Corazon Aquino, former president of the Philippines, received the 3rd annual Asia Pacific Community Building Award from the East-West Center Foundation for her role in restoring democracy and her ongoing efforts to alleviate poverty and promote national unity in the Southeast Asian nation.

Close to 1,000 people attended the EWC Foundation's annual dinner in Honolulu on July 14, where Aquino received the award and delivered an address on the “People Power People Movement” she launched last year to support non-government organizations (NGOs) doing work in impoverished communities in the Philippines.

She explained to the audience that the “People Power” revolution, which catapulted her to the presidency in 1986, remains a work in progress. For many years, she continued to participate in political activities, including endorsing candidates she considered “worthy” of office.

“But last year, I put a stop to all such political activities,” she said. While planning the 20th commemoration of the murder of her husband, Benigno Aquino, “in the midst of growing disillusionment in our government and our leaders, I realized that politics, as practiced at home, is one of the major causes of our national ills.”

Rather than political activities, Aquino has refocused her energy to support the work of NGOs and grass-roots civic organizations “towards the genuine people movement.”

Complacency in Asia Allows HIV/AIDS Epidemic to Grow

Asian countries, lacking essential data on populations at risk, are underestimating the HIV/AIDS epidemic and Asian policymakers have become complacent in fighting its growth, says Tim Brown, an EWC health specialist internationally recognized for his work on the epidemic in Asia and the Pacific.

While experts predict Asia’s HIV epidemic will not reach the levels seen in sub-Saharan Africa of 15% or more of the adult population, levels of 2 or 3% still mean “huge trouble” for Asian countries, Brown said. With Asia’s large population, each percentage point translates to a large contribution to the global epidemic. And current prevention efforts aimed at at-risk populations in most Asian countries is very poor, allowing HIV to continue to spread.

“The countries of this region have to wake up to reality,” he warned. “Two and three percent levels are possible in much of Asia. Those levels are sufficiently bad that leaders must take an active role.”
Corazon Aquino Receives EWC Award

continued from page 1

empowerment of the majority of our people who are poor.” She quoted national figures that estimate 64% of 84 million Filipinos “are poor and very poor.”

“On the national level and in the grassroots, volunteers from NGOs are helping people build skills for jobs and livelihood, build infrastructure, deliver social services, bring about peace and order, appreciate their rights and responsibilities and generally improve their own lives,” she said. “Aided by civil society groups and some local government officials, our women are empowered with skills and knowledge, their children eat better and are healthier, the men are more focused on their responsibilities, and communities thrive and flourish.

“This is People Power in action, helping Filipinos and their communities help themselves,” Aquino said. “Indeed, People Power is much more than a potent political tool, it is an ideology of hope.”

She called on the people of the Philippines to join in this work so “we, the Filipino people can transform our society.” In her travels around the Philippines, she spoke of meeting “many common folks doing extraordinary things.”

Aquino described several programs initiated by the Roman Catholic Church as workable models in Manila and other areas of Luzon, Visayas and Mindanao, including a micro-lending program for the poor and a low-cost housing and community development initiative. And she praised the work of NGOs at the grassroots level “who tirelessly introduce small innovations and initiatives into the nation’s needy communities.”

“The political, economic and moral empowerment of the grassroots, I believe, is the only sustainable means to put our country on track towards an enduring democracy,” she said.

The day before the annual dinner, Aquino fielded questions from the media at a press conference at the East-West Center in which she commented on the recent presidential election which Gloria Macapagal Arroyo won by a slight margin.

In her speech, Aquino also acknowledged that to observers the election may have appeared “a confusing and divisive exercise.” “From where you stand, the Philippines must look like a failing democracy,” she said. “I can assure you that it is not.

“The Philippines is, in effect, still a fledgling democracy. But we are getting there, with the grassroots approach of civil society in empowering our people from the bottom up.”

“I accept the Asia Pacific Community Building Award, in the name of these selfless Filipinos who have put in the hard work of building our communities in the spirit of People Power. They have been the saving grace of my country these past two decades.”

Economic Challenges in the American Affiliated Pacific Islands

Economic development in the American Affiliated Pacific Islands has not been particularly successful because economic models have been imported, suggested a panel of Pacific Islands scholars and specialists who spoke at a briefing at the East-West Center in June. They exchanged perspectives on economic and cultural challenges facing the former trust territory, which included the Federated States of Micronesia, Marshall Islands and Palau.

“The whole way of thinking about development has oftentimes compared the Federated States of Micronesia with Guam or Hawai’i or California,” said Gerard Finin, deputy director of the EWC Pacific Islands Development Program (PIDP). Besides being discouraging, he added, it poses unrealistic comparisons.

In contrast, the small Pacific Island nation of Tuvalu developed its own economic model, Finin said, and has been much more successful economically than its neighbors. With minimal resources and a lack of colonial infrastructure, Tuvalu has succeeded in managing a trust fund initially started by Australia, New Zealand and Great Britain. By plowing returns back into the fund, the Pacific nation has gone from being a small shareholder to owning a majority of the shares.

“It’s a story of ups and downs,” said Finin, “but over time, they’ve made some good decisions,” including to engage in the global economy.

They cashed in on the internet by marketing “.dotTV” as a domain name, which has raised $11 to $12 million. And the operation of a marine school that trains young men to serve on German freighter ships, makes the population engaged and aware of what is going on beyond Tuvalu’s shores.

The nation “made conscious policy decisions about how they wanted to move ahead,” said Finin, although he acknowledged that some of the decisions were tough ones. “There are hardships but at the same time they’ve shown that even countries with the least advantages have through wise decision-making been able to create not only a nation but a way of life that in their eyes is desirable.”

These comments were presented at a briefing at the Center, co-sponsored by PIDP and the University of Hawai’i Pacific Business Center.
Economists: China’s Export Surge Will Stimulate Other Asian Economies

China’s massive surge in exports to East Asia, Europe and the United States is more likely to stimulate rather than stifle other Asian economies, according to economists who gathered at an international conference in Beijing, June 18-19.

The topic dominated discussion among 65 trade economists at “China, WTO and the Asian Economies,” at Renmin University, organized by the East-West Center and the Research Center for International Economics at the University of Washington.

In the keynote address, Min Tang, chief economist for the Asian Development Bank’s Resident Mission to China, said the recent surge in exports from China to the United States and the European Union will benefit developing countries in Asia. Beijing’s efforts to form a regional free-trade area with the Association of Southeast Asian Nations (ASEAN) and to increase regional integration within Central Asia and the Mekong Delta area will provide more opportunities than competition for other developing Asian countries.

Sumner La Croix, an EWC analyst and University of Hawai‘i professor, and other speakers at the conference echoed this theme. Japan, Hong Kong, Singapore, Thailand and Malaysia economies grew by exporting to the United States and Europe in the 1970s and 1980s, and their growth during this period did not hurt their Asian neighbors, La Croix said.

“Similar rapid income and export growth from China today is much more likely to stimulate rather than stifle growth in China’s neighbors,” La Croix said.

Kar-yiu Wong, director of the Research Center for International Economics at the University of Washington, noted that China and ASEAN countries do not compete directly on as many product lines as commonly assumed.

EWC China specialist Tianshu Chu added that China’s export expansion is also likely to be slowed by the surge of anti-dumping actions filed against China by developing and developed countries.

Other topics discussed included the fixed exchange rate between the U.S. dollar and China’s currency, the yuan. Conference participants were skeptical that floating the yuan would improve the huge U.S. trade deficit with China due to the extensive trade in component parts that currently comprises a large portion of the two countries’ trade.

La Croix said the yuan must appreciate in the medium run. But in the short term, he cautioned, an appreciation of the yuan could be very risky for China’s economy due to extensive balance sheet problems faced by its four major banks.
3 New Members Join EWC Board of Governors

Hawai`i Gov. Linda Lingle appointed three new members to the East-West Center Board of Governors in June. The new members are Jean Rolles, vice president of community affairs at Outrigger Enterprises, Inc.; Puongpun Sananikone, president of Pacific Resource Management (PacMar Inc.) and Paul Smith, owner of Tyrolian Investments, LLC.

Rolles, also a member of the EWC Foundation Board of Directors, is a business executive and active community leader. She serves on a number of boards, including as vice president of the Pacific and Asian Affairs Council and member of the Board of Regents at Chaminade University.

Sananikone, an active EWC alumnus, also serves on the EWC Foundation Board of Directors. Before founding PacMar, a Hawai`i-based multinational consulting group, he was operations officer for the Asian Development Bank.

Smith was named the Hawai`i governor’s designee on the EWC Board, the position formerly held by Sananikone. As owner of Tyrolian Investments, he serves as chairman of the board of AFM Corp., an owner of patents, trademarks and process technologies related to the expandable polystyrene industry.

U.S.-Thailand Free Trade Negotiations at EWC

The first round of negotiations on the U.S.-Thailand Free Trade Agreement (FTA) was held at the East-West Center in June.

This was the second FTA negotiation session between the United States and Australian trade delegations were held at the Center, with the U.S.-Australia FTA signed on May 18.

“The noted staff, excellent facilities and geographic location combine to make the East-West Center a perfect venue for the United States to engage with its trading partners in Asia,” said Ralph Ives. Ives, assistant U.S. trade representative for Southeast Asia and Pacific Affairs, led the U.S. delegation at the June talks.

Laurence S. Rockefeller, Major EWC Donor, Dies at 94

Laurence S. Rockefeller, noted philanthropist and conservationist, died at age 94 in New York City on July 11.

Rockefeller, who developed the first resort on the Big Island of Hawai‘i in 1965 and donated land to Haleakalā National Park on Maui, also was a generous supporter of the East-West Center.

He was the EWC’s first major private individual donor, contributing $1.6 million to arts and cultural activities at the Center. He was also the first senior counselor to the EWC Foundation Board and served on the board from 1985 to 1990.

New U.S. Ambassadors with EWC Ties

James Moriarty assumed the position of U.S. ambassador to Nepal in July. Lauren Moriarty received the rank of U.S. Ambassador to APEC (Asia-Pacific Economic Cooperation) in May. She has been U.S. Senior Official for APEC since August 2003.

The Moriarts, who are married, are former Diplomats in Residence at the East-West Center.

James Moriarty most recently served as Special Assistant to the President and Senior Director for Asian Affairs at the National Security Council. He began his career at the NSC in July 2001 as Director for Asian Affairs.

Lauren Moriarty represents the United States in APEC and also serves as Coordinator for Economic Issues in the U.S. Department of State’s Bureau of East Asian and Pacific Affairs.

Ramos on Post-Election Priorities for Arroyo

President Gloria Macapagal Arroyo must seek a broad mandate to strengthen her narrow presidential victory and unite her country, said former Philippine President Fidel Ramos in a luncheon speech at the East-West Center on May 26.

Ramos said the Arroyo administration’s priorities should be to complete the ongoing peace process with separatist movements, continue political and social reforms, and make the country economically competitive through economic reform and transparency. To “restore respect and dignity,” he said, “We need to clean up the messy things in government and business — the graft and corruption.”

In his comments on long-term regional stability, Ramos suggested “a shift from ‘Pax Americana’ to ‘Pax Asia Pacifica’ could well be the answer. In time, only a cooperative Asian security system can replace the present U.S. security umbrella. Already Washington, itself, emphasizes the political rather than the military aspect of its alliance structure.”

Just as Western European countries used the “Cold-War stalemate” between the United States and the U.S.S.R to consolidate the European Union, Ramos said, “Asians, too, should use the existing ‘Pax Americana’ umbrella to speed up the economic and political integration of the Asia-Pacific community.”
This year’s East-West Center Foundation’s An International Affair annual dinner was a great success and raised $110,000! Nine hundred people attended the event on July 14 at the Hilton Hawaiian Village Coral Ballroom to honor former President Corazon Aquino and celebrate the culture of the Philippines. Angela Perez Baraquio, Miss America 2001, was the mistress of ceremonies. The evening included a medley of dances from the Southern Philippines performed by the Philippines Cultural Group of Hawai’i under the direction of Wayne Mendoza, guitar music by Wayne Takamine and piano music by Chris Cerna.

The East-West Center Foundation presented Her Excellency Corazon C. Aquino with the Asia Pacific Community Building Award in recognition of her determination and courage in leading a democratic revolution in the Philippines. The award recognizes a distinguished individual whose

continued on next page
2004
An International Affair
continued from previous page

vision and professional and personal accomplishments exemplify the mission of the East-West Center. Past recipients include Dr. Genshitsu (Soshitsu XV) Sen, former grand master of the Urasenke Tea Tradition and Mr. Ratan Tata, chairman of Tata Sons Limited, the lead holding company of the 130-year old Tata Group, India’s largest industrial conglomerate.

In her keynote address, President Aquino said "By bringing together professionals and students from the United States, Asia and the Pacific to study and share issues of common and critical concern and explore mutually beneficial ways of addressing them, you have helped build a peaceful and harmonious Asia Pacific community. We live in turbulent times, when the need to build a harmonious and progressive society is more important than ever. Which is why I congratulate the East-West Center for the work you have done and continue to do to keep our part of the world relatively peaceful and free from strife."

Silent auction items included an acrylic on canvas painting by Her Excellency Corazon Aquino, round trip transportation for two on Hawaiian Airlines between Sydney, Australia and Honolulu, round trip transportation for two on Aloha Airlines between Vancouver and Honolulu, a Turkish Kilim (split weaving) rug, and a five-course catered dinner for eight by Duc’s Bistro. Proceeds from the auction and Sari-Sari Store raised over $28,000 to benefit East-West Center student scholarships.

The East-West Center Foundation would like to thank Her Excellency Corazon Aquino and our generous table sponsors, individual supporters, silent auction donors, volunteers and staff who contributed to making this event a success.
Peter Schall (seated, second from right), Noel Trainor (standing, second from right) and the Hilton Hawaiian Village table.

Consul General Rolando Gregorio, Charles Morrison, Philippine Ambassador to the United States Albert del Rosario and Roland Lagareta.

Dr. Edison Miyawaki, President Aquino and Mrs. Sallie Miyawaki.

Robin Campaniano, Amy Agbayani, Hawai‘i Supreme Court Judge Mario Ramil, Eddie Flores, Governor Linda Lingle and President Corazon Aquino.

Cynthia Ai (standing, second from left) and her guests, her husband Ron Embry (standing, far right), with President Aquino.

East-West Center students.
2004 An International Affair

Contributions to the East-West Center received between May 1, 2004 and August 31, 2004 will appear in the next issue of the Observer.

Honorary Chairs
Robin K. Campaniano
Edison H. Miyawaki

Dinner Chairs
Joan M. Bickson
Eddie Flores, Jr.

Special Advisors
Cynthia J.C. Ai
Ruth M. Ono

Steering Committee
Cynthia J.C. Ai, Lyn Flanigan Anzai, Benji Bennington, Joan M. Bickson, Marivic G. Dar, Eddie Flores, Jr., Carleen Gumapac, Stephanie Handa, Karen Knudsen, Edison H. Miyawaki, Ruth M. Ono, Victor Ordoriz, Noel Trainor, Gary Yoshida

Silent Auction Committee
Lyn Flanigan Anzai (co-chair), Marivic G. Dar (co-chair), Brenda Foster, Cathy Kalouno, Dat Matsunaga, Gordon Ring, Thanh Lo Sananikone

Special thanks to the following:
AIG Hawai’i Insurance Company
Debbie Liu Barrett – Floral Network
Lyle Fujioka – Fujioka’s Wine Merchants
Peter Schall, Senior Vice President and Managing Director of the Hilton Hawaiian Village Staff
Philippine Consulate General
First Hawaiian Bank
Hilton Grand Vacation Club
East-West Center Association
EWCA Philippines Chapter
EWCA Malaysia Chapter

SPONSORS
President’s Council
Dr. and Mrs. Edison H. Miyawaki - Cincinnati Bengals

President
AIG Hawai’i Insurance Company, Inc.
Dr. Lawrence K.W. Tseu

Statesman
Bank of Hawaii
First Hawaiian Bank
Hilton Hawaiian Village
The Honolulu Advertiser
Jean E. Rolles
Dr. Genshitsu Sen (Urasenke Tankokai, Inc.)

Ambassador
Joan M. Bickson
Durrant-Media Five
Charles E. Morrison
Alfred and Ruth Ono
Mr. & Mrs. Haigo T.H. Shen
Sony Hawai’i Company
Indru & Gulab Watumull

Diplomat
Cynthia J.C. Ai
Lyn Flanigan Anzai
Richard W. Baker
The Estate of James Campbell
Carlsmith Ball LLP
Central Pacific Bank
Albert C. Chang
Ather & Marivic Dar
Dr. & Mrs. William M.H. Dung
East-West Center Association
Filipino Community Center
Filipino Nurses Association of Hawaii
Finance Factors Foundation
Eddie Flores
Friends of the East-West Center
Halekulani Corporation
Hawaiian Electric Industries, Inc.
John N. Hawkins
Miriam Hellereich & Dr. Philip Hellereich
HGEA/AFSCME
Ann Kobayashi
Kobayashi, Sugita & Goda
James Kometani, Inc.
Realtors
Roland & Kittie Lagreta
Dr. T'ai-Young Lee
Monarch Insurance Service
PriceWaterhouseCoopers LLP
Patricia Saiki
Il SaKong
Ambassador Charles B. Salmon, Jr.
Puongpun & Thanh Lo Sananikone
General Fred C. Weyand, USA, Ret.

Silent Auction and Sari-Sari Store
Donors
Aesthetics Plastic & Laser Surgery Center
Ameifil Aghayani
Cynthia Ai and Ronald L. Embry, M.D.
Ala Moana Hotel
Aloha Airlines
Anonymous
Her Excellency Corazon C. Aquino
AsiaMoana Chinese Restaurant
Senen and Yoli Bacani
Jeannette Bennington
Daniel and Elizabeth Berman
Ronald Bernier
Beverly Hilton Hotel
Albert C. Chang
Beverly Creamer
Duc’s Bistro
Amanda Ellis
EWCA Arts Program
EWCA Hawai’i Chapter
EWCA Malaysia Chapter

Silent auction raised $28,000.

EWCA Philippines Chapter
EWCA Sri Lanka Chapter
Eddie Flores, Jr.
Brenda Lei Foster
Mary Jo Fujiwara
Gordon Biersch Brewery
Halekulani Hotel
Hawai’i International Film Festival
Hawaiian Airlines
Susan Hefel-Liquido
Hilton Hawaiian Village Resort and Spa
Hilton New York
Hilton Tokyo
Hilton Tokyo Bay Hotel
Hilton Waikoloa Village
Lawrence Johnson
Kalaha Mandarin Oriental, Hawai’i
Daniel B.T. Lau
Florece Lau
Kem Lowry
L’Uraku Restaurant
Sumi Makey
Mauna Lani Resort, Inc.
Jean McIntosh
Dr. Edison H. Miyawaki
Berlyn Nishimura
Wendy Nohara
Trish O’Neill
Dr. Ruth M. Ono
Jerry and Tise Ostermann
Outrigger Enterprises, Inc.
Pacific Orient Traders
Paradise Cruise, Ltd.
Philippine Consulate General
Philippine Tourism Office, Los Angeles
G. Markus Polivka
Manjit Reddick
Jenny Samaan
Puongpun and Thanh Lo Sananikone
June and Richard Sato
Wendy Sato
Cecile Sebastian, DDS
Barbara Smith
Hank and Vivian Stackpole
Itsuko Suzuki
Terpsi Tan
The Contemporary Museum
The Mandarin Restaurant
This Is It . . . too
Eileen Tokita
Tony Palma - Easton Sports, Inc.
Sarah Vann
Barbara and Clifford Wåkatake
Ethel Alkipala Ward
Indru and Gulab Watumull
Heidi Wild
Ann Wright

President Aquino delivering her keynote address.

EAST-WEST CENTER FOUNDATION 2004 BOARD OF DIRECTORS
Co-Chairs
Edison H. Miyawaki
Haigo T.H. Shen

Directors
Cynthia J.C. Ai
Jean Akiyoshi
Joan M. Bickson
Kenneth F. Brown
Albert C. Chang
George R. Ellis
Eddie Flores, Jr.
Mark H. Fukunaga
John N. Hawkins
Miriam Hellreich
Gerald J. Keir
Don Kim
Mahn-Je Kim
Christopher T. Kobayashi
Daniel B.T. Lau
Peter C. Lewis
Philip H. Loughlin III
Ruth Y. Ono
G. Markus Polivka
Ihakara Puketapu
Shunagho Robbins
Jean E. Rolles
Joichi Saito
Puongpun Sananikone
Donna A. Tanoue
Ratan N. Tata
Lawrence K.W. Tseu
Gulab Watumull
Admiral R.J. “Zap” Zlatoper

EWCA Representative
Marivic G. Dar
Environmental conservation in Asia, the Pacific and the United States was the focus of discussions among the 13 participants in the 2004 “Changing Faces—Women’s Leadership Program” at the East-West Center, July 11-23.

Women in management and leadership positions in 11 countries, from Kazakhstan to the United States, South Korea to New Zealand, Sri Lanka to Laos, participated in the 3rd annual conference that included sessions in Honolulu and a tour of conservation sites on Maui.

The women were briefed on climate change and the environment in the region by Nancy Lewis, director of EWC Studies, and Eileen Shea, EWC Climate Change specialist. On Maui, they participated in sessions on collaborative conservation partnerships from staff at the Nature Conservancy, Haleakala National Park and the East Maui Watershed Partnership. At Hanauma Bay Nature Preserve, they heard a presentation on the rehabilitation of a marine protected area.

The conference concluded with each of the participants discussing their work and a specific action plan they expect to initiate on their return to their countries.

Posjeta Suansri is program coordinator for Responsible Ecological Social Tours (REST), a non-government organization (NGO) based in Bangkok. The NGO develops and implements community-based tourism as a participatory social development strategy in communities across Thailand. Suansri, who has been with REST for 10 years, is widely respected as a resource person for government and local communities on issues of community-based tourism. She is often called on to speak of REST’s work by Thai universities and organizations in Indochina.

During her presentation, she spoke of the effective role an NGO can play as a facilitator when the local community and government are at odds over the use of natural resources. The NGO can provide an objective voice from outside the community that can work with the local government and empower the local community, Suansri said. Because of her concern for conservation and environmental issues, she was especially impressed with the visit to the marine preserve on Oahu. “I learned from Hanauma Bay how to manage (marine resources). We hear about care and capacity as a theory but in this example I can learn from a real-life situation.”

In her presentation, Phaivanh Changnakham outlined plans to raise awareness about gender equity among government workers and managers in Laos. Changnakham is Human Resources Manager for CARE International and based in Vientiane.

Participants were especially interested in the manual that CARE had prepared on gender equity and the workshop model that will be used for the training sessions.

Changnakham said she found especially valuable the leadership sessions at the conference that addressed long-range strategies, coaching, mentoring and problem-solving. “Definitely I will use all this in my work,” she said, “and learning from different friends, talking with people from different countries and sharing work and cultural experiences.”

Introducing Southeast Asia, Pearl Harbor Curriculum to K-12 Schools

In the 2004-2005 school year, students in Asia, the Pacific and the United States will be introduced to the culture and history of Southeast Asia by teachers and librarians who participated in this summer’s EWC AsiaPacificEd Program. Students of educators who participated in a “Remembering Pearl Harbor” workshop will learn about the historic significance of the 1941 bombing that propelled the United States into World War II.

“The goal of the AsiaPacificEd Program is to improve ‘what’ as well as ‘how’ teachers teach about Asia and the Pacific region in our schools,” said Namji Steinemann, director of the program and associate director of Education. “An important related goal is to develop professional links and to facilitate collaboration and resource-sharing between teachers in the United States and their counterparts in the Asia Pacific region.”

With support from the Freeman Foundation, the program was able to offer teachers professional development opportunities, involving summer travel in Southeast Asia and hands-on workshops and institutes on the region at the East-West Center.

Twenty American teachers spent four weeks experiencing the dynamic and changing societies of Thailand and Vietnam. Forty-eight kindergarten through 12th grade educators from the United States, Thailand, Indonesia and China attended an institute at the Center that introduced “best practice” strategies for teaching about Southeast Asia.

“By bringing these educators together in an open learning environment that encourages sharing of insights and resources, we hope to build bonds of friendship and professional relationship that will continue beyond their two weeks together,” Steinemann said.

In August, 100 middle and high school teachers from the United States attended a one-week workshop in Hawai’i that examined the history and meaning of Pearl Harbor in U.S. and world history. Through this National Endowment for the Humanities workshop, participants were introduced to the “living history” of a national memorial and made connections between the methods of public history, the meanings of a “sacred” historic site and classroom applications.
**Publications in Review**

**Asia Pacific Security Outlook 2004**, edited by Charles E. Morrison and Richard W. Baker. Tokyo: Japan Center for International Exchange. 2004. [www.EastWestCenter.org/find.asp?it=APSO2004]. 219 pp. The Asia Pacific Security Outlook, now in its eighth annual edition, provides assessments of the security environment, defense issues, and regional and global cooperation from the perspectives of countries in the ASEAN Regional Forum. An event outside the Asia Pacific region — the U.S.-led invasion of Iraq — was the single most important development in 2003 affecting the security outlook and perceptions in Asia and the Pacific. This was due to the central role of U.S. power and policy in the security atmosphere of this region, as well as to the widespread criticism and opposition engendered in the region by the U.S. action. Simultaneously, a serious crisis on the Korean Peninsula and renewed terrorist attacks in Southeast Asia reminded the nations of the region of the interconnectedness of security and the rapidity with which threats such as proliferation and terrorism — as well as non-traditional threats such as epidemic diseases — can spread to and affect any country. *Paper, $18.00. Order this publication from Brookings Institution Press, www.brookings.edu, (800)275-1447 / (202)797-6258 or from Kinokuniya Company Ltd., www.kinokuniya.com.*

**Tourism in a Borderless World: The Singapore Experience**, by T. C. Chang. *AsiaPacific Issues*, No. 73, May 2004. Honolulu: East-West Center. Also available online at [www.EastWestCenter.org/find.asp?it=api073]. 8 pp. The phenomenon of “regional tourism” emerged in the 1990s. Countries and cities are increasingly looking across political borders to collaborate with one another in policy planning, project development and tourism marketing. Shared natural and cultural resources can be jointly developed and promoted, and infrastructural duplication and harmful competition between countries minimized. The approach may be especially useful in Southeast Asia, for which the experience of Singapore provides useful insights. *Paper, $2.50. Available from the East-West Center, ewcbooks@EastWestCenter.org.*

**HIV/AIDS Awareness Is Improving in China**, by Chen Shengli, Zhang Shikun, and Sidney B. Westley. *Asia-Pacific Population & Policy*, No. 69, April 2004. Honolulu: East-West Center. Also available online at [www.EastWestCenter.org/find.asp?it=popandpol69]. 4 pp. The AIDS epidemic is one of the most urgent threats to public health in China. According to the Chinese Center for Disease Control and Prevention, an estimated 840,000 people were living with HIV/AIDS in 2003, including 80,000 AIDS patients. First observed in coastal and border regions, the epidemic is spreading across the country. Between 2001 and 2002, the number of reported AIDS cases increased by 44%. By 2003, cases had been reported in 31 provinces, autonomous regions and municipalities. Some have estimated that if infection levels continue to increase at the current rate, an estimated 10 million Chinese will be living with HIV/AIDS by 2010. This issue of *Asia-Pacific Population & Policy* discusses a three-year information, education and communication project conducted by the National Population and Family Planning Commission to improve HIV/AIDS knowledge and attitudes in China. *Single copies available free of charge from the East-West Center, ewcbooks@EastWestCenter.org.*

**Asia Pacific Security: Dilemmas of Dominance, Challenges to Community**, by Anthony Smith (rapporteur). *Senior Policy Seminar 2003*. Honolulu: East-West Center. 2004. Also available online at [www.EastWestCenter.org/find.asp?it=SrPolSem2003]. vii, 14 pp. Participants in the East-West Center’s fifth annual Senior Policy Seminar agreed that the overall strategic environment of the Asia Pacific region in 2003 is positive. Nevertheless, a number of continuing issues are cause for concern. The threat of terrorism and the potential for the Korean peninsula to lurch into deeper crisis remain the paramount concerns of the United States in the region. On the other hand, non-American participants expressed concern, and in some cases alarm, over the overwhelming power of the United States in international affairs. The multilateral world that many had expected to emerge after the end of the Cold War has not eventuated, and America’s position as the sole superpower has strengthened. Much of the seminar was devoted to discussions of what this means for the countries of Asia as they seek to deal with the United States. *Paper, $7.50. Available from the East-West Center, ewcbooks@EastWestCenter.org.*

**Symposium on Climate and Extreme Events in Asia Pacific: Enhancing Resilience and Improving Decision Making**, by Eileen L. Shea and A. R. Subbiah. Honolulu: East-West Center, 2004. Also available online at [www.EastWestCenter.org/find.asp?it=EnhancingResilience]. 122 pp. Executive Summary available online at [www.EastWestCenter.org/find.asp?it=EnhancingResilienceSmry]. Climate-related disasters can jeopardize social development goals as well as economic development investments that provide employment and income. At the same time, the drive for social improvement and economic growth can create new disaster risks. Thus it is critical to integrate disaster management within the sustainable development agenda. These presentations on national and sectoral experiences and subsequent working group discussions reinforced the central importance of a highly collaborative, participatory process in which scientists and decision-makers share responsibility for developing and applying climate information. *Limited number of printed copies available from the East-West Center, ewcbooks@EastWestCenter.org.*


---

**Note:** These books are also available to walk-in customers at the EWC Publications Office.
Worldwide terrorism, dramatically increased oil demand, and much more expensive natural gas will prevent oil and gas prices from returning to the low levels of past years, predict EWC oil energy specialists.

With the growth in terrorism in Iraq and beyond its borders, oil prices reflect $3 to $5 of a “terrorism premium,” says Fereidun Fesharaki, EWC senior research fellow and a leading expert on Asia Pacific oil and energy. While the hand-over of Iraqi sovereignty may have put a dent in the cost of oil, he identified a number of developments that prevented prices from dropping more. “God put oil in an unstable place,” he says. “Geography cannot be changed by politics.”

Hedge funds unloading 140 million barrels of open interest in oil futures will likely bring down the price of oil $6-$8 per barrel, he says, but overall, “prices will not go down to the levels of before.”

Among the factors affecting oil and gas prices:
- Revived global economies will increase incremental oil demand more than 100% over 2003, the largest annual growth in a decade. The United States and China will account for more than half that growth.
- The price of natural gas, competing with fuel oil for use in the electricity sector, tripled after remaining stable for 30 years. The U.S. has a shortage of natural gas at a time of increased demand.
- Environmental standards will keep U.S. gas prices high, Fesharaki adds. “U.S. consumption is so huge,” that U.S. oil demand will remain high regardless of price.

Oil Prices Reflect ‘Terrorism Premium’

Continued from page 1

“The most dangerous thing is that the numbers stay below the threshold of political attention while the epidemics continue to grow steadily,” he said.

At the International AIDS Conference in Bangkok in July, Brown shared his research and discussed the “Asian Economic Model,” which the East-West Center and its collaborators have developed. His work on the model was also featured in a June issue of Science magazine. He also has been quoted extensively in publications in Asia, Europe and the United States about his research.

Brown explained that the model enables researchers to explore the factors controlling the speed and seriousness of HIV epidemics in Asia, then vary the levels of risk behavior to fit specific countries and see the impact this has on the epidemic.

Most Asian epidemics developing now will grow gradually and steadily to reach levels of a few percent unless prevention programs are expanded, he predicted. “The recent epidemics in China, Indonesia and Vietnam will most likely undergo steady growth until they reach several percent of the adult population. These are particularly dangerous, because the slow, steady growth is unlikely to raise alarm bells with policymakers.”

Because of a lack of data, most countries don’t know the size of the populations — including injecting drug users, and sex workers and their clients — driving HIV/AIDS in Asia. “These are what drive the epidemic, yet these key pieces of information are still not known 20 years into the epidemic,” Brown said.

In an effort to assist in developing a clearer picture of the epidemic, he coordinated a seminar this summer at the East-West Center on integrated analysis that drew 30 researchers from Vietnam, Bangladesh, China, Thailand and India.

Although there have been some successful programs in Asia, he said that in most of the region small but well-funded “boutique” prevention programs remain far too limited in scale and reach to seriously address the epidemic.

In the last year, leaders in China and Vietnam have promised to expand programs but it remains to be seen whether they will follow through on a scale that will be effective, he said. Thailand and Cambodia have had success with prevention programs, but he questioned whether Thailand can sustain this success as antiretroviral drug costs climb. In half a decade, he anticipates the drugs for the 1% of the population living with HIV will cost $100 million or more annually. The Thai government currently budgets $40 million for its HIV/AIDS programs.

But Brown is optimistic that “focused prevention programs” can be successful in Asia. “The common picture that epidemics ‘break out’ of at-risk populations and begin spreading widely in the general population is wrong,” he said.

In Asia, women primarily have sex within marriage, with low levels of premarital and extra-marital risk indicating less than 5% of new infections will occur in this way. Most infections, even at advanced stages of the epidemics, will occur among clients and sex workers, drug injectors, males engaging in sex with other males and, a few years later, their wives. “This means that focused prevention programs in Asia that concentrate prevention efforts on these populations can be extremely effective,” he said.

Complacency in Asia Allows Epidemic to Grow

Dr. Tim Brown, EWC senior research fellow, presents at the International AIDS Conference in Bangkok.
N o t e s  a n d  Q u o t e s

BANGKOK — The late takeoff and slow growth of the AIDS epidemics in Asia offer no immunity against the virus but may lull leaders into a tepid response, scientists said yesterday at the opening of the XV International AIDS Conference. “The slowly evolving epidemics of Asia are very dangerous,” said Tim Brown, senior fellow at the East-West Center, a Honolulu think tank. Thailand and Cambodia, hardest hit among Asian nations, mounted an aggressive counterattack that boosted condom use to nearly 90% in the sex trade and helped check the spread of the virus. Elsewhere, prevention has lagged, Dr. Brown said, noting condom use in Bangladesh, China and the Philippines languishes at 10% to 20% among prostitutes and clients.

In a country where a secretive ruling elite brokered deals behind closed doors, (Prime Minister Junichiro) Koizumi has made the government more open and the executive branch more accountable. The citizenry may be upset that Japanese troops are still in Iraq, but no one doubts where the buck stops.

Unfortunately, it is unclear whether the government will revert to politics as usual as soon as Koizumi leaves office. Sheila Smith, a Japan specialist at Hawai’i’s East-West Center, gives Koizumi credit for introducing “a whole new vocabulary for the LDP (Liberal Democratic Party), one that includes responsiveness and transparency. The next person will not be able to retreat from that.” At the same time, Smith readily admits that the next PM might not be up to the job. “There aren’t many Koizumis out there,” she says.

WASHINGTON — There is a mood of resignation in the United States that little progress will be made in Beijing tomorrow when the latest round of talks aimed at persuading North Korea to renounce its nuclear weapons program begins.

No one seriously expects North Korean leader Kim Jong Il to make any meaningful concessions.

Nor does anybody believe that the Bush administration will soften its insistence that Mr. Kim abandon his program before Washington considers opening up normal relations with Pyongyang.

Given this situation, some question why the U.S. and North Korea, along with China, Japan, Russia and South Korea, are bothering to convene the talks at all.

Two previous sessions of these six-party talks never made any real progress.

Still, Korea expert Kim Choong Nam at the East-West Center in Hawai’i said: “It is better than no talks. Although there has been no progress, six nations sit down together and exchange opinions. If there were no talks, North Korea’s brinkmanship and provocation would escalate.”

HONOLULU — Six years ago, shared research among Pacific island states on the climatic phenomenon El Nino prompted the government of Palau to take preventive measures to protect its water supply during the rainy season.

The decision to raise the water level of the island nation’s dam paid off during the El Nino, when shifts in Pacific Ocean temperatures raise and lower sea levels, cause droughts and stir up severe storms.

“Even though they had to go on water restrictions, they did not have to ship in water to survive the El Nino,” said Eileen Shea, a climate and environmental specialist with the East-West Center.

Now, after more than a decade of research on El Nino, researchers are gathering in Honolulu starting to comb through the data and try to develop forecasting models that may help other Pacific island communities better prepare for weather disasters.

“It’s a chance to reflect back on the first decade of operations,” Shea said. “We’re interested in helping to facilitate the emergence of a long-term, sustained information service.”

---

E A S T - W E S T  C E N T E R

1601 East-West Road
Honolulu, Hawai’i 96848-1601

Non-Profit Org.
U.S. Postage PAID
Honolulu, HI
Permit No. 264

CHANGE SERVICE REQUESTED