – 9:30 am	Opening Ceremonies
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Session Chair

Hon. Sin Chung-kai, JP

Vice Chairperson, Democratic Party of Hong Kong
CALDE Individual member

Opening Remarks

Dr. Rajiva Wijesinha, MP

Chair
Council of Asian Liberals and Democrats



Dr. Rainer Adam

Regional Director for East and Southeast Asia
Friedrich Naumann Foundation for Liberty

Keynote Addresses

Y.B. Senator Tan Sri Dr. Koh Tsu Koon

President, Parti Gerakan Rakyat Malaysia
& Minister in the Prime Minister's Department

Hon. Niccolo Rinaldi, MEP

Vice President
Alliance of Liberals and Democrats for Europe

9:30 am – 11:30 am

Session I: Global Economic Crisis: Is the Worst Over? What Policies Worked and What Did Not?

Session Chair

Ms. Jayanthi Devi Balaguru

Vice Chair, CALD Women's Caucus
& Secretary General, Women's Wing,
Parti Gerakan Rakyat Malaysia

Speakers

Hon. Florencio "Butch" Abad

Secretary (Minister)
Department of Budget and Management,
Philippines & former CALD Chair

Hon. Toine Manders, MEP

Alliance of Liberals and Democrats for Europe

Hon. Nataphol Teepsuwan, MP

Director General
Democrat Party of Thailand
Open Forum with Tea & Coffee Break

11:30 pm – 12:15 pm

Special Session on Burma

Session Chair

Mr. Moritz Kleine Brockhoff

Project Director, Malaysia and Cambodia
Friedrich Naumann Foundation for Liberty

Speaker

U Aung Moe Zaw

Joint General Secretary I
National Council of the Union of Burma
Chairperson, Democratic Party for a New Society

12:15 pm – 2:00 pm

Lunch

*Ming Palace Chinese Restaurant, Level 1,
Corus Hotel*

2:00 pm – 3:30 pm

**Session II: Asia and Europe and the Multilateral
Approach to World Economic Governance**
Corus 1, Level 1, Corus Hotel

Session Chair

Ms. Maysing Yang

Vice President, Taiwan Foundation for Democracy
CALD Founding Member

Speakers

Mr. Willem Vanden Broucke

Alliance of Liberals and Democrats for Europe

Dr. Neric Acosta

Secretary General
Council of Asian Liberals and Democrats

Open Forum

3:30 pm – 3:45 pm

Coffee/Tea break

3:45 pm – 5:30 pm

**Session III: Asia and Europe Trading Partners
and The Role of Private Enterprise**

Session Chair

Mr. Jules Maaten

Country Director
Friedrich Naumann Foundation for Liberty,
Philippine Office
& former Member of the European Parliament



Speakers

Hon. Jan Mulder, MEP

Full Member LIBE

Alliance of Liberals and Democrats for Europe

Mr. Ng Lip Yong

Chairman of the International Relations and Affairs
of the Parti Gerakan Rakyat Malaysia, & former
Deputy Minister of the Ministry of International
Trade and Industry, Malaysia

Open Forum

7:00 pm

Dinner hosted by:

Alliance of Liberals and Democrats of Europe

Bombay Palace, 215 Jalan Tun Razak

November 14 – Sunday

8:30 am – 9:00 am

Registration

*Ming Palace Chinese Restaurant
Level 1, Corus Hotel*

9:00 am – 10:30 am

**Session IV: Towards Recovery and Sustainable
Development: Can Economic Development,
Social Cohesion and Environmental Protection
be Achieved Simultaneously?**

Session Chair

Mr. Lambert Ramirez

Executive Director

National Institute for Policy Studies

Liberal Party of the Philippines

Speakers

Hon. Jan Mulder, MEP

Full Member LIBE

Alliance of Liberals and Democrats for Europe

Hon. Rajiva Wijesinha, MP

Chair

Council of Asian Liberals and Democrats



10:30 am – 10:45 am Coffee/Tea Break

10:45 am – 11:30 am **Closing Ceremonies**

Synthesis

Dr. Neric Acosta

Secretary General

Council of Asian Liberals and Democrats

Closing Remarks

Hon. Niccolo Rinaldi, MEP

Vice President

Alliance of Liberals and Democrats for Europe

Mr. Ng Lip Yong

Chairman of the International Relations and Affairs
of the Parti Gerakan Rakyat Malaysia, & former
Deputy Minister of the Ministry of International
Trade and Industry, Malaysia

Mr. Moritz Kleine Brockhoff

Project Director, Malaysia and Cambodia
Friedrich Naumann Foundation for Liberty

11:45 am Assembly at the hotel lobby

12:00 pm Bus leaves the hotel

12:15 pm - 2:00 pm Deepavali Open House

Dewan Mutiara, 4/F, Kompleks Mutiara Jalan Ipoh

2:30 pm – 5:00 pm

Briefing

Government Transformation Programme

Parti Gerakan Rakyat Malaysia Headquarters

6:00 pm

CALD Executive Committee Meeting (by invitation)

Corus 2, Level 1, Corus Hotel

Departure of European Participants

November 15 – Monday

Variable

Departure of Asian Participants



LIST OF PARTICIPANTS

CALD PARTICIPANTS

Burma

Mr. Nyo Myint

Chairperson for Foreign Affairs
National Council of the Union of Burma (NCUB)

Mr. Aung Moe Zaw

Joint General Secretary I, National Council of the Union of Burma (NCUB)
Chairperson, Democratic Party for a New Society (DPNS)

Cambodia

Hon. Yim Sovann, MP

Spokesperson, Sam Rainsy Party

Hon. Ly Srey Vyna, MP

Director of Public Relations Department, Sam Rainsy Party

Hong Kong

Hon. Sin Chung-kai, JP

Vice Chairman
Democratic Party Hong Kong

Indonesia

Mr. Hanif Dhakiri

Nation Awakening Party (PKB)

Mr. Hanjaya Setiyawan

Indonesian Democratic Party of Struggle (PDI-P)

Ms. Maria M. Restu Hapsari

Indonesian Democratic Party of Struggle (PDI-P)

Malaysia

Y.B. Senator Tan Sri Dr. Koh Tsu Koon

President, Parti Gerakan Rakyat Malaysia (PGRM)
& Minister in the Prime Minister's Department, Malaysia

Mr. Ng Lip Yong

Chairman, Central Unit of International Relations and Affairs
Parti Gerakan Rakyat Malaysia



Ms. Jayanthi Devi Balaguru

Vice Chair, CALD Women's Caucus

Secretary General, Women's Wing, Parti Gerakan Rakyat Malaysia (PGRM)

Mr. Teng Chang Yeow

Secretary General

Parti Gerakan Rakyat Malaysia

Dato' Mah Siew Keong

Parti Gerakan Rakyat Malaysia

Dato' Dr. Lim Thuang Seng

Central Committee Member

Parti Gerakan Rakyat Malaysia

Dr. Dominic Lau Hoe Chai

Secretary General

Parti Gerakan Rakyat Malaysia

Mr. Lau Chin Hoon

Parti Gerakan Rakyat Malaysia

Mr. Nicholas Lee Kin Hong

Parti Gerakan Rakyat Malaysia

Mr. Lim Keh Ho

Parti Gerakan Rakyat Malaysia

Mr. Andy Yong Kim Seng

Bureau Head of Legal, Public Complaints & Social Welfare

Parti Gerakan Rakyat Malaysia

Mr. Chong Chee Yen

Parti Gerakan Rakyat Malaysia

Mr. David Ang Chin Tat

Parti Gerakan Rakyat Malaysia

Mr. Chang Yi Chang

Parti Gerakan Rakyat Malaysia

Mr. Husain Bin Hadi Bahaudin

Parti Gerakan Rakyat Malaysia

Mr. A. Ramarao Mr. G. Parameswaran

Parti Gerakan Rakyat Malaysia



Mr. Chue Peng Kong

Parti Gerakan Rakyat Malaysia

Ms. Ng Yeen Seen

Senior Director, Policy, Research & Programs,
Asian Strategy & Leadership Institute
Member, Parti Gerakan Rakyat Malaysia

Ms. Janice Law

Assistant Secretary of State Woman Liaison Committee
Parti Gerakan Rakyat Malaysia

Ms. Ung Lee Wah

Parti Gerakan Rakyat Malaysia

Ms. Catherine Chong

Parti Gerakan Rakyat Malaysia

S. Devananthan

Private Secretary to Deputy Minister of Foreign Affairs

Philippines

Hon. Florencio “Butch” Abad

Minister of Budget and Management, Republic of the Philippines
Former President, Liberal Party of the Philippines
Former Chair, Council of Asian Liberals and Democrats

Hon. Ma. Carmen Zamora-Apsay, MP

Member of Parliament
Liberal Party of the Philippines

Dr. Neric Acosta

Vice President for Mindanao, Liberal Party of the Philippines
Secretary General, Council of Asian Liberals and Democrats

Mr. Lambert Ramirez

Executive Director
National Institute for Policy Studies

Sri Lanka

Hon. Rajiva Wijesinha, MP

Chair, Council of Asian Liberals and Democrats
Secretary, International Affairs & former President, Liberal Party of Sri Lanka

Mr. Jainudeen Cassim

Vice President, Liberal Party of Sri Lanka



Ms. Selyna Peiris

Chair, CALD Youth

Taiwan

Ms. Maysing Yang

Vice President, Taiwan Foundation for Democracy

Founding Member, Council of Asian Liberals and Democrats

Ms. Huai-hui Hsieh

Deputy Director for International Affairs

Democratic Progressive Party of Taiwan

Thailand

Hon. Nataphol Teepsuwan, MP

Director General

Democrat Party of Thailand

ALLIANCE OF LIBERALS AND DEMOCRATS FOR EUROPE

Hon. Niccolo Rinaldi, MEP

Member European Parliament

Italia dei Valori – Lista Di Pietro

Hon. Jan Mulder, MEP

Member of the European Parliament

Dutch Liberal Party (VVD)

Hon. Toine Manders, MEP

Member of the European Parliament

Dutch Liberal Party (VVD)

Mr. Willem Vanden Broucke

Head of Unit, ALDE Staff

Ms. Thérèse Murdock

Assistant

FRIEDRICH NAUMANN FOUNDATION FOR LIBERTY

Dr. Rainer Adam

Regional Director for East and Southeast Asia

Friedrich Naumann Foundation for Liberty

Mr. Jules Maaten

Country Director, Friedrich Naumann Foundation for Liberty, Philippine Office

Former Member of the European Parliament

Mr. Moritz Kleine-Brockhoff

Project Director Malaysia and Cambodia
Friedrich Naumann Foundation for Liberty

Dr. Sebastian Braun

Regional Manager Impact Assessment, Evaluation and Analysis

Ms. Suchaya Tanchaoenpol

Programme Assistant for East and Southeast Asia

CALD SECRETARIAT

Mr. Celito Arlegue

Executive Director

Mr. Paolo Zamora

Senior Program Officer

Mr. Carlo Religioso

Program Officer

Ms. Wytske Zijlmans

Intern

SUMMARY OF PROCEEDINGS

Opening Ceremonies



The two-day conference is the fourth meeting between CALD and ALDE. Since the partnership started, both organizations have shared valuable input concerning human rights, rule of law, market economy and themes that are timely and global in nature. With this year's theme, "Reinvigorating the Global Economy: Successes and Lessons from Asia and Europe," CALD and ALDE brought together about 50 delegates from Asian and European countries in order to discuss the current state and prospects of the world economy. The first session provided a backgrounder of the current situation and the impact of the policy responses to the crisis. The second and third sessions focused on the experiences of Asia and Europe with regard to the global economic governance and international trade. The fourth session tackled the issues on how competing alternatives of economic development, social cohesion and environmental preservation can be achieved. The sessions were summarized and major issues and points as well as recommendations were reiterated and noted for future discussion and plan of action.

The event was organized in partnership with ALDE, supported by FNF, and hosted by PGRM. This was PGRM's first time to host a major CALD event.

The Opening Session was chaired by Hon. Sin-chung Kai, J.P., from the Democratic Party of Hong Kong. Dr. Rajiva Wijesinha, MP, chair of CALD, and Dr. Rainer Adam, FNF regional director for East and Southeast Asia, gave the opening remarks. Dr. Wijesinha welcomed everyone and expressed his hope to see the continued engagement with ALDE especially that its partnership with CALD is approaching ten years of productive and meaningful cooperation. He also shared that this year's consultation on the global

financial crisis is fitting particularly on Malaysia, the host of the meeting, which showed that it can overcome the difficulties of the Asian crisis much more quickly than its neighbouring nations. Dr. Adam, meanwhile, said that the theme of the conference is extremely significant because it is not so easy to recover from a crisis especially that it was not caused by market failure, but by wrong regulation and incentives. It was important to note, he said, that one of the aims of the conference is to look back and evaluate the actions, policies and decisions that worked and did not work, as well as to assess where countries currently stand.

Y.B. Senator Tan Sri Dr. Koh Tsu Koon

The organizers have also invited Y.B. Senator Tan Sri Dr. Koh Tsu Koon, Minister in the Prime Minister's Department of Malaysia and president of PGRM, as well as Hon. Niccolo Rinaldi, MEP, vice president of ALDE, to deliver the keynote addresses.

Dr. Koh said PGRM is very privileged to host the meaningful conference and dialogue between the East and the West. He recounted the historical facts about the fall of communism as a planned economy and the opening up of countries to the global financial market. He also shared four measures that could help nations continue with development even in the midst of the global financial crisis. The first measure he gave was the experience of Malaysia when the Malaysian ringgit went down from 2.5 - 3.8 to a dollar. Malaysia was performing well as one of the first and leading export-oriented industrialized countries in the pre-1980s era. However, Dr. Koh explained that the country faced tremendous competition worldwide with the emergence of China, Europe and even South America in the 90s. The weakening of the Malaysian currency actually helped the country stabilize and get a competitive advantage and breathing space in terms of its exports. The second measure was the restructuring and consolidation of the financial sector. Dr. Koh shared that putting in a set of rules in the financial sector helped Malaysia endure the recent global financial crisis. The third measure was the balance between having a free enterprise system and the intervention needed by the state and international bodies. He said having a free enterprise system is a much more workable system than the region-centered system. However, in a country with a multi-ethnic society like Malaysia wherein disparity among groups is present, the challenge is how to manage the economy – how to be an inclusive society at the same time, and how to sustain the balance. The last measure Dr. Koh gave was the political context that defined and reformed the economic system as seen through the history of South Korea, Taiwan, Hong Kong, and Singapore. The crisis gave a sense of urgency and purpose to these countries and made them realize that they live in a hostile world. Dr. Koh said that more than the



measures he presented, he believes that democracy is the solution to the economic crisis as well as to nation's political crisis. It is through informed discussions and cooperation among nations that sound responses emerge to face the global economic challenges, he concluded.

Hon. Niccolo Rinaldi, MEP

Mr. Rinaldi, in his keynote speech, discussed cultural framework, global governance, and free trade as the three areas where nations could draw lessons from to help stir their economies towards development. Having a balanced perspective on these areas could help nations in enduring the financial crisis and in bringing economies back on track.

Mr. Rinaldi observed that blame game was the trend when the global financial crisis started. He said the culture of blaming should stop and that nations need to come together and respond to the challenges ahead. He stressed that addressing the problems should be done internationally because local responses might further lead to global anarchy. Mr. Rinaldi said "We all need to understand that we do not start from scratch." He explained that there have already been experiences and people who have tried their best to solve problems. "A global crisis can be approached in very different ways and as seen in history, we've had the problematic cultural framework", he said. He argued that understanding history, managing facts and lessons and forging effective international cooperation, just as CALD and ALDE are part of the network with clear goal to solve the crisis, would in some way contribute to the essential global responses.



Mr. Rinaldi warned the plenary to be careful because even democratic societies and dynamic trade systems tend to be damaging if they are not transparent. Global governance, he said, should not be confused with bureaucracy that is aimed to unaccountability. He further added that "One of the great merits of liberal democracy in the 19th century was to transform bureaucracy in order for it to serve the collective people and not just the elite." He gave the G20 meeting as an example, and expressed his satisfaction that it has been actively attracting nations. However, he noted that it would take more than just a gathering for photo sessions and networking to address the crisis. He expressed his hope for G20 to provide a clear action plan for global governance. Mr. Rinaldi said that nations need clear rules, and global crisis needs to be addressed through forums that are pluralistic and transparent.

Lastly, Mr. Rinaldi observed that free trade agreements are a way to boost economies and get out of the crisis though he explained that not everything in free trade agreements is satisfactory. He also said bilateral free

trade agreements are proper alternatives to the lack of progress in the multilateral approach, and that these could always generate an element of stability and peace which are essentially part of the solution to the global crisis.

Session I – Global Economic Crisis: Is the Worst Over? What Policies Worked and What Did Not?



Session I focused on the changes in the global economy resulting from the recent crisis, the effective and unsuccessful policies in addressing the meltdown, as well as the structural reforms pursued by emerging economies. Ms. Jayanthi Devi Balaguru, vice chair of the CALD Women's Caucus and secretary general of PGRM Women's Wing chaired the session. The speakers in this session were Hon. Florencio "Butch" Abad, secretary (minister) of the Department of Budget and Management of the Philippines and former chair of CALD; Hon. Toine Manders, MEP, from ALDE; and Hon. Nataphol Teepsuwan, MP, director general of the Democrat Party of Thailand.

Hon. Florencio "Butch" Abad

Mr. Abad, a stalwart of the Liberal Party of the Philippines, shared several key lessons and insights of the Philippines during the global economic crisis and highlighted the experience of other Asian countries as well. He also shared his take on applying the liberal approach to the economic problems facing the region.



Mr. Abad said that Asia has been touted as having been least affected by the global economic crisis. He shared a working



paper by the Asian Development Bank entitled “How has Asia fared in the Global Crisis?” that studied the impact of the crisis on the economies of the Republic of Korea, Philippines and Thailand. In this report, Korea and Thailand were more significantly affected by the crisis compared to the Philippines. The study showed that Korea and Thailand were “highly vulnerable to external shocks” and experienced “reductions in per capita GDP as early as the fourth quarter of 2008.” The Philippines, on the other hand, showed relative resilience during the crisis mainly because of its minimal exposure to global financial markets, weak export growth, and heavy dependence on remittances. According to Mr. Abad, this suggests that the Philippines have not set sail yet when the crisis happened mainly because the country has always been affected by structural and political issues.

Mr. Abad also described the performance and responses of the Philippines during the 2008-2009 period. He said the Philippine economy managed to grow by 0.9% in 2009 which is attributed to the government’s own interventions and spending during the crisis. He explained that in 2009, “the government launched an Economic Resiliency Program worth P330-billion (\$7 billion at P47-\$1) that was composed of measures to increase and frontload budgetary spending on small infrastructure projects and social protection; to reduce income taxes of both individuals and corporations; and to promote additional social security benefits.”

However, an important point Mr. Abad shared was that the country’s economic structure remains flawed, with or without crisis. He said “the decline in agriculture, considering that 70% of our people are rural dwellers and the contraction of manufacturing where thousands of formal workers depend on, are more worrisome.” He further explained how the momentary growth through massive government spending will inevitably come back as a heavy debt burden later on.

Mr. Abad explored the world perspective and the impact of the crisis in the Philippines and Asia. Currently, he said, “with the Asian region’s recovery, the Philippines and other emerging Asian markets are experiencing an influx of foreign capital flows, particularly hot money. In our country’s case, this has driven the peso to as much as P42 to the dollar.” The capital influx has shown how Asia has endured the crisis better than other regions, but however good a strong currency is, there are downsides felt by the export sector as well as families of Overseas Filipino Workers who rely on remittances. Mr. Abad stressed that these show how “the global imbalance between the economic heavyweights of the world has already reached our shores and are starting to affect our individual nations and peoples profoundly.” He said there are risks if there is not much domestic appetite for new capital influx because it could significantly affect emerging economies in Asia by further adding volatility to Asian currencies and markets and increasing the temptation for countries to control the strength of their currencies.

"We all know and believe as liberals that the market system is the most effective means of creating economic value, and especially delivering this value to people. However, to be of integrity requires us to acknowledge that the market system is not perfect, and it has its pitfalls and vulnerabilities that have to be kept in check."

Hon. Butch Abad
Secretary (Minister)
Department of Budget and
Management, Philippines

Mr. Abad also mentioned the G20 meeting happening in Seoul, Korea at the time of the CALD-ALDE 2010 meeting. He said the G20 meeting is a positive development for nations to find an agreement that could provide a worldwide consensus on how to achieve balanced growth – "a global consensus to move into the direction of more balanced trade relations starting particularly with the US and China to not engage in a currency war—a certainly un-liberal and un-democratic act—and eventually to everyone who should move towards actions that uphold and respect the market."

Mr. Abad laid down the liberal

approaches he deemed important in addressing the economic slump experienced in the region. He proudly shared that with the recently elected government, the Philippines has now the opportunity to take away the political baggage of corruption and ineffective governance it has been carrying over the past administration. The country is preparing to change the world market to boost its economic value and increase opportunities for the people. Mr. Abad said as evidence, "exports have surged by 46% in September which was preceded by eight consecutive months of double-digit growth...and with the rebound in exports, analysts have been projecting that our GDP will grow faster than the official government forecast of 5-6% this year."

Mr. Abad said that the Philippines is not only fortunate to have a leadership "committed not only to good governance but also to liberalism, particularly in adhering to market economics to pursue our development goals and protect our people's welfare." He added that the liberal government of the Philippines is committed to not move into capital control, to improve the quality of the country's debt stock, to insulate the fiscal and debt position more from the volatile currency market, and to improve the business environment in order to re-channel the capital influx into investments in short-term bonds and direct investments in infrastructure, manufacturing, and tourism.

In conclusion, he said he considers the start of the global financial crisis as a crisis of integrity and therefore future actions should be made under the broad pursuit of making sure integrity is in place – "integrity relative to the soundness of structures, on having systems that are complete, efficient and effective, improving mechanisms to allow us to be fully vigilant of how a possible new order will play out globally and domestically." Mr. Abad said that liberals believe in the market system that creates economic value, and especially value that is delivered to the people. However, he added, to act

with integrity acknowledges that the market system is not perfect and is vulnerable enough to be kept in check. He said it is through engaging with integrity where nations would be able to achieve a balanced and vibrant global economy.

Hon. Toine Manders, MEP

The second speaker, Mr. Manders from ALDE, shared his views about global economy noting that it can be viewed by understanding one's personal economics. He said everyone needs a society that is free and a government that can provide possibilities. He also said that history is very important in order to learn from mistakes and make sure that future possibilities are secured. He recalled the study of Machiavelli about the negative human character wherein the more prosperous a person is, the greedier and more jealous other people tend to be. In the global economy, the collapse of the financial market started when the banks were in a complete bubble due to the greed of executives who crave for more and more enormous bonuses and created more and more products in the midst of extremely high risks.



Mr. Manders observed that the worst is not yet over because the government invested a lot of money to save the banks. As a liberal, he said he believes in the market economy and that strict systems by the government can never change the economy.

In Europe, he shared that they try their best to be more stabilized, to give a strong signal as a union. He noted that they take measures to avoid poisoned financial products and to not abuse the market system. He said that the European Commission came up with EU 20/20 which is a program aimed to supervise hedge funds and government spending as well as coordinate tax and budget policies. The long term strategy for the program is to grow in competitiveness, to secure education, environment and employment protection, and to explore innovations and social inclusion. Mr. Manders was surprised to know that there were many countries eager to attend the G20 meeting. To him, the G20 meeting might fall short on providing concrete recommendations and proposals to address the global financial crisis. Indeed, the G20 meeting is as venue to network and communicate to other nations, however, it would be unsuccessful if results are not achieved.

Mr. Manders highlighted the need to be more dependent on the market system and to continue to engage the problems and issues with an open mind.

Hon. Nataphol Teepsuwan, MP

Mr. Teepsuwan from DP Thailand was the last speaker for Session I. He first informed the plenary about the absence of H.E. Abhisit Vejjajiva, Thai Prime Minister, who was invited to attend the conference but sent his regrets to attend to the damaging floods in Thailand.

Mr. Teepsuwan used a lot of examples from Thailand that affected the global economy. He said the political situation in Thailand has direct impact on their economy – from the yellow and red shirt rallies to the shifting of political party alliances. But despite the political turmoil and continuous

"Making democracy work may require tremendous task and it may be painful at times, but Thailand is committed to making democracy work."

Hon. Nataphol Teepsuwan, MP
Director General
Democrat Party of Thailand

disruptions from protests, Thailand's economy is picking up speed. As the world approaches a new decade, he noted the need to build a stronger global community especially between European and Asian countries, especially as the strengthening and weakening currencies have direct impact on them. Mr. Teepsuwan argued that there could be a win-win situation, but this would entail a lot of hard work in terms of relationship-building and communication.

He said that the Democrat Party of Thailand (DP) has waited for eight years to be the governing party, and there is nothing more satisfying than putting sound policies into work – making policies into realities. He said that it is encouraging to see the benefits and effects of policies that benefit the daily lives of the people.

Mr. Teepsuwan also focused on measures that would help build the fundamentals of the national economy by sharing the experiences of Thailand as an example. First, the government must initiate projects because it is the institution that has the power to create possibilities. More than these initiatives, there should be improvement on the budget process and the government should be more accountable of the needs of the people and not determined by political interests. Second, tax system should be reformed to improve the balance of taxation of income and taxation of wealth. Third, it is necessary to strengthen the welfare system and tackle governance and corruption issues. Fourth, monopolies and other anti-competitive behavior should not be accepted.

Mr. Teepsuwan said Thailand has made progress in reducing those below the poverty line – from 45% of the population 25 years ago to under 9% today. However there have not been any major developments in terms of the

top 20% earners and the bottom 20%. Twenty five years ago, top 20% earners earn 12.8 times of the bottom 20%. Today, not much has change – 12.8 was only reduced to 12.7. In dealing with currency systems, Mr. Teepsuwan said Thailand will just have to export more even though at less profit. Thailand is shifting to importing more machinery to increase efficiency and to cut future costs.

He argued that building and upholding equal rights of citizens is essential to the development of Thai economy. “Making democracy work may require tremendous task and it may be painful at times, but Thailand is committed to making democracy work,” he added. The challenge of the Thai democratic government is how to deal with people who use the citizens as human shield and create problems not just for the government but for the country.



Mr. Teepsuwan said that it would require patience to understand and achieve development. Thailand has been stronger than ever, he noted. The risk of bubble economy is minimized and companies are stronger. However, he also said the global economic crisis is far from over so nations should prepare the next course of action in anticipation of future economic crisis. The strategy that worked for Thailand is the knowledge of their history and the fundamentals that have helped the country build a stronger foundation. Mr. Teepsuwan, in conclusion, committed that Thailand will continue to pursue an open economic partnership to achieve balance, growth and stability.

Special Session on Burma



Mr. Moritz Kleine Brockhoff, FNF project director for Malaysia, Myanmar/Burma and Cambodia, chaired the session and explained the importance of having such a special session. The special session was done

during the day Daw Aung San Suu Kyi was released from house arrest and only a week after the national elections in Burma. The speaker in this session was Mr. Aung Moe Zaw, joint general secretary of the National Council of the Union of Burma (NCUB) and chairperson of the Democratic Party for a New Society.

Mr. Zaw thanked the organizers for bringing their country's important issues in the conference. Mr. Zaw said Dr. Sein Win, the prime minister of Burma in exile, would have wanted to share his thoughts on the recent developments in Burma, however previous engagements have already been set so he sent his apologies for not being able to attend the conference and address the plenary. Mr. Zaw said the presentation he made also reflects the views of Dr. Sein Win.

Mr. Zaw described the anticipation of the international community on Daw Aung San Suu Kyi's release and said that people should only celebrate if it is a permanent and unconditional release. He said that her imprisonment happened just before her party, the National League for Democracy (NLD), won a landslide victory, but the military never recognized the overwhelming victory of NLD in the elections. Last week, he said, another national election was witnessed. The NLD leaders refused to take part in an exercise described by the international community as a sham and a façade for the military junta to continue their rule.



Mr. Zaw said the military-backed parties already claimed a landslide victory with 80% of seats in all constituencies, two chambers, and 40 regional assemblies. Despite election observers, there were numerous complaints of frauds and rigging of votes and the election irregularities were reported all coming from people in the field. Some said the voter turnout was only 30% while others said it was only 40%, but the winning party said there was a 70% turnout. Mr. Zaw explained that these numbers were not new and very similar to the referendum exercise in the midst of the Cyclone Nargis. The military

regime said the referendum had 90-94% turnout and 94.4% voting “yes” in favor of their constitution.

Mr. Zaw warned that each of these so-called “developments” orchestrated by the regime have the same goals and it is to maintain their grip to power, to have the final decision-making power on issues of importance, and to have the constitutional authority to overthrow any popularly elected leaders or any popularly elected government. He said the “the constitution also stipulates that the commander-in-chief or the army chief will be above the law and that the president must have substantial national security experience – something only the military officers can claim.” In the recent elections, 25% of the parliamentary seats are reserved for the military. The new election law also requires parties to disown members and leaders of their parties who are imprisoned locally. He said, “political parties are forced to choose between abiding with the regime and contest in the elections or abandoning their member behind bars including Daw Aung San Suu Kyi and thousands of political prisoners.”



He noted that a small portion of the NLD established a new political party called, National Democratic Force (NDF), which ran and barely won 15% of more than 1,100 constituencies. Of 37 registered political parties, NDF was the largest opposition party. He shared that the current regime party, the Union Solidarity and Development Party (USDP), put up 1,100 candidates and the old regime party, National Unity Party (NUP), put up more than 900 candidates, “making the elections for any opposition party statistically impossible to win.” He added that “this does not only show how flawed the electoral process is,” but also “shows that the constitution was meant to legitimize the already existing military government.” The challenges for the opposition included the struggle for freedom of speech, association, movement, or campaigning during the electoral period.

Mr. Zaw said the recent election reflects that the military regime is very determined to continue its rule in Burma. The refusal of election observers, the vote-buying, and the dubious voting system, are just a few reasons why the international community cannot accept the election. He mentioned that only China and some ASEAN countries congratulated the regime. He added, that “the rigged election is inviting further political and social instability and conflict in Burma creating a system with very limited spaces for participation and with so many restrictions.”

Mr. Zaw believes the military regime should seek political solution together with all stakeholders. The downturn of the rigged election results is further social conflict because only one day after the elections, the fighting broke out between the regime army and the regime-back militias. He said that conflict may escalate to all other ethnicities such as Karen independent



organizations and United Wa State party. The fact that the military is again sustaining power “ manifests the fragility of the ceasefire agreement which has been in place for more than two decade already.” He explained the possibility that a full-scale armed conflict in the Burma could return “unless the regime seriously walks together with the ethnic-resistance groups to make necessary compromises in order to achieve inclusive political process.”

Mr. Zaw shared the different opinions on the current developments in Burma. He said that Dr. Surin Pitsuwan, secretary general of ASEAN, supported the view that flawed elections are better than no elections at all. Meanwhile, Nobel Laureate Amartya Sen said “Expectations that things will change after the election are completely contrary to reasoned analysis.”

The regime is not only maintaining its political power but also consolidating economic gains and pulling the strings of free market economy to benefit their families and supporters. Mr. Zaw noted that the regime is bringing their country back to the past instead of moving the country forward through the regime’s so-called “road map to democracy.” He expressed his fear that the cycle of resistance and repression will continue in post-election Burma. He said “the election has not been part of the peaceful solution nor has it been the result of a dialogue of a multilaterally agreed transitional plan. It is not also the regime-lead democratic transition.”

The regime refused to go through the democratic process because of the non-inclusive constitution and election laws. However, Mr. Zaw explained that NLD does not immediately reject elections, but only asks the regime to have a dialogue first with all concerned stakeholders and to lead the regime’s roadmap in a democratic way. As for the pro-democracy movement lead by Suu Kyi, he said that the group continues to seek dialogue and peaceful resolution in Burma despite the regime’s consistent harassment.

“My colleagues and I strongly believe that the international community, including Asian neighbors, should not support the election results, but must rather stand firm in calling for an inclusive political process that involves reconciliation with Aung San Suu Kyi and ethnic leaders.”

Aung Moe Zaw
Joint General Secretary I
National Council of the
Union of Burma (NCUB)

Mr. Zaw believes that the international community, including the ASEAN leaders, should not support the election results because it is not part of the transitional democratic process. He requested the plenary to denounce the recent election results in Burma and stand firm in calling for an inclusive political process that involves reconciliation with Daw Aung San Suu Kyi and ethnic leaders.

The chair suggested that if Daw Aung San Suu Kyi would be released, the participants of the conference should write a statement welcoming the positive development.

DISCUSSION

Hon. Jan Mulder, MEP from ALDE asked about the recommendations for the European Parliament on matters concerning Burma. Mr. Zaw said that despite the different stance of countries constituting the European Union (EU), the EU should continue to stand firm on its resolutions and strengthen its coordination with the US and ASEAN. Mr. Zaw said that regional coordination between and among regional blocks provides leverage to dialogue with Burma, and even with China. Mr. Nyo Myint, secretary for international affairs of NLD and NCUB, also commented that EU and US have shown tremendous support over the years, however, they have not made concrete proposals for Burma.



Hon. Niccolo Rinaldi, MEP, asked about whether or not sanctions are effective and would tougher sanctions be needed. Mr. Zaw said that targeted economic sanctions are quite difficult to coordinate in the EU. The United Kingdom and France have made strong statements against the regime, but a more consolidated sanction would be more effective especially when coordinated well with the US. He said that NLD believes that Burma needs humanitarian assistance. The party does not say that engagement with the military is not good. The party is adhering to all kinds of efforts that they think would make political dialogue for all sectors in Burma a possibility.

Mr. Chue Peng Kong from the PGRM shared that two things are important to change, one is the intrinsic needs of Burma and the second is external pressure. The ultimate issue would be social economics because Mr. Chue thinks China is consuming all the exports and aids of Burma. He said that ASEAN+3 could provide a platform for dialogue, but being part of it entails non-interference in any member-country's internal politics. What the conference could do, he said, is release information about how much poverty, medical short-fall, uneducated people there is in Burma. This is one step to put more constructive pressure on Burma.

Session II – Asia and Europe and the Multilateral Approach to World Economic Governance



Session II focused on multilateral approaches to world economic governance in Asia and Europe. This answered questions regarding the need for enforcement mechanisms, the possible reforms in global economic institutions such as the International Monetary Fund (IMF), World Bank (WB), World Trade Organization (WTO), etc., the role of the Asia-Europe Meeting as a venue for dialogue and cooperation, and the roles of Asian and European countries in stabilizing the global economy.

The chair of the session was Ms. Maysing Yang, founding member of CALD and vice president of the Taiwan Foundation for Democracy. Ms. Yang is also a senior member of the Democratic Progressive Party of Taiwan, one of the founding parties of CALD. The speakers were Mr. Willem Vanden Broucke, head of unit and policy advisor of the International Relations Unit of ALDE, and Dr. Neric Acosta, secretary general of CALD and vice president for Mindanao of the Liberal Party of the Philippines.

Mr. Willem Vanden Broucke

Mr. Vanden Broucke discussed the importance of Asia and Europe's role in the restructuring of global governance and the role that the European Union (EU) plays in the global discussions on economic and financial issues.

Mr. Vanden Broucke said "the financial crisis has revealed the degree to which the world's economies are integrated, both financially and in terms of physical production and trade flows." However, he said, "The economic crisis

has also exposed the weaknesses in the global economic and financial system.”

He gave a background on the kind of relationship Asia and Europe have through ASEM. He explained how this cooperation helps to promote growth, restore market confidence, strengthen the financial system, and reform the financial sector and the international financial institutions. He also said “all ASEM partners play a part in addressing these economic distortions and weaknesses in policy responses” and that “the political, economic and cultural issues that are being addressed by this body strengthen the relationship between the two regions.” Mr. Vanden Broucke also shared input on the Asia Europe Business Forum (AEBF) which “aims to strengthen economic co-operation between the business sectors of both regions is another important instrument of dialogue and cooperation.” The forum, he explained, provides recommendations on ways to enhance the attractiveness of the Asia-Europe marketplace.



Mr. Vanden Broucke also highlighted the “need for Asia to play a more active part and assume a greater responsibility in the management of world affairs.” He said, “With size comes responsibility. None of the major challenges that the world is facing – climate change, energy, security, the global financial system – can be solved without Asia’s involvement.” It is through this process where more systematic questions on reforming global institutions can be drawn in order to address the key areas needed to create a reliable financial environment. He further explained that it is of utmost importance that international financial institutions are being reformed and modernised in order for Asia and Europe to be prepared for the new challenges ahead. He gave the Financial Stability Board and the Basel III agreement as examples of initiatives that need to be developed to promote global financial stability, enhance global oversight, and create a level playing field.

Mr. Vanden Broucke acknowledged the fact that Asia will not assume greater burden without having anything in return. China, for example, is reluctant to involve itself in international bodies where they have no power in shaping them. He said, “It (China) will not just join to strengthen rules and institutions it sees as preserving the status quo of a Western-dominated world.”

With this, Mr. Vanden Broucke believes that it is desirable “to adjust the shareholder and voting structures of the multilateral agencies to better reflect the economic might of emerging markets.” He said it is crucial to include emerging economies such as countries in Asia since leaders need to collectively agree to stimulate domestic demand, and avoid protectionism.

Mr. Vanden Broucke also shared the importance of EU in launching the G20 leaders' process where "it recognized the need for government spending to stimulate the economy but also called for tighter rules and more oversight of the financial system." He said EU supports the implementation by the G-20 of the IMF quota reform that will effectively reflect the responsibilities of the IMF members in the world economy and welcomes the decision on the World Bank's voice reform that will "move over time towards fair voting power distribution."

Another important point Mr. Vanden Broucke raised was "to organise effective parliamentary control as close as possible to these bodies." He said this initiative was spearheaded by the ALDE Group to have a parliamentary component at institutions such as UN, WTO, IMF, and others because "more power must be matched by more democratic oversight." He further expressed that "Asia sometimes seemed ambivalent about committing itself as a global player, but unless the politics and the economics match, it will be hard to tackle global economic challenges together."

It is therefore desirable to adjust the shareholder and voting structures of the multilateral agencies to better reflect the economic might of emerging markets.

Mr. Willem Vanden Broucke
Alliance of Liberals and Democrats for Europe

Mr. Vanden Broucke also enumerated the top priorities of European liberals such as "a positive conclusion of the Doha Development Round, an institutional reform of the WTO including the promotion of a WTO parliamentary assembly, the development of a strategic high level dialogue to discuss issues such as market access, regulatory framework, global imbalances, energy, climate change, access to raw materials, poverty reduction, education and development." He said they would need the help and support of their counterparts in Asia in order to accomplish this vision.

Dr. Neric Acosta

The next speaker was Dr. Neric Acosta from the Liberal Party of the Philippines who shared that Hon. Sam Rainsy, MP, leader of the Cambodian opposition and former Minister of Finance of Cambodia, was supposed to speak on the session, but he could not fly because of political reasons.

Before his presentation, Dr. Acosta shared his insight he got from his recent trip in Turkey and said that Turkey has been waiting desperately to be a member of the EU. Politicians from Turkey claim that they have done all they could to really meet all of the standards, and that so much have happened in the last 5-7 years with regard to their EU application. He shared

that Turkey is getting a little tired of waiting for the EU, and as a result, it is currently actively looking towards Asia. Turkey decided to move forward engaging China and India because EU has deferred decisions regarding its membership.

After Dr. Acosta noted how Turkey plans to engage Asia, he discussed the primary factors that Asian leaders need to prioritize. More than the challenges in integration in ASEAN, or in the Asia-Pacific Economic Cooperation Forum (APEC), or even in ASEM, Dr. Acosta said “it is still important to return to the challenges that we all face in Asia.” He acknowledged the points already raised about the need for tighter rules, more oversight in the financial system, and strengthening the partnership between Asia and Europe in terms of addressing the slow recovery in both regions. But the potentials to reinvigorate the economy, he said, “are all within reach, all within our countries.”



Dr. Acosta focused on Asia especially on CALD and the lessons learned not just during the economic downturn in 2008, but also during the 1997 crisis. Dr. Acosta summed up his speech by presenting five “Is” that reflect the challenges in Asia, especially in CALD. The first factor is ***Inequality***. Dr. Acosta said that inequality in Asia “remains one of the more important challenges the region faces - the greater half of the population live below the poverty line.” He shared a glimpse into the situation in the Philippines and said that the country has more deepening divides between that “haves” and the “have nots” – “divides in the access to education, health and information technology.” He explained that “while there are strides in making more equitable programs for the majority, the crisis contributed even more damage to widen the divides.” He gave the “conditional cash transfer” as an example of a new program under the new Philippine administration, patterned from Brazil’s Bolsa Família or “Family Allowance,” that is meant to address the divides.

The second factor is ***Instability*** because according to Dr. Acosta, Asia is still a region “racked by insurgencies and terrorism in conflict areas, by environmental degradation and increasing disasters, by the unwavering problem of drug and human trafficking, etc.” Asia has been hit by more and more vicious typhoons just like what happened in Burma when it was hit by Nargis and in the Philippines when typhoon Ondoy struck. Dr. Acosta emphasized that natural disasters such as these are big factors that severely impact the way societies and governments adapt.

The third factor is the demographic bulge or the ***Increase in population***. Dr. Acosta said that, “While other regions have declining birth rates, the Asian region remains to have countries with the highest population growth rates.” The Philippines, for example, was recently named the country with the highest birth-rate in the region and since the new administration took over, 600,000 babies were born. He also shared that the current government is having problems with reproductive health bill in Congress because the

“Even before we can talk about economic integration, we should first understand that we share a basic principle of understanding that we cannot move economies forward without the bedrock of democratic institutions.”

Dr. Neric Acosta
Secretary General
Council of Asian
Liberals and Democrats

Philippines is a predominantly Catholic country. He added that by the end of 2010, the Philippines will hit 95 million. By the time President Noynoy Aquino’s term ends in 2016, there will be about 110 million Filipinos. Another example he gave was Indonesia which now has 240 million people and still growing at a fast rate making it the fourth most populous country in the world. However, Dr. Acosta said there are exceptions such as Thailand, which has a 7% growth rate as opposed to the Philippines’ 2.3% growth rate. Thailand is more concerned now about the growing aging population. Dr. Acosta said, “The resources and

growth in our economy are very much tied to warm bodies. Labour, employment, health, education, investments are all affected by the increasing population.” And that as governments try to revive economies, one has to first and foremost provide for the basic needs of the people in education and health.

The fourth factor is ***Institutions*** because the rule of law, Dr. Acosta explained, is still part of the challenge faced by liberals and democrats in the region. He said, “We can talk about the international institutions all we can, but until and unless we address the institutional deficiencies in our countries, we’re going to be in real trouble and we won’t be able to talk about setting up a regional mechanism to address the global economic crisis.” The last factor is ***Integration*** which focuses on how countries integrate societies and economies. This is the main subject of the heads of state in the last 17th ASEAN Summit in Hanoi, Vietnam – the integrated role of ASEAN countries including China and India. Dr. Acosta emphasized the need to parallel integration discussions with talks about democracy and human rights. He mentioned how pleased he was about the special discussion on Burma in the earlier session which set the mood for the rest of the conference. Dr. Acosta said, “Even before we can talk about economic integration, we should first understand that we share a basic principle of understanding that we cannot move economies forward without the bedrock of democratic institutions.” He added that in order to identify a clearer approach to integration, unity and convergence, countries should “pull back, up-front and center, democracy,

human rights and the rule of law...as we deal with Europe, as we deal with the international institutions, as we deal with the United Nations, etc.”

Dr. Acosta ended his presentation by recommending indices to measure the successes in dealing with the five factors he mentioned – the Bertelsmann Transformation Index, Transparency International, The Global Integrity Index, The Governance Matters Index, etc. According to him, these empirical studies rank countries across the world in terms of civil liberties, rule of law, popular participation of sectors, or transparency and accountability. He said that it is through these indices that “we see where our countries are and can serve ultimately as policy guide-posts to better understand how best we could recover from the crisis and make our institutions stronger.”

DISCUSSION

Asian countries as one economic region

Hon. Toine Manders, MEP, asked about the possibility of Asia as having one economic region which can effectively be in competition with Europe and US. Dr. Acosta recalled that it was the former Malaysian Prime Minister, Mahathir Mohammed, who first came up with the idea of East Asia Economic Caucus (EAEC), which talked about a common currency and considered it as one of the more concrete steps in economic integration. ASEAN has integrated in terms of the flow of citizens granting access to ASEAN members without visa requirements. In 2010 supposedly, Asian countries should have already planned for the inroads of having a borderless region with a more common currency. Dr. Acosta said that integration depends on the mindset and framework of ASEAN leaders on what paradigm they should use to drive for a more effective policy tied to integration. With the realization of the commonality of problems, one cannot address it effectively without talking about ASEAN, not as individual states but as a whole region being affected directly. He explained that there might have been a clearer solution if the leadership in ASEAN understands the imperatives and that there is no other option but to go to the path of integration, climate change issues, terrorism, drug-trafficking, human-trafficking, etc.

Non-interference in ASEAN and the challenges to integration

When one talks about the issues on environment, climate change, human rights in ASEAN, there is always the non-interference issue. Ms. Maysing Yang asked if there are plans for ASEAN to change the non-interference rule in order for ASEAN to address the deeper issues on integration. Dr. Acosta said that the best person to answer the question is Dr. Surin Pitsuwan, the first chair of CALD and current secretary general of ASEAN. In institutions and organizations such as CALD that try to bring in political parties and various sectors together, Dr. Pitsuwan would say that it's easier done in the level of being a non-state organization. Dr. Pitsuwan would

say that once a person is in government and becomes a functionary of the state, the non-interference takes on a whole different set of implications. Non-interference is definitely a challenge to ASEAN. Dr. Acosta said that non-interference limits member states' freedom to speak publicly on the policies and directions of member states even after meeting together to come up with a consensus on various regional issues. Dr. Acosta noted that changes are necessary in ASEAN, "if we want to invigorate economies and open societies to be able to be far more competitive as a region."

Dr. Acosta added that there is no choice but to make integration work because issues on environment, terrorism, and human trafficking are all transnational problems and are becoming increasingly more difficult to contain from the standpoint of state action. He said solutions to transnational issues require nothing less than cooperation.

Mr. Vanden Broucke said that at the moment, Europe only sees India and China as the big players in Asia. To him, it is imperative to have a good, integrated block of regional states. He shared his observations on Africa and the African Union which he described as a block that has started to take firm positions on members such as Zimbabwe and Sudan. Mr. Vanden Broucke expressed that countries have to be strong if they want to play a role in global governance and so far, only India and China have shown this characteristic.

Ms. Selyna Peiris, chair of CALD Youth and member of the Liberal Party of Sri Lanka, gave a comment on integration and on having an Asian Union from a South Asian perspective. She said that if you take out China and focus on India, Sri Lanka, Nepal, Bangladesh, Pakistan, Bhutan and Afghanistan, then South Asia would have the biggest population in the region with highest level of poverty. And the intense cultural, political, and religious divides have left an extremely dormant cooperation and further formation of regional integrations like the South Asian Association for Regional Cooperation (SAARC). She said that to talk about an Asian Union considering the rather difficult situations happening in SAARC, ASEAN and China, would be rather difficult. Ms. Peiris said, "It might be an idea for ASEAN to have greater cooperation with the SAARC because together they have greater population than China." She added that this initiative could be the first step towards an Asian Union.



Mr. Hanjaya Setiawan said that intervention is difficult to do in ASEAN because almost half of its members are not democratic.

Dato' Dr. Lim Thuang Seng, Central Committee Member of the Parti Gerakan Rakyat Malaysia, said that it is important to focus on the meaning of interference. Political interference is a different issue because every country has their respective problems and set of rules. Example would be the US putting pressure on China to increase the value of their currency, but China

would focus on its own problems. Countries such as China, India and Brazil are policy receivers, while US crafts the policy. Dr. Lim explained that now that the policy receivers have achieved economic progress, they have moved to the position where they plan for the policies. But in this special position, they feel the pressure to be an international player and as mentioned earlier, Asia is unwilling to be an international player. Dr. Lim said that the reason behind this is because Asia has its own constraints and it should take care of its internal problems first. Interference has to draw a line, Dr. Lim stressed, because each country has problems and has their own means to try to solve them.

Dr. Acosta said that “as we talk about multilateral approaches and global economic governance,” interest plays a role among the states. It falls on the liberal and democratic parties, on those liberals elected to public office, to ensure that countries would stay on the track of having an effective global integration. He closed by sharing a quote by Albert Einstein that says “...doing the same thing over and over again and expecting different results,” and in the case of the issues behind global integration, “approaching different problems with the same approaches and expecting the same results.”

Session III - Asia and Europe Trading Partners and The Role of Private Enterprise



Session III talked about Asia and Europe as trading partners and the role of the private enterprise. The session included the discussion on the ways to promote inter-regional trade between Asia and Europe and the issues behind international currency wars vis-à-vis China, US, and Europe, and their assertions against each other. The session was chaired by Mr. Jules Maaten, country director of FNF Philippines and former Member of the European Parliament. The speakers were Hon. Jan Mulder, MEP, from ALDE and Mr. Ng Lip Yong, chairman of the International Relations and Affairs of PGRM and

former Deputy Minister of the Ministry of International Trade and Industry of Malaysia.

Mr. Maaten noted that Europe needs to recognize of the importance of Asia, especially of ASEAN which is an enormous market. He added that the EU before was more interested with ASEAN's internal development and enlargement process much more than promoting trade with it. However, he said that the situation is changing now and that more and more trade treaties are being finalized with Asian countries.

Hon. Jan Mulder, MEP



Hon. Mulder highlighted the importance of international trade by relating it to the origins of the EU. He said that one of the reasons for the establishment of the EU's predecessor, the European Coal and Steel Community (ECSC), was to lessen the possibility of war among European countries and ensure lasting peace, particularly Germany and France, by making them economically interdependent through their trade relations. The prevention of war, according to Hon. Mulder, remains to be one of the great successes of the EU. He also said that Europe saw the importance of democracy and how it helped individual states manage internal affairs and how it strengthened their relationships to one another.

Mr. Mulder recalled that six member-states started the cooperation in 1958 through the Treaty of Rome which removed trade barriers and reconstructed the economies of the European continent. Currently, the EU has 37 member-states, and Mr. Mulder said that Turkey at the moment, as what Dr. Acosta shared earlier in Session 2, is still waiting for acceptance. He noted that Turkey needs to adhere to the Copenhagen criteria and this has strict criteria on democracy, human rights, rule of law, independent judiciary, and capacity to compete in the common market. The element of progress alone will not suffice.

He pointed out that the creation of the common market through the EU also moved Europe further ahead to prosperity because it helped open the economies of both weak and strong member-states. He noted, however, that at present, the EU still has to address a number of issues such as the completion of the internal market, the emergence of protectionism, and difficulties posed by the membership criteria on applicant countries.

Mr. Ng Lip Yong

The next speaker was Mr. Ng Lip Yong who started his presentation by noting that liberals give importance to the role of private enterprises and not too much value on government control. He believes that “the government has no business in business.” However, because of the global economic crisis, regulatory control found itself useful as facilitators to “harmonize tariffs.” He said Malaysia, for example, took drastic actions after the financial crisis which in effect strengthened the banking sector. But the actual trading, implementation and operation, Mr. Ng stressed, should still be left to the private enterprises.



Real GDP Growth

COUNTRY	2Q2010	3Q2010
China	10.3%	9.6%
Indonesia	6.2%	5.8%
Singapore	18.8%	10.3%
South Korea	7.2%	4.5%
Malaysia	8.9%	4.5-5,5% (2H2010)

Mr. Ng described Asia as a region that is still growing fast. He said Asia had a sharp rebound from 2008, and is expected to have a significant rise in GDP in 2010. He said that Asia will return to a more sustainable level in the next three to five years. He shared the factors that affect the strong growth rates in Asia. One factor is having the “good fundamentals” and the relatively low debt levels of the government and private sectors. Another factor is the emergence of China and India as sources of better natural resources. Mr. Ng also warned that there are risks in dealing with rising economies. A sharp

downturn in China, for example, would affect the region a lot. He said Malaysia is now the biggest trading partner of China compared to other ASEAN countries. Trade in Malaysia accounts for more than double its GDP. It is trade-dependent, so Mr. Ng noted that Malaysia will be greatly affected if anything happens with China or any other major trading partners.

Mr. Ng, in his presentation, also provided a backgrounder on Asia's GDP growth. He argued that "although Asia's fundamentals remain healthy, the region is vulnerable if a sharp slowdown is to happen in the rest of the world." Nonetheless, he said that Asia is expected to outperform other regions and to have a greater share in the world economy in the future. The

"Although Asia's fundamentals remain healthy, the region is vulnerable if a sharp slowdown is to happen in the rest of the world."

Mr. Ng Lip Yong
Parti Gerakan Rakyat Malaysia

next part of his presentation discussed the promotion of inter-regional trade between Asia and Europe. He argued that business-to-business and people-to-people contacts have been the critical drivers of international trade, not government-to-government relations. He then described the situation of Malaysia, geographically located in Asia but with strong ties with its former colonial master, the United Kingdom. The country, for this reason, bridges the West and the East, laying the groundwork for its trade links with European countries. In Asia, Mr. Ng said, they have generated a lot of contacts since they have a diverse mix of Chinese, Indian, and Malay cultures. This placed Malaysia in a very unique position over the years to promote the country, through trade fairs and missions, to China, India, and Indonesia and to other countries in the region.

Mr. Ng said that in the discussions about trade between Europe and Asia, technology transfer and the environmental aspect of trade and management should also be given importance. Apart from this, he said it is also essential to look at the individual strength or the competitive advantage of each country in order to forge coalition with each other for market development. Cross-border investment is also vital for Asia and Europe because this opens more trade opportunities between and among countries and regions.

Mr. Ng noted that it is impossible not to talk about the G20 when one talks about global trade. At the moment some feel that the G20 is just a talk shop, but Mr. Ng believes that the recent discussion of G20 to address currency wars would most likely put the G20 in a more constructive role as a global organization. The G20 has also decided to put more resources to the financial stability committee to attend to issues on competition and problems concerning devaluation.

In the last part of his presentation, he assessed the global context of trade, concluding that both the US and China, as the world's two biggest economies, should undertake some reforms in order to stabilize the global economy. According to Mr. Ng, the US should "stop spending money that it does not have", while China, on the other hand, should concentrate on its domestic economy and transform itself from being the "factory of the world" to being the "market of the world."

DISCUSSION

Pressing money freedom



Hon. Sin Chung-kai, CALD Individual Member, commented on the similarities that Asian countries have, particularly on the focus on press freedom. He said, however, that in the US, there is a different kind of freedom which is the "pressing money freedom" because they print a lot of money. Mr. Sin asked what role elected European officials have in controlling debts.

Mr. Mulder said Europeans is firmly committed not to leave debts to the next generations. All over Europe, he said that there is a rule "that national debt cannot be more than 60% of the gross national income and budget deficit cannot be more than 3%." However, all countries in Europe until now have defied that rule. In the case of the Netherlands, Mr. Mulder said they have a budget deficit of about 5% and that the policy of his government and the party he supported is to live within the means which is entirely different to US. The important lesson, Mr. Mulder stressed, is not to get excessive.

Euro break-up?

Mr. Ng asked whether a break-up is possible in the European Union given that there are different countries in the Euro zone that do not follow the rules.

Mr. Mulder said they cannot afford a break-up. He said they had currency wars before, but the EU is designed to primarily address the conflicts and establish a level playing field for all member-states. At the moment, he shared that it is the political decision of member states to give sanctions to members who are not following the rules.

Mr. Chue Peng Kong from the PGRM said Asians must learn to be more united just like the EU. He said that when products are EU-approved, it's easier to import and export. But when it comes to Asia, Asians fight among each other for price competition.

Ideological presupposition in EU and ASEAN



Hon. Butch Abad, minister for Budget and Management of the Philippines, asked Mr. Mulder about the beginnings of the EU whether it started with a clear ideological or philosophical presuppositions, not only in the sense of democracy and motherhood statements, but democracy as it operates in politics, economics, the socio-cultural dimension of society, and deals with the elements of defining institutions and processes that give meaning and life to its basic values. Mr. Abad said that if EU has gone through this important process, ASEAN, and even CALD, has to also define and clarify philosophical presuppositions. He asked if EU set this as a standard to follow without demanding it from each member-state as they enter.

Mr. Mulder said every member has subscribed to strict values of democracy. Each year, EU is issuing a report on the state of human rights in each of the member-states. Mr. Maaten, meanwhile, shared that in the beginning “the EU was clearly defined as a project for coal and steel...It was an economic project.” As the years pass by, he said, other important issues emerged later on, but the “whole human rights and democracy element was a huge victory for the EU.” He said it was only implicit at the start, and not written down in the first treaties.

Mr. Abad made a follow up question noting that Asian countries had long periods of colonization and authoritarian regimes. He asked how Asian countries can come together given their historical circumstances. Mr. Mulder responded that it would be a good start to create prosperity in the region. The creation of mechanisms to prosperity and opportunities for each state is an effective way to unite countries.

Life, liberty, and property – the protection of property rights



Dr. Acosta asked about role of property rights vis-à-vis the understanding of moving vast people from poverty to prosperity? Dr. Acosta said that in the Philippines, and in the rest of Asia, there is still the difficulty of sorting out the protection property rights which is really the guarantee for middle classes to remain prosperous. He added that this is a fundamentally liberal idea. Dr. Acosta gave an example that in the Philippines, the central bank has the same amount of liquidity as the national budget, about P1.3 trillion. He said this amount is available because of the remittances from abroad and that the money in the central bank is “a result of small banks all over the country that are unable to unleash or unlock that kind of capital because of our

property rights regime that are not yet sorted out.” Dr. Acosta asked, “To what extent has the EU addressed this in Europe?”

Mr. Mulder said that they consider property rights as essential to economic development in Europe. In 2004, when Eastern European countries joined EU, it was a priority to develop the local banking sector in these states. Hon. Niccolo Rinaldi, MEP also commented on property rights and said that it has never been questioned by the upper and middle classes because they understood social responsibility. Mr. Ng also shared that they have property rights in Malaysia and that the system of land titles is already in place.

Trade agreements and the public perception on free trade

Mr. Rinaldi asked about the perception of free trade in Malaysia because he believes there is a difference of perception from the citizens and from the business community. He also shared that the EU and ASEAN just recently came to the conclusion that there were no conditions to have a regional free trade agreement between the two regions. With this, Mr. Rinaldi asked if this would help strengthen bilateral free trade agreements and asked why ASEAN turned down the opportunity to forge an agreement with EU.

Mr. Ng said in the beginning Malaysia has an all out support for ASEAN cooperation with other regions, but as years go by Malaysia realized it is difficult and that bilateral agreements are easier and faster to do. He added that if Malaysia would not go into bilateral agreements, the country will be in a disadvantaged position. With regard to public perception of free trade, Malaysia sees it as “reduction of barrier” which would benefit a lot of exports and imports. However, the public perception would also include the feeling of unfairness. Malaysia supports not just free trade, but also fair trade.

Hon. Sam Rainsy’s Message

Dr. Neric Acosta, secretary general of CALD, read the message of Hon. Sam Rainsy, MP, leader of the Cambodian opposition. He said Mr. Sam expressed his deep regret for not being able to attend the conference. Dr. Acosta said “Mr. Sam is an embodiment of the best of what we can bring together from Asia and from Europe.”

Dear CALD and ALDE friends and colleagues,

I am sorry for not being with you on this great occasion of the CALD-ALDE meeting being currently held in Kuala Lumpur on the theme “The Global Economy: Successes and Lessons from Asia and Europe” with the support of the Friedrich Naumann Foundation.

My inability to attend this meeting is due to the fact that I do not want to cause any embarrassment for our host, the Gerakan Party which is part of the ruling coalition in Malaysia.

However, I will be closely following your work and discussions which, I am sure, will be as exciting and as fruitful as usual.

May I seize this opportunity to thank all CALD members and the CALD secretariat for the statements they have issued in support of the Sam Rainsy Party especially following my recent sentence to 10 years in prison for politically motivated charges.



My gratitude goes also to our friends and colleagues from ALDE who have taken a leading role in the adoption of the October 21, 2010 Resolution of the European Parliament on "Cambodia, in particular the case of Sam Rainsy".

The CALD statements and the European Parliament resolution followed a similar resolution from the Inter-parliamentary Union whose Committee on the Human Rights of Parliamentarians has been chaired for many years by former CALD Chair Senator Frank Drilon. These statements and resolutions are putting an increasing pressure on the Cambodian government to resolve the current political crisis in accordance with democratic principles.

In order to put the democratization process back on track and to strengthen the mechanisms designed to protect human rights in Cambodia, 28 parliamentarians from the Sam Rainsy Party have called for a reactivation of the 1991 Paris Agreements on Cambodia, which were signed by eight ASEAN countries and many member states of the European Union. I would like to thank Members of Parliament from those signatory countries who have expressed their support for our Appeal.

In Southeast Asia, the main source of concern is the situation in Burma where fake elections have been recently organized without the participation of the democratic opposition led by Aung San Suu Kyi.

I am sure that your meeting will, once again and this time with the participation of ALDE, show that CALD is

"Solidarity in Action!"

Sam Rainsy

Session IV – Towards Recovery and Sustainable Development: Can Economic Development, Social Cohesion and Environmental Protection be Achieved Simultaneously?



The last session focused on recovery and sustainable development and the reforms, internal or external, that needed to be put in place in order to facilitate economic recovery. The session also tackled the question “Can economic development, social cohesion and environmental protection be achieved simultaneously?” Mr. Lambert Ramirez, executive director of the National Institute for Policy Studies (NIPS), the think tank of the Liberal Party of the Philippines, served as the chair of the session. Mr. Ramirez said, “This topic presents us one great opportunity to deal with an issue that has been discussed exhaustively in the 1970s, 1980s and the 1990s - that is growth with equity in a sustained manner.” The speakers were Hon. Jan Mulder, MEP from ALDE and Hon. Rajiva Wijesinha, MP, chair of CALD.

Hon. Jan Mulder, MEP

Citing the experience of Europe, Mr. Mulder emphasized the importance of free enterprise in promoting economic growth. He said, “...economic growth should come from the initiative of the people itself,” and that from this initiative come the “the urge to make money and then subsequently, to pay taxes, which we think is a better system than any regulated system by whatever government (there) might be.”



Mr. Mulder pointed out, however, that free enterprise has to be accompanied by a strong support for education, healthcare, unemployment insurance and other poverty alleviation measures. These measures are vital in making helping individuals and societies attain economic growth. In Europe, he shared that education system is free for the first 18 years, from primary to secondary school. However, even with free education, not all were able to get a chance to be employed. It is for this reason that European countries agreed on a social system which guarantees everybody a minimum salary that varies in all of the 27 member states of the EU. In the Netherlands, Mr. Mulder said the minimum wage is about €1,000. In addition to education, another source of concern is medical expenses that are beyond the means of people. Mr. Mulder also noted the importance of medical insurances that guarantees people to have an access to medical facilities. He said that in his country, they have a compulsory medical insurance system that guarantees that “the poorer you are, the less you have to pay,” and still have access to medical facilities.

When the economic crisis struck, Hon. Mulder said that a strong social welfare system was put into question. Because of the budget deficit that European governments face, the problem of cutting the social welfare budget also arises. But at present, Mr. Mulder said that “all the member states of the European Union are thinking about how to reduce the burden of social benefits to the general budget and to give more responsibility to the people itself.”

Mr. Mulder also shared the issue about retirement which is a big contention at the moment in Europe. He said that they have a rule that you could retire at the age of 65 and this was, for the first time, introduced in Germany in 1870 by Chancellor von Bismarck. At that time, however, only 3% of the population reached the age of 65. Currently, 80% of the people reach the age of 65 and this causes the “graying of the population.” In the Netherlands, the retirement age is 66. In Germany, it is 67. In France, President Sarkozy proposed to raise the retirement age to 62 and this paralysed the country for about a month due to protests, strikes and all kinds of uproar. In the end, President Sarkozy succeeded in his proposal. Until now, there have been intense debates in Europe regarding this issue.

Dr. Rajiva Wijesinha, MP

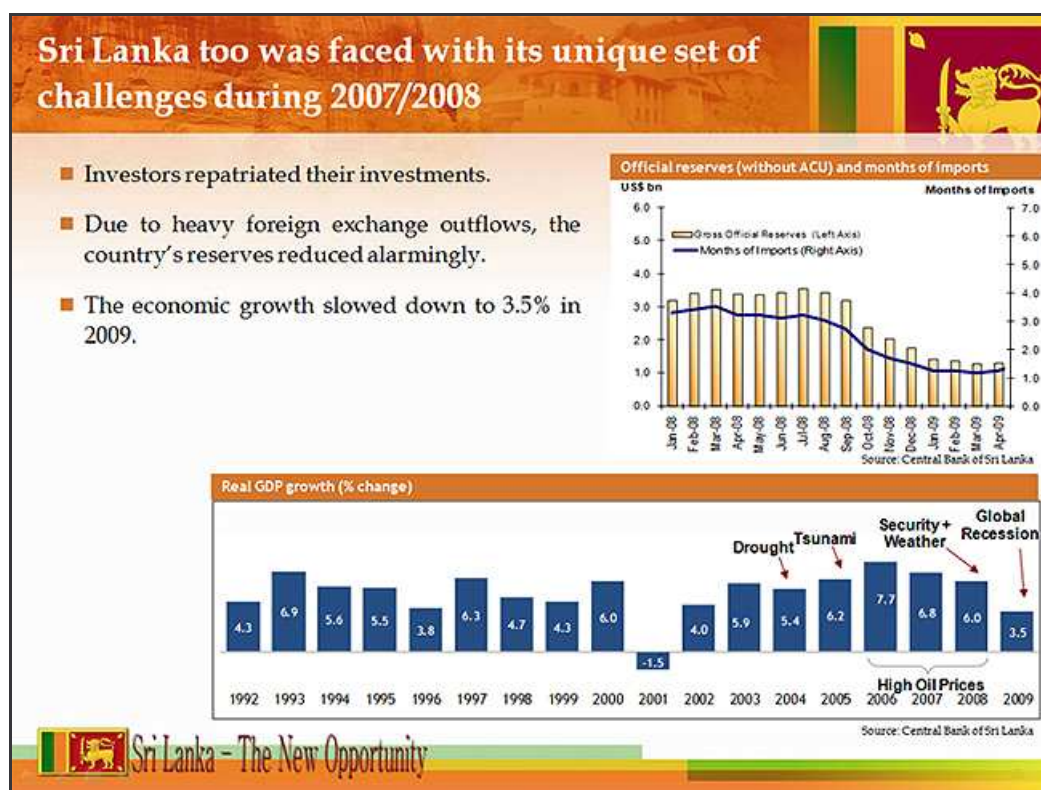
Dr. Wijesinha noted, before proceeding to his presentation, that originally the Governor of the Central Bank of Sri Lanka was invited to address the plenary. But due to the tight schedule, he was not able to make it.



In his presentation, Dr. Wijesinha focused on the experience of Sri Lanka, noting how the country weathered both the international and domestic crises in the period 2007-2008.

In particular, he mentioned the successes of government policies on eradicating terrorism, supporting agriculture and regional development, addressing inflation and financial volatility, promoting education and human resource development, among others. These, according to him, explain the relatively better economic standing of Sri Lanka at present.

Dr. Wijesinha said the statist approach was the reason why in the 70s, Sri Lanka was described as “one of the few underdeveloping countries that was still underdeveloping.” One of the results of the “commitment to social policies” was that the country became poorer and poorer. Dr. Wijesinha said “this was accompanied by increasing inequity, in particular, inequity that affected adversely the minorities.”



Dr. Wijesinha shared that in 2007-2008, the world faced many challenges such as the collapse of the banking system, the energy crisis, the rapid rise of food prices, and the drying up of market liquidity. However, locally, Dr. Wijesinha said there were three reasons that affected the economic crisis in Sri Lanka. One of which was “the violence against Tamils in the early 80s which led to concomitant terrorism.” The two other reasons were political in nature which he thinks should have had a political solution even before the era of terrorism in Sri Lanka. The last two reasons were the complete lack of development in the regions of the country and the various discriminatory measures utilized that time.



Dr. Rajiva clarified that more than the economic issues during the economic crisis, they were also addressing the political and social issues facing Sri Lanka that time. Dr. Wijesinha said, “Sri Lanka had a particular problem because the war that has been raging for two and a half decades intensified. Domestic prices increased rapidly and economic activities of the system were down. Government revenue was in much lower than expected. And external borrowing became difficult. We had to rely very heavily on domestic borrowing.”

But despite various domestic problems, Dr. Wijesinha said the global financial crisis did not have much impact in Sri Lanka because they had begun regulations on the foreign exposure of banks. He also stressed that they concentrated on poverty alleviation and focused on regional development with equity. They have also kept safety nets in place wherein the poverty ratio “actually declined fairly rapidly” over the last 15 years. He added that after the eradication of terrorism, the government focused on rapid infrastructure development in the North and East, areas “which had been deprived before and have suffered even more because of the impact of terrorism.” Also, the first democratic elections for decades in this area contributed to an equitable democratic development process and a promising post-conflict period.

Dr. Wijesinha said that in addition to boosting investor confidence, the government plans to move away from the concentration in Colombo and start developing other areas such as Trincomalee, which is “one of the best natural harbours in the world.” Another vital step for Sri Lanka is the development as a regional hub that paves the way to various free trade agreements in order for investors to have an easy access not just in Sri Lanka but in the Indian market as well. Dr. Wijesinha also shared that there are now concerted efforts to turn Sri Lanka into a knowledge hub, “taking enough measures to develop the top end of the scale.” Moreover, he shared that the government is currently working on “harnessing private energies through private, public partnerships and private sector investment in education, particularly in high value education at the upper ends, in the regions.” The government also currently encourages agribusiness and training in technology and entrepreneurship.

After experiencing social and political challenges, Dr. Wijesinha said that Sri Lanka is trying its best to achieve “the high levels – health and education facilities.” The country is focusing on private sector areas to expand resources to attain the high levels of cutting edge education. He added that, “We see ourselves as a sort of model,” and that “the whole purpose of eradicating terrorism was not only to get rid of the terrorist, but it was to provide security for all our people and for the investors and to promote inclusivity and prosperity for all.”

Mr. Lambert Ramirez, the session chair, said that economic development, social cohesion, and environmental protection can be achieved simultaneously. He believes that governments, especially liberal

governments, integrate these entities and elements into their plan of action. He added, "There maybe varying degrees of emphasis on each element, but all will be necessary ingredients for development."

DISCUSSION

Tourism in changing times

Hon. Toine Manders, MEP commented about tourism and asked about the shift of tourism in certain parts of the world vis-à-vis countries that were popular before as tourist areas. Spain, for example, is completely out of tourists because of the newly developed hotels and resorts in other countries. Mr. Manders said people are now looking for value for money. Dr. Rajiva Wijesinha said that tourism was always thought of as Western tourism, but what he has observed is that there is a massive influx of both Asian and Middle East tourists, in particular Chinese and Japanese, who have always been travelling around more now than before. Dr. Wijesinha said it is vital to develop new markets for people who were not rich before, but can now afford to travel. He added that people should no longer concentrate on a Eurocentric market just like in the 50s and 60s.

Also, Dr. Wijesinha noted that many Europeans have realized that there are other parts of the world, "where there is more sun and a little bit of exotica." With this, he added that perhaps the European share of tourism will go down.

Ms. Selyna Peiris added to what Dr. Wijesinha presented about Sri Lanka and said that their country is focusing a lot on niche tourism – "like little islands in and around the country where you have heads of state coming in and paying \$3,000 a night, \$4,000 a night. That kind of very niche tourism and also local tourism." She said that now that the country is open, more locals including the second generation Sri Lankans are travelling up and down and that "the diaspora is coming in much more than it used to be before." She emphasized that tourism is the basic first step to the government's development plan and will eventually evolve to so much more.

Hon. Yim Sovann, MP, from the Sam Rainsy Party of Cambodia asked about how to develop a tourism sector that guarantees that the benefits go back to Cambodia. He noticed that in Cambodia, most of the hotels, restaurants and even airline companies belong to the foreigners.

Dr. Acosta commented on ownership and tourism and the involvement of not just the domestic economy, but of foreign players. He said in the Philippines, there are very clear laws that no foreigner can own more than 40% of any land, media, or any business entity. As liberals, he said, "you have to look at the tension and how we deal with it...in promoting areas like tourism or migrant labor, on one hand, and yet, protecting and making sure we

safeguard also the interests of our country, the patrimony of the country, the ecosystems, and the natural resources of the country.” He posed this as a challenge on “how far can you promote the whole liberal ideal of free markets and property rights, but at the same time look at the reality also of our sovereignty in all of the implications for that.”

In the case of Hong Kong, Mr. Sin said that their country has consistently ranked as the freest economy in the last 10 years. Hong Kong has a different experience compared to what Dr. Acosta said about sovereignty issues. He shared that everyone comes and goes in Hong Kong and they don’t tax anything for importing except liquor and cigarette which they tax for health reasons. They don’t also tax petroleum, but they tax it on usage. He added, “They don’t actually have any hurdles and it attracts actually a lot of foreign investment in the last 60 or 40 years...We treat mainland investors, the corporate investors, local investors the same.” Mr. Sin said Hong Kong should be a model for liberalism because of its open economy.

Towards recovery and sustainable development

Ms. Selyna Peiris shared her response regarding the topic of the session. She said the government is very limited to what it can do. In order to achieve its full potential, it needs to forge private-public partnerships where the private sector and the NGOs or INGOs who are in the region would focus on “medium-term development, infrastructure development, (and) more sustainable growth.” She stressed that the government has to be in partnership with all the stakeholders in the area. She added that information and knowledge are key to have equitable development and that “this kind of information and partnerships work hand-in-hand along with government policies and regulations in order to achieve such kind of development simultaneously.”

On setting the retirement age

Dr. Wijesinha shared a slightly different approach to what Mr. Mulder said about the retirement age in France. He said in Sri Lanka, people retired compulsively at 55 and they “anxiously ask to be employed” after that. He said they started this to promote youth employment and that now public servants are asking for the retirement age to be extended.

Mr. Mulder said it is indeed attractive to retire at age 55, however, it would not be reasonable for Europe to follow this approach because for the 25 member states of the EU, funds paid will be coming from the general budget unlike for the other two member states where the retirement pay is taken from the pension fund which Mr. Mulder described as “the money people save for later is paid by the employer and partly the employee.” He said that if the retirement age would be lowered, then there would be an added expenditure to the budget, meaning, one has to pay more and this

would cause a more street protests and riots. He explained that the taxation in Europe is between 45% and 55% - "if you earn €100, you pay, in general, between €45 and €55 in taxes." The question is would it still be worth working if for example, 70% of the salary would go back to the government.

Pension systems

Hon. Sin Chung-kai, J.P. said that in Hong Kong the same pension system followed currently by European countries has been abolished ten years ago. This has been replaced with a defined contribution system where the new civil servants are entitled to contribute a portion of their salary to the government. However, Mr. Sin said those who joined the civil service 20 or 30 years ago still enjoy the traditional benefit system and they would continue to receive a portion of their salary until they die. Mr. Sin asked Mr. Mulder whether there are still discussions on replacing or changing the pension system in Europe.

Mr. Mulder said that all kinds of discussions take place regarding pension funds. In the Netherlands at the moment, pensions are being cut because money is not coming in from the public. In other countries, problems arise because of the "increasing gray population" which entails more funds from governments challenged with budget deficits. This also results in the younger population paying for the increasing demands of older people for more pension funds.

Dr. Wijesinha shared that in Sri Lanka, they never had universal old age pensions, but contributory pensions whether it was public service or private service. He said that in their Committee on Social Services, there were already talks about having basic universal old age pension in which the Social Services Ministry is trying to introduce an allowance for people over 70 or 75 years old, but the basis would be for the government to fund it. The Treasury Board was against the idea, but Dr. Wijesinha explained that the allowance can be funded through VAT and that the system will work even with a slight increase in the VAT by half a percentage.

Free choice in education

Hon. Niccolo Rinaldi, MEP asked about the debates in Asian countries regarding the middle class and the social dimensions concerning social expenditures and services by the state.

Dr. Wijesinha said that it would differ very much from country to country. In Sri Lanka, he said "education is compulsory up to the age of 16 and it's free all the way through to university." However, they realized that with an expanding middle class, the need to provide choice in education emerged. By allowing private choice in education, Dr. Wijesinha said, "there will also be opportunities for choice for people who want to pay for it." He added that they were able to adopt free choice as well in private and public healthcare system

which he said “continues to be one of the best in Asia.” Dr. Wijesinha clarified that having free choice in education means “having a parallel system (to free education) which people can opt into if they wish.”

Creeping problems in Cambodia

Hon. Yim Sovann, MP, from the Sam Rainsy Party of Cambodia shared that the two main problems that confront Cambodia now are corruption and illegal land grabbing. He said they are afraid of losing land even if the 1993 constitution guarantees that the people have the right to ownership. Before 1993, the communists rule the country so there are uncertainties in land ownership. He said Cambodians have to go through the authority to ask them to issue the land title or official document. What makes this worst is the corruption happening inside where bribing becomes a norm. Mr. Yim further explained that private companies affiliate themselves with the Cambodian People’s Party, the ruling party, to issue land title and grab the land from people illegally. Even if the people go to court, nothing happens whether it’s a political or administrative case, because the judiciary is not independent. He said, “We are facing many challenges in achieving economic development and in ensuring that justice is given back to the people.” He thanked the European Parliament for the resolution it passed condemning the ruling party for human rights violations and for the slow reform in the judiciary. Mr. Yim said having access to information and having an independent judiciary is very important to “ensure that democracy be on track in Cambodia.”



Dr. Acosta suggested the plenary to have a look on establishing a better property rights regime wherein “you have predictability and you have the credibility of a system where a document really holds as a securitized instrument.” He said that if this is not in place, “corruption will just define these kinds of arrangements,” and overlapping disputes and claim will emerge.

Labour rights abuses

Mr. Yim Sovann, MP made some comments about their situation in Cambodia. He first complimented the Filipinos for its high remittances. He said that about half a million people are going out of the country to work and emphasized how important remittances are. However, Mr. Yim was concerned more about the human violations that Cambodians experience while working outside the country. He said there should be a mechanism to conduct training for them before the work abroad.

Dr. Wijesinha said having good training is vital. He said the Filipino model is a good example because they train the workers beforehand so they know how they react and they know where they could go for help when abuse becomes imminent. He added that having a system whereby there are help

lines in all the countries would be very helpful. Also, training the people in basic English is an empowering factor.

Dr. Neric Acosta shared that the Philippines is entering the third generation of export of labour and that one-third of the labour force is outside the country. This also reflects that the market abroad demand the kind of labour Filipinos can provide as construction workers in the Middle East, domestic helpers and nurses all over Asia, Europe and the Americas. To be able to reverse this trend, Dr. Acosta said there should be innovation inside the country – “a country where the economy is built by your own scientists, engineers, teachers, and technical experts.” But the present problem is “the real tension in wanting to really protect our workers.”

Dr. Acosta noted that there are 10 to 12 million Filipinos around the world and that “We’re probably the third largest now in the whole world after India and Mexico.” He said, “We have to make sure that in our embassies and in our consulates abroad, more than economic diplomacy and political diplomacy, we need to have what we call the ATN programs, the Assistance To Nationals.” This program has become “almost 60-70% of our foreign embassy-work in foreign posts,” and that “we have to provide legal assistance so that they are more adequately protected.”

In instances that Filipinos get stuck in the death row abroad, Dr. Acosta said, “our leaders have tried to intervene in many of these cases. But at the end of the day, you deal with the judicial system of these countries. The best you can do is to have clear institution life assistance to nationals program in your foreign embassies.”

Dr. Acosta clarified that while there are assistances extended to nationals abroad, the government’s policy should not simply be about exporting labor. While it’s good that remittances are high and we have increasing demands for services from other countries, at the end of the day, exporting labor has a detrimental effect on “the social fabric of a country and future generations of Filipinos growing up without their parents.”

Mr. Lambert Ramirez also shared that governments should also have to draft “re-entry plans” for those overseas workers who decided not to go back to their own countries. He explained that those who had good experiences abroad will adjust easier when they go back to their countries. However, for those “whose experiences turned sour,” they will have difficulty in being re-integrated back in the society after working abroad for a long time.

Mr. Ng Lip Yong shared Sabah as an example where a lot of foreign workers are working. He said, “Officially, we have more than 2 million foreign workers mainly from Indonesia and Philippines,” and acknowledged that they really need foreign workers in Malaysia. He also said they are getting more foreign direct investments that contribute little to Malaysia as a sovereign country, but helps greatly in terms of technology transfer. But ultimately, Mr.

Ng said in order to develop one's own country, "There are no better people to get than your own people. You cannot expect foreigners to come and build it up for you."

Concluding remarks from speakers

Mr. Mulder said he found the discussions on migration of labour "extremely fascinating" because he was not that familiar with the subject. To conclude, he said the problems in each country are different and that a common solution is hard to find. He emphasized that, "not only governments can find a solution, but we have to give greater responsibility to the people themselves."

Dr. Wijesinha noted that what is important in foreign investments is that it also provides employment. He said there are problems and benefits. He said, "We have to calibrate it in such a way that the attraction for foreign investment is enough," and that "we allow any investor to make a decent profit while making sure that they benefit to the country and that there is no long-term loss."

Dr. Wijesinha stressed that balance is vital to the issues discussed in the session. Governments should be wary of the danger of people willing to sell the country for personal gains in the midst of increasing economic development. He said that the principles of rule of law and accountability should be safeguarded.

Synthesis



Dr. Neric Acosta first thanked all the convenors and organizers of the conference – Hon. Niccolo Rinaldi, Dr. Rajiva Wijesinha, Mr. Ng Lip Yong, and Dr. Rainer Adam. In his synthesis of the meeting, Dr. Acosta expressed satisfaction that the meeting adopted a comparative framing of issues, and emphasized the importance of collaboration in addressing problems in the global economy. He complimented the conference for having a comparative theme between Asia and Europe and not just between CALD and ALDE. He said it's good that the discussions, the questions, and responses helped address the continuing challenges that governments and parties experience. More importantly, Dr. Acosta said, the healthy discussions helped bring out the "collaborative issues that bring about the need for greater collaboration." He added that as liberal parties, "we move from comparing to making use of the partnership as much as we can – on how best we can make use of that partnership of ALDE and CALD for collaboration."



He summarized the meeting by identifying themes or tensions discussed all throughout the conference session. Dr. Acosta noted that the first theme was the need to see what power really means in the backdrop of struggling economy, particularly how power is used and restrained to ensure fairness. He said that “whether we are in formal power or not, as parties in Europe or in Asia, we have to see what this power really means for us.” This means it is important to see how power is used in a slow recovery and how power is restrained vis-à-vis the state and the economy to ensure that we reach a more level playing fields and better competition.

“Whether we are in formal power or not, as parties in Europe or in Asia, we have to see what this power really means for us.”

Dr. Neric Acosta
Secretary General
Council of Asian
Liberals and Democrats

Dr. Acosta also reiterated that as liberals talk about initiatives and freedoms, the responsibilities that come with freedom must be better defined. In the case of the economic crisis in 2008, regulations should have been set so as not to unfairly affect many of our societies especially those who are vulnerable sectors – “like the poor in Asia, widely affected by issues on labour, migrant labour, trade, the investments, investment climates, etc., in each of our countries within our regions.”

The second theme Dr. Acosta shared was the importance of striking a balance between promoting (whether in terms of investments, property rights, tourism, etc.) and safeguarding (i.e. sovereignty, patrimony, natural wealth, human resources, among others). He said that liberals seek to promote – promote investment as in the case of Sri Lanka as they promote in a post-conflict situation, promote better property rights in the Cambodia and Philippines where land titling is a big problem, and promote ecotourism and better trade relations in the region and beyond. However, Dr. Acosta shared that it is vital to couple promotion with the safeguarding of principles and ideals because in the interactions, there will be tension areas needed to be resolved not just among parties, but among governments and states.

The third theme that came out in the conference discussions and presentations was the notion of determining how sustainable the growth trajectory is, as liberals promote growth, reinvigorate economies, and increase opportunities. Dr. Acosta said that it is vital to recognize the importance not only of economic growth, but of sustainable and equitable economic development. He said, “When we say sustainable, we can talk about how green, in particular; how environment-friendly.” He also raised the point of “how much of this growth must also be redefined,” because as freedoms increase, responsibilities increase, and responsibilities “have to do with environmental laws and human health standards that we all must address, as regions and as global citizens.” It is also important to take note of the

dynamics behind the business-to-business and the people-to-people approach, the inclusion of non-state actors such as the NGOs and academic institutions, and in the case of CALD and ALDE, the party-to-party approach in order for engagements to become more effective.

Finally, Dr. Acosta shared his last point through what Deputy Prime Minister Nick Clegg said during the UK Liberal Democrats Congress in September 2010 that this is a time or an era of great unpredictability. Dr. Acosta said that no one is really certain where the whole global economy is headed. He added what historian Barbara Tuchman said that this is a time when we are faced with the tyranny of the urgent. The issues discussed in the conference are urgent – “from land to property rights, to migrant labour, to environment, to trade, to financial markets reform, judicial reform, etc...we’re tyrannized because we don’t know where to start sometimes or what to prioritize.”

Dr. Acosta emphasized to focus on returning to the institutions because it will help address the tensions discussed – “power vis-à-vis responsibility; how much of the promotion vis-à-vis the safeguarding; growth vis-à-vis sustainability and more green reframing and return still to freedoms (freedom with responsibility); freedom for markets, but not unfettered that brought about exactly the kind of bubbles that we saw with the 2008 collapse.” He added that the “soundness of our institutions, the predictability and credibility of our processes from elections, the transparency and accountability of our judiciaries and media, the upholding of rule of law,” are what makes everyone in CALD and ALDE, essentially, liberals.

Dr. Acosta ended with a quote from Benigno “Ninoy” Aquino, Jr., former secretary general of the LP Philippines and the father of Noyon Aquino III, the current Philippine President, who was assassinated by the Marcos dictatorship in 1983 and which set the wave of People Power across the world. Ninoy said, “Life at best, I have learned, is second best. Because it is always going to be about managing the tensions to seek the compromise between what is the ideal and what is possible.” Dr. Acosta stressed that liberals already know and embrace the ideals, but what is also important is the possibility “to continue to grapple with and work for as partners, as friendly competitors, but still in all, as faithful liberals.”

Closing Remarks

Hon. Niccolo Rinaldi, MEP

Hon. Niccolo Rinaldi, MEP gave the closing remarks on behalf of ALDE and said that the conference was very interesting and challenging at the same time. He shared a few of his observations with regard to the theme and discussions. He said, during the course of the conference, it was very difficult to reach a consistent set of policies and answers that would help to provide a

conclusive answer to the financial crisis and to the challenges that face both Europe and Asia. He said, as for the discussions, “It is probably too ambitious for two or three days’ conference...and we could feel the magnitude of the issue and of the commitment required to appropriately address all the concerns.” However, while noting that each country has its own sensitivities, he believes that exchange of best practices between and among states is something very valuable. He said “the dialogue between European and Asians made clear a number of different priorities or different challenges for the two sides.”

Mr. Rinaldi also shared the valuable points raised in the discussions: 1) It is vital to diversify our economies; 2) It is important to think of creative ways and various approaches in tourism to develop the economy; 3) Labor forces and remittances are significant factors in helping in the development of a country; 4) Having a green economy and proper infrastructures (developing logistics, ports, airports, communications, etc.) are crucial components to diversify economies; 5) In every country, it is important to put the economic and social approaches in balance and in an integrated way.



He mentioned a quote from Mr. Thomas Macaulay, a British historian, who said that “Free trade, one of the greatest blessings which a government can confer on a people, is in almost every country unpopular.” Mr. Macaulay said this in 1824 and Mr. Rinaldi said that we are still in that same status where free trade is still unpopular because “it is perceived as a source of unemployment...as the source of uncertainty, of destabilization of countries and so on.” Mr. Rinaldi believes that free trade is very much part of the solution, however, he suggested to have a specific conference on how to organize free trade with the different approaches mentioned in the discussions. He added that free trade need to be further investigated. He said this is a very challenging task for liberal democrats because free trade is part of what liberal democrats are advocating – “we need to fix the terms of free trade agreements and free trade rules in both WTO-DOHA rounds and in a bilateral way.”

Mr. Rinaldi said that besides the development of free trade, the expansion of free trade, though not enough, is equally important because it is an integral part of the solution to get out of the crisis. He said, “We need to fine tune what we exactly mean for free trade on a bilateral or on a multilateral issue.” He also said that both Europeans and Asian should adjust to the changing times – to the demands and challenges of globalizations.

While Dr. Acosta mentioned about the need to for further regional integration, Mr. Rinaldi said that ASEAN is a good start but it is still in progress “in terms of synergies, in terms of coming together, and in terms of having joint policies.” Since ASEAN does not actually cover the whole of Asia,

Mr. Rinaldi suggested for liberal and democratic countries to further federalism in a visionary way. He also mentioned that while there were discussions on China and United States, it is also important to look on Japan in terms of its role in the economy and in the financial crisis as well as its participation in regional institutions.

Lastly, Mr. Rinaldi said he enjoyed the spirit of conversations and dialogues and it has been a “very natural learning exercise over those three days.” He believes in the very essence of the partnership between CALD and ALDE – “to know each other, to exchange knowledge and to constantly seek for the best possible solutions.” He said this partnership is the essence of liberals – a partnership that does not constitute predetermined solutions or empty formula, but a partnership that is cultivated through intellectual discussions and discussions that are constructive and inspiring. He mentioned that in 2012, CALD and ALDE will celebrate its 10th year of cooperation in Brussels and that ALDE will be preparing something very special for the event.

Mr. Ng Lip Yong

Mr. Ng gave his first impression on the conference and thought that, “the program was too ambitious...we’ll try to save the world in one and a half days.” However, he said that the discussions had been very interesting and there were a few ideas that the delegates can bring back to their own countries. “I hope the meeting has achieved the aims of at least providing our participants the policy guidelines and so on,” Mr. Ng added.



Mr. Ng said that this is his first time to attend a CALD and ALDE Meeting and he enjoyed the partnership over the last two days in Malaysia. He believes there are a lot more things the two organizations can work and accomplish together. Mr. Ng reminded everyone that “Liberalism is an ideal.” However as an ideology, he said, “we have to temper the ideology with pragmatic actions...but never forget that we must always set the ideals.” He said the road may not be always smooth in politics, in a world that is unpredictable, but liberals would be guided by the highest aspiration to achieve their liberal objectives.

Mr. Ng said that in the discussions over the past few days, the impact of America in addressing economic crisis is very important. He said he is not worried with recession, but with the inflation of asset bubbles. He recalled what Mr. Sin Chung-kai from Hong Kong said about America having the freedom to print money. He said that this is very dangerous. With Hong Kong’s property prices going up, as well as Malaysian and other Asian currencies, Mr. Ng said he is afraid that if these continue, America will try to

save the financial situation by printing money that would create bigger bubbles. He said it is absolutely necessary “to pay more attention and take the necessary measures...and try our best to ensure that at least we don’t get hit badly.”

In the future, Mr. Ng said, it is inevitable that corporations in America will cut down on employment and will continue to make use of the resources and innovation to increase profit and productivity. This is the trend now, and this will most probably continue. In Malaysia, he shared that they have also embarked on a similar program. He said, “We want more capital-intensive industries where the human factor, the human resource requirement is lower because this is where we can generate higher income.” He said the Malaysian government, though there are imminent problems along the way, is trying its best to level-up and remain true to its plans.

Mr. Ng is also hopeful for the day when ASEAN would strive to have its version of European Parliament. It may be a long way since ASEAN is so diverse, but forging economic cooperation is the best way to strengthen regional cooperation. And as liberals, Mr. Ng said, “we must promote entrepreneurs; we must promote better and freer trade amongst ourselves,” and now that quite a number of Liberal Parties are in power, it is important to continue to push the ideals that liberals embrace.

Mr. Ng thanked everyone for being such good listener and for their active participation in the discussions. He also thanked the CALD secretariat, with the assistance of the Gerakan secretariat, for doing most of the work.

Mr. Moritz Kleine Brockhoff

Mr. Brockhoff complimented the speakers for summarizing the points and highlights of their presentation eloquently. He said that this conference was not only the first CALD-ALDE Meeting, but the first CALD event he has attended and said that he enjoyed the last couple of days. In addition to addressing pressing issues and trying to find answers, Mr. Brockhoff said he met new people and learned from the interesting discussions. He said part of the events such as this conference, is the opportunity to network with people and to widen one’s horizon.



He also shared his two other aspirations following the objectives of the conference: 1) For Sam Rainsy’s freedom of movement not to be impeded anymore in the near future and for him “to be able to travel freely and attend events like this, not only internationally, but hopefully in his home country soon;” 2) For Aung San Suu Kyi to be allowed to travel internationally and not face any kind of restrictions inside her country.

On behalf of the Friedrich Naumann Foundation, Mr. Brockhoff thanked the host of the conference, Parti Gerakan Rakyat Malaysia, and the CALD secretariat as well as the Asian and European delegates.

Official Group Photo



For more information about the conference, please visit www.cald.org.