

*The Obama Promise,*

*Challenges and Opportunities for Asia*

By

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Excellencies, Ministers, Ladies and gentlemen,

I am becoming a regular speaker in this very prestigious Institute of Defence and Strategic Studies and for this undeserved privilege I thank my old friend Barry Desker whom I first met when we were both young some 30 years ago, he a diplomat serving Singapore in the United Nations in New York, and I a simple downtrodden individual trying to advance a seemingly hopeless cause.

Back then in the late 70's and 80's I had very little money. So besides enjoying the conversation of Barry Dexter and other Singaporean diplomats like Ambassador Tommy Koh, who was kind enough just to listen to me, I must confess I also looked forward to a very substantial free meal!

I chose to speak on a topic I know to be too vast and complex to be dissected in few pages.

I come from a small, vulnerable island-state and know first-hand how policies and events, wise and not so wise, fortunate and unfortunate, originating in Washington may reverberate around the globe, impacting on the lives of hundreds of millions around the world.

## **I. Timor-Leste, U.S. relations**

I will add some comments about how my country relates to the U.S. While from 1975 to 1999, Timor-Leste was no more than a footnote in American foreign policy, and the Timorese tragedy was partly a consequence of the Cold War and U.S. obsession with the “communist threat” (a threat that in my view was real in Southeast Asia and elsewhere in the world), in 1999 circumstances changed and the U.S. played then and since a critical role in assisting our nation-building, stabilization and development efforts.

We are particularly grateful to President Bill Clinton who played a central role in the final resolution of the 1999 conflict.

Evidence of the strong relationship between our two countries is the visit this past October of a U.S. helicopter carrier with amphibious craft, fighter planes and 2,000 marines who engaged in joint exercises with our small defence force and provided much welcome medical care to thousands of people.

A U.S. Army engineer group is deployed in Timor-Leste assisting in repairing schools, clinics, community centres and sports facilities. They are doing such a superb job that they now have several months’ worth of backlog as requests come in from every quarter for their assistance.

There was a special, a touching moment during the American forces friendly visit to Timor-Leste in October.

A little boy in the remote Oe-Cussi district with a life-threatening respiratory problem was taken to the newly-built local hospital for urgent surgery. He was saved from certain death by U.S. military medical personnel and Cuban doctors who jointly operated on him. Far away from Washington, Miami and Havana, Americans and Cubans set aside their 50-year old animosity and saved a life.

We do have in my country close to 300 Cuban medical doctors covering the territory along with their Timorese counterparts and a few others from other nationalities. They are true missionaries on par with Mother Theresa and they too deserve a Nobel Peace Prize for their 40 years of humanitarian work in more than 50 countries around the world.

## **II. The international financial crisis, U.S. deficit and dollar decline**

The topic I chose might seem remote from my reality. It is not.

To bring you closer to the reality of Timor-Leste and similar fragile island states and other developing countries, let me share with you the story of a shoe cleaner, a small street vendor, a simple villager or a street cleaner.

He is relatively young but he looks much older. It has been many years of hard labour, day and night, no weekends off, earning something between US\$1 and US\$5 a day.

His wife does some house cleaning for more fortunate families and between them they earn barely enough to feed their many children, send them to school and buy them a set of clothing once a year.

They even manage to save a few dollars every month and they dream about buying some building material to build a humble house. And maybe even send the children to University.

So they pondered their options, hide the money under the bamboo mattress (not very safe) or trust it to a local bank?

They were advised by the local village chief that it is safer to put their money in a local bank and they might even earn a few extra dollars in interest.

So one sunny day, they put on their best sarong and walked barefoot to the city bank. They nervously enter the bank premises and in low voice asked a not so friendly clerk: "Can you keep our money here for us?" An account was then opened for them and they were just so excited to have that booklet with their names on it.

But then, suddenly, their world turned upside down, their dreams shattered. One day the street vendor, cleaner, maid, villager, were all alarmed as they heard wild stories going around in the village about their bank losing money. Who robbed the bank? They asked. It is supposed to be safer than our bamboo mattress!

In short, they all lost their meagre savings of years of sweat and blood.

This could very well be the story of my country. A very real possibility as the US deficit reaches stellar levels and the dollar continues its downward trend. Our savings entrusted to the U.S. Treasury could be literally wiped out throwing our people into even greater poverty and desperation.

### **III. Timor-Leste on the path to peace prosperity**

But before the storm comes, and I pray and trust it will never come, let me share with you the good news from Timor-Leste. Here are some facts:

After the first few years of contraction and stagnation, exacerbated by the 2006 crisis, our economy registered a real growth of 8% in 2007 and 12.7% in 2008; this year we

are reaching again an almost two digit growth; there has been robust public and private sector investments this year creating thousands of new jobs. The elderly and veterans began to receive direct cash transfers.

But we continue to exercise fiscal prudence and restraint in public spending with a lower 2010 State Budget which I have just signed into law. We will see continuing robust public infrastructure investment in 2010 and beyond, guaranteeing a sustainable minimum yearly economic growth of at least seven to eight percent every year.

The country has entered a new era of peace with far less tension than even in the period before the 2006 crisis; the public is showing renewed confidence in the leadership and in our institutions.

In a survey conducted by the International Republican Institute at the end of 2008, the people gave Prime Minister Xanana Gusmao a 79% approval rate.

Our defence and security agencies that in 2006 would have had an approval rate close to zero have regained public trust; both surprisingly have an approval rate of 80%.

Timor-Leste has one of the lowest crime rates in the world. According to data collected by the U.N. police, in 2008 Timor-Leste had 3.2 homicide cases per 100,000 people, compared with a U.S. average of almost six.

In the category of assault, Timor-Leste rated lower than the world average of 250 assault cases per 100,000 with 169.1 cases. This is much lower than Australia and the US that had 796 and 795 assault cases respectively.

A visitor to Timor-Leste today sees the new mood of optimism and dynamism in the country, the permanent smiles, and a bustling and growing city with the inevitable traffic jams.

However, if the U. S. economy does not show signs of recovery; if the U. S. deficit is not brought to manageable levels and the world's currency of choice continues to depreciate, and there is a stampede away from the dollar by those holding billions of U. S. treasure bills, Timor-Leste will be one unfortunate, tragic victim.

Since the creation of our Petroleum Fund in 2005, rated the best-managed fund in the world, we have accumulated over US\$5 billion and put all the eggs in one basket, which we thought then to be safest: U.S. treasury bonds. At least, this is what we were advised to do by our well-intentioned foreign advisers.

The law stipulated that 90% of our petroleum revenues should be automatically invested in US treasury bonds and only 10% could be invested in moderately higher risk portfolios. However, we decided that actually 100% of the funds should be invested in

US treasury bonds. We all agreed that we should not gamble our peoples' money in the global casino. So we escaped the first wave of the financial tsunami that moved from the U.S. shores to Europe and Asia.

Why were we not advised to invest equally in European, Japanese and Australian treasury bonds is puzzling to me to put it politely. I would have thought that while it made sense to anchor our petroleum wealth on the world's currency of choice, prudence would have suggested that we should not put all our fortunes in one single basket.

Now little Timor-Leste, like the poor, hardworking villager and street vendor, is cornered.

Hence my profound concerns and hopes, hopes stemming from President Barack Obama's sincere and eloquent oratory; and concerns that he might not be able to deliver on the promises made; and the hopes he generated might dissipate and turn into disillusionment and desperation.

#### **IV. Barack Obama, the Nobel Peace Prize Laureate**

Let me share with you what I said back in October when the Nobel Peace Committee in Oslo announced this year's laureate.

There were many questions about the decision of the Nobel Peace Committee to award the prize to someone who besides his eloquence and good intentions has not really shown much accomplishment in bringing peace to any part of the world in turmoil.

I applauded the Nobel Peace Committee's decision and here is what I said:

*In less than a year, with his inspiring messages of humility, dialogue and peace, President Obama has significantly lessened the tensions in the world, in the Middle East (University of Cairo speech), in relations with Russia, Iran, Venezuela. President Obama's conciliatory approach, the depth of his intellect and vision of peace, has won over many millions of people.*

*By giving hope to the millions of disfranchised, the poor and the angry in Middle East, Asia and Africa, President Obama has drained the swamp in which Al Qaeda and other extremist groups operate and recruit. One should not underestimate the power of President Obama's oratory and conciliatory approach; it has had the effect of, at least, rescuing many young and angry from sliding further into extremism.*

*His Prague speech on nuclear disarmament and concrete action since then in restarting Nuclear Arms reduction talks, leading hopefully to elimination of all nuclear weapons showed courage.*

*President Barack Obama's pledge of more support in fighting extreme poverty is another example of his genuine commitment to peace and justice. He is also more open to a fairer trade regime that favours the developing world.*

*President Obama is pursuing dialogue with the decrepit military junta ruling Burma. He is right in attempting to engage the military diplomatically as I have advocated for years. I believe that there is a real chance President Obama will succeed in securing Daw Aung Suu Kije's release and the start of serious dialogue between her and the military leading to lessening of tensions, mistrust and a new, albeit imperfect, political environment in Myanmar.*

*Will President Barack Obama succeed? Will he deliver on his promises and do justice to the Palestinians? The negative contrarian forces in the US and Israel are formidable. The extremists in Afghanistan, Pakistan, Iran and elsewhere will not give up. If Israeli hardliners persist in encroaching on Palestinian land with expanded settlements, they will, in a perverse way, strengthen the hand of the extremists and undermine President Obama's strategy.*

*So I believe that this son of Africa, descendent of Africans who were enslaved for centuries, elected to the most important mission in the world, deserves the Nobel Peace Prize.*

That a little known Afro-American was catapulted to the White House after serving less than a single full six-year term in the Senate is, more than anything else, illustrative of how Americans were desperate for a less belligerent, more steady and reassuring leader who can lead them out of their hopelessness and opprobrium.

It is also a tribute to the American society, an illustration of how far Americans have progressed from generations of slavery and exclusion.

If there is a positive American lesson that we all ought to absorb is that indeed the American dream is realizable, no matter the colour of one's skin; the only thing that matters is one's intelligence and how ones make use of it. I wonder where or when in Asia, a person, man or woman, from an ethnic, religious minority, will be democratically elected to national office.

## **V. The world President Obama inherited**

Let's turn now to the real world of today, the world President Obama has inherited – the wars in Iraq, Afghanistan, Pakistan, Somalia, Congo, Chad and Darfur, Iranian and North Korean nuclear blackmail, the Israeli-Palestinian quagmire, the abominable situation in Myanmar, environmental degradation and climate change. And this is not all.

President Obama also inherited a colossal U.S. budget deficit and an American financial meltdown greeted his arrival in the White House.

Overspending by the federal government and American consumers, irresponsible management of banking and finance, dishonesty and excessive greed weakened the dollar and, ultimately, the U.S. as a credible global economic and military power. I fear that the worst is still to come and it might come sooner than later.

## **VI. From George W. Bush's "Axis of Evil" to soft power diplomacy**

In 2008 Americans and the world yearned for change after eight long years of the George W. Bush Administration. Bush's often inflammatory speech (the Axis of Evil speech), his perceived obsession with the "War on Terror", the Afghan and Iraqi interventions, the low level interest in, and engagement with, with Palestinian problem, served to inflame passions around the world and obscured some of the more positive policies like his other war on poverty, malaria and HIV in Africa where he delivered more than previous Administrations.

Bob Geldorf, not an admirer of George W. Bush, said this in a Time Magazine interview:

Barack Obama is undeniably a formidable, eloquent speaker of the status of a Martin Luther King; however Martin Luther King, like any preacher, may have spoken golden words from the pulpit but not having to exercise power, could afford the luxury of not having to do more than speak; he always spoke the right words, standing on the high moral pulpit, never having to compromise his deeper beliefs; but the reality is that Martin Luther King or a human rights crusader would discover what Barack Obama is now discovering that while he may be the greatest speaker of all time, the world is what it is and might not so easily shift to accommodate his desire and vision.

However, President Obama and his advisers are now finding out, while eloquent and sincere speeches are terribly important to soothe and reassure a world tired of wars, the real world with some of its intractable conflicts are not going to go away with the magic of Obama's brilliant oratory alone.

In the real world, a President who favours dialogue has now been compelled to expand US intervention in a far distant land, Afghanistan. Here he is right. The U.S. could not just walk away and abandon the millions of Afghan men and women who defied the Taliban extremists and went to the polls twice in the last five eight years. He is also right in telling the Afghans and the world that the U.S. cannot for ever fight their battles and set a deadline for withdrawal.

However, as I wrote in a recent opinion article for the *Wall Street Journal*, the only way forward for a more or less peaceful Afghanistan is through dialogue with the Taliban,

warlords and other Afghan factions, and this dialogue can only be conducted by the Afghans themselves.

Following his magnificent University of Cairo speech the mood in the Middle East was of greater optimism particularly among the downtrodden Palestinians; however, in the face of Israeli Prime Minister Benjamin Netanyahu's intransigence on settlements in the West Bank, President Obama retreated some steps. And this first retreat in the face of Israeli obstinacy has caused much resentment and disillusionment in the Middle East.

For liberals and pacifists, there is always an alternative to waging war. Instead of wars one must wage the weapon of diplomacy, they argue. But diplomacy did not prevent Saddam Hussein from invading Kuwait in 1990 starting the devastating first Gulf War, and later from refusing to fully cooperate with the U. N. weapons inspectors. Diplomacy has not delivered peace from Darfur, Middle East, Iran, and North Korea to Myanmar.

In his eloquent Oslo address on 10<sup>th</sup> December, as he was bestowed the Nobel Peace Prize, President Barack Obama, was forthright and eloquent in the way he addressed the war and peace dilemma refusing to give up the option of waging a "just war" when one is justified.

There are plenty of examples of "just wars" waged in the past to end genocide, tyranny and foreign occupation. But there is no record of preventive diplomacy that prevented genocide.

So even one of the most liberal and peace-loving U.S. Presidents in history is not subscribing to the more idealistic and simpler pacifist approach to the world's old problems of never resorting to the use of force.

President Barack Obama is trying to reconcile two extremes, his preferred option for patient diplomacy and dialogue and the use of force when absolutely necessary.

## **VII. The challenges and opportunities in Asia**

As I sat in the U.N. Security Council Chamber in New York this past September, listening to President Obama's courageous and inspiring speech on nuclear disarmament, my mind veered towards the border disputes between China and India, India and Pakistan, to mention but a few of the challenges he faces in Asia.

While this region of the world is undoubtedly the richest of all, in history, cultural and religious diversity, with some of the greatest civilizations and philosophies born here, and while it is also the most dynamic and promising economically, I submit, the Asia region is the most complex, volatile and dangerous.

Where else in the world are nuclear weapons in the hands of a totalitarian and bankrupt power? From Pakistan to India to China to North Korea we have a ring of nuclear weapons amidst extreme poverty, religious extremism, ethnic tensions, and border and land disputes of such severity that in the last 50 years some of these countries have gone to war with each other and their ground troops continue to clash today.

Compared with the colossal security challenges and the unpredictable outcome of the conflicts in Afghanistan and Pakistan, ASEAN's embarrassing problems in Myanmar, the ongoing conflict in southern Thailand and southern Philippines, seem so much smaller even if they have cost the lives of too many people.

Nevertheless, even if some of the decades-old conflicts in Southeast Asia pale by comparison with the wars in Afghanistan and Pakistan, they all add up and impact negatively on Asia's prestige, influence and prosperity.

While Africans, in spite of their own diversity in a vast Continent, plagued with conflicts and scarce financial resources, have made impressive gains in creating a credible African Union with some effective institutions for protection of human rights and democratic governments, Asia, a much older region with far greater levels of development and education, lack a region-wide organization and lags behind Africa in some critical areas such as the protection of human rights.

President Obama is the first US President to have a personal direct experience in Asia, having spent some years as a child in Indonesia. His attendance at the recent APEC Summit in Singapore, visits to Japan, China, Korea, and those of Secretary of State Hillary Clinton, illustrate the depth of his interest in, and determination to engage with Asia and Asians. And unlike in the past, Asia is no longer just Japan on the U.S. radar screen.

New economic and diplomatic powerhouses have emerged in Asia in the last 30 years that have shifted power away from the Washington-Tokyo historical alliance. India, China, Korea and Indonesia are the new emerging powers of Asia that the U.S. must share power and work with.

Of the three East Asia countries, only Japan had attained modern industrialization level before World War II but even Japan was reduced to rubble and extreme deprivation by 1945.

Japan's two other neighbours, China and Korea, were still struggling with underdevelopment and extreme poverty, compounded by the wars of aggression and occupation that caused immense suffering.

Today all three East Asian nations are economic dynamos, inextricably linked through geography and history, through tragedy in times of poverty and war, and triumph in times of peace.

Japan, the Republic of Korea and China are nations with thousands of years of history, with rich and old traditions that have survived modernity.

At some level they have overcome the rivalry and conflicts of the past but the scars, old and deep, have at times resurfaced, with emotional intensity, clouding their present relationship and weaken what could be a great and unique tri-lateral partnership for peace, stability and prosperity in the Asia region.

With a combined population of 1.5 billion people and GDP of more than US\$13 trillion, Japan, the Republic of Korea and China, the three neighbours of proud and hard-working people, fiercely competitive and creative, are the economic engine of our region and of much of the world.

And if on top of the three East Asian powerhouses we add India and Indonesia the five economies dwarf any other in the world. The numbers, in population (2.8 billion people) and GDP are staggering.

But the five must show leadership in their own immediate neighbourhood, forging stronger regional or sub-regional cooperation.

As President Susilo Bambang Yudhoyono begins his second term leading Indonesia, I hope he will seek to enhance ASEAN cohesion and progress towards a dynamic regional economic community and assist in building bridges in Myanmar towards a gradual process of democratization.

ASEAN leaders must assist in helping each other in resolving the serious violent conflicts within each country. No individual country will have much credibility and influence beyond its borders if they fail to resolve the ongoing conflicts, introduce political reforms, democratize and observe the universal norms of respect for human rights and the rule of law.

The question mark is, can Asians bury the tragic chapters of their past, resolve border disputes, and turn economic rivalry into partnership, harness their cash reserves, gold, science and technology, their best minds, and rescue the legions of poor in Asia, save our degraded environment and forge a new Century, the Century of Asia, of peace and prosperity?

When I met with President Obama in New York during the UNGA (I must hasten to add that it was a brief chat and hand-shake) I told him how much I agreed with every word of his speeches and added "Mr. President you cannot fail".

Surprised by intensity of my words, President Obama responded: "We will work together". I am sure he did not mean he would work with me. I have an elevated sense of my own self but I'm not that silly to think that the U. S. President meant he was going to count on me to solve the world's problems.

What President Obama meant was that he will look for and forge new partnerships to address humanity's challenges like the fight against extreme poverty and hunger, nuclear weapons proliferation and disarmament, religious extremism, the environment and climate change.

It is obvious that the U. S. even in the best of times with a robust economy and sound finances without deficit (as it was during the Clinton years) cannot shoulder the burden of the world alone. In some instances, the U. S. through misguided policies and greed created or exacerbated some of these problems.

The question is: does the world have leaders of the calibre of Barack Obama? Does Barak Obama have equals in Africa, Asia, Latin America and Europe with the same intellectual depth, charisma, vision and audacity who inspire their people and mobilize them behind his vision?

Does Asia have leaders, not only Heads of State, Kings and Prime Ministers, but also political thinkers, religious and civil society leaders who can offer the billions in our region the vision and a road map out of the ever present nuclear nightmare, conflicts, environmental calamity and extreme poverty?

While the current problems the U.S. and the world face as a result of the economic and financial meltdown affecting us all are real and may lead to further instability and misery, there is a unique opportunity today for Asia and for Asian leaders to take centre stage and lead.

Where Asia could lead is in climate change, restoration of our forests, rivers, lakes and seas, and in eliminating extreme poverty and illiteracy. Regardless of what the U.S. and Europe might do or decide not to do, Asians must start, must lead to save our common planet.

Asians who have shown ingenuity and creativity over thousands of years must today innovate and invest even more in research in renewable energy and find ways out of coal and fossil fuel for our industries and cities; rather finger pointing and engage in the blame game, Asians must show greater wisdom and launch clean cities campaign everywhere, in every city, every town; we must stop commercial logging and the continuing destruction of our forests; we must replant, put back the hundreds of millions of trees that out of necessity or greed we took away from the soil and thus cause desertification, soil erosion, floods, land slides. We must stop dumping plastics and all

forms of non-degradable material into our lakes, rivers and seas. We must turn waste into clean energy; we must stop wasting water.

Singapore is showing us the way and leading in water management and water purification technology. Singapore should not be too modest or be afraid to lead where it can and should and where it can lead is in the environment science and technology.

Asians can lead also in nuclear disarmament; do India and Pakistan really believe they are going to solve their border disputes, extreme poverty and religious extremism with the nuclear deterrence? Who is China afraid of today? While it is understandable that it wishes to possess a credible, modern conventional force compatible with its size and responsibilities, nuclear weapons are today simply obsolete in every sense.

The Copenhagen Climate Change Summit is ending. As of this moment, I do not know what the outcome will be. But Asians should not wait. If there is a binding agreement and an enhanced Kyoto Treaty, then we all celebrate. But even so, it would be just the first step.

Asians must lead. After all we make up half the world's population and many hundreds of millions will be uprooted and become climate refugees. We will kill each other over water and land if we do not act now.

The day when I see an Asian Summit convened to charter a common agenda on environmental protection and recovery, on land and water management, sustainable development and poverty elimination, public health and education and illiteracy elimination, that day would be one of the happiest of my life. Despite the staggering challenges and differences we face, maybe this is one area, without touching any other, which Asians can agree on. I believe that such a Summit is a real possibility because there is widespread popular demand in Asia for a concrete roadmap on these issues.

In spite of all its current problems, the U.S. will remain for many years to come an indispensable partner for peace, security and stability in Asia. The U.S. will inevitably recover from the current crisis and it will remain an unrivalled global power for the next 30 years. It does not take a prophet or an Einstein to see that nobody can replace the U.S. for the foreseeable future.

There have been many vocal critics of U.S. economic and military presence and dominance in Asia over the last 60 years but the reality is that its presence has kept the peace for all and fuelled economic growth in East Asia and Southeast Asia.

The U.S. is a giant world consumer and Americans, with their affluence and free-spending habits, fuelled Chinese factories and hence China's rise to super-power status.

Chinese and Asians in general are locked in a fatal embrace with the U.S. China that holds trillions of dollars of U.S. treasury notes cannot dump the greenback. It would be economic suicide for all of us.

The same time the U.S. must remain an Asia-Pacific power, must stay engaged, diplomatically and economically, for many decades to come. But it must readjust and rebalance its relationships and its role in Asia in view of the new power dynamics in this region. While Asia faces daunting and complex challenges, some of which are seemingly intractable, the opportunities are also immense.

The U.S. must abandon past policies of containment or of playing off local rivalries to advance its short-term interests. It must instead be up front, transparent, with all, to dissipate suspicion and help heal old and new wounds.

The U. S. must deal with Asians without hectoring; while public diplomacy may at times be inevitable, more often discreet, persistent and sensitive engagement induces changes and better outcomes.

Leadership should always be by example, persuasion and inspiration. Coerce may induce compliance with one's desires but such tactics create resentment as it humiliates. The test for those who lead or aspire to lead is one's ability to build bridges and forge consensus.

Barack Hussein Obama, the son of Africa and of the new America, is the new promise and new opportunity.

I know I might be exaggerating but for me, the election of a black man to the most influential public office in the world seems like God's design. After centuries of slavery, colonization, conquest, rape and looting of the black man's wealth by the Europeans, God decided: enough of such trial, I am going to put a black man to rule the most powerful nation in the world as he will be wiser and more sensitive to other peoples' suffering and dreams.

May God The Almighty and The Merciful Bless Us All.

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