

KAF E-Newsletter

(Konrad Adenauer Foundation – Philippines)

July 2004: Issue 2

homepage: <http://www.kaf.ph> | **contact us:** info@kaf-mnl.com

Message from the Country Representative

Greetings!

After the summer break, KAF is now back to business and project operations are back to normal.

In this issue, we are announcing the upcoming activities of the partners of the Foundation, which might be of interest to you.

We look forward to your support and active participation in our upcoming programs.

Klaus Preschle

Country Representative

CONTENTS

- **Congratulatory Message to the President**
- **33rd Globalization Lecture Series: "Managing Tensions of Global Markets"**
- **34th Globalization Lecture Series: "European Union Expansion – Impact to Asia"**
- **Roundtable Discussions on "Investing in Peace in the ARMM"**
- **Roundtable Discussion on Media and the Elections**
- **Upcoming Roundtable Discussion on "Engaging the Next Administration's Mindanao Agenda on its First 100 days"**
- **Conference on Results of Philippine Competitiveness 2004**
- **PINOY CITIES ON THE RISE: Philippine Cities Competitiveness Ranking Project 2003**

For more details on our
programs, please click
<http://www.kaf.ph>

Congratulations to President GMA

Konrad Adenauer Foundation congratulated H.E. Gloria Macapagal-Arroyo for winning the 2004 Presidential Elections. Country Representative Klaus Preschle stressed in his letter that he wishes her great success in realizing her goals and aspiration in fostering peace and promoting progress for the country.

33^d Globalization Lecture Series:

Chairman of the Australian Stock Exchange Speaks on a Videoconference in Manila

Mr. Maurice Newman, Chair of the Australian Stock Exchange and Chancellor of Macquarie University in New South Wales will speak in a KAF and AIM Policy Center-sponsored videoconference on July 8, 2004; 4:00pm – 6:00pm at the AIM WB Global Distance Learning Center, Makati City.

Mr. Newman will outline the benefits global of global markets for poorer countries that seek them. He will canvass the issues surrounding such competitive markets: global corporations and cost arbitrage, the dangers of increased connectivity, and existing & future tensions between the pro and anti globalization forces. He will likewise suggest ways in which countries can approach globalization with confidence.

For inquiries, please contact the AIM Policy Center at (632) 751-9182/93.

34th Globalization Lecture Series:

Eight Countries to discuss EU Expansion and its Impact to Asia in an International Videoconference

Eight countries including the Philippines will be linked up in an international videoconference conference, which is jointly organized, by the Konrad Adenauer Foundation and the Asian Institute of Management Policy Center on July 9, 2004 at 4:00pm – 6:00pm at the AIM World Bank Global Distance Learning Center, Makati City.

Dr. David Camroux, Executive Director of the Asia – Europe Center will be presenting from Paris a European Perspective on the EU Expansion and its Impact to Asia. This shall be followed by brief reactions from Sri Lanka, Korea, Australia, China, Mongolia, Japan and the Philippines.

For inquiries, please contact the AIM Policy Center at (632) 751-9182/83.

Investing in Peace in the ARMM

The Center for Autonomy and Governance of the Notre Dame University, the ARMM Regional Legislative Assembly, the World Bank and the Konrad Adenauer Foundation invite you to roundtable discussions on Investing in Peace in the ARMM on July 7, 2004 and Secular & Islamic Education in the ARMM on July 8, 2004. To be held in Notre Dame University, both events are open to representatives of donor agencies in the Philippines. These are part of KAF's continued efforts to promote peace and development in the ARMM. For more information, please contact Benny Bacani at (064) 421-2654 ext. 321 or Philip Parba of KAF at (02) 894-3427

Upcoming Roundtable Discussion (RTD) on Media and the Elections 29 June 2004

The just concluded May elections constituted yet another instance of a major national event in which media sustained high energy levels of coverage. Not only was media a major player in this drama, it was actually also a catalyst for the various reactions that it awakened. As media more and more assumes a critical role in national development, it becomes all the more important to understand and analyze the dynamics that went into coverages such as this – the principles, the biases, the shortcomings, the strengths, the choice of words, the timing of statements, the political effects that such actions had.

It is in this spirit that the Ateneo Center for Social Policy and Public Affairs (ACSPPA), the Konrad Adenauer Foundation (KAF) and the Konrad Adenauer Center for Journalism at the Ateneo (CFJ) join hands in presenting analyses of how coverage was conducted. For greater effectiveness, we deemed it necessary to organize yet another intimate roundtable discussion, mainly among media practitioners, similar to another that we hosted after the Oakwood Mutiny in July 2003.

It is our hope that events such as this would bring conscientious practitioners together to reflect on their actions, in order to contribute to their betterment, and to facilitate their strengthening as a credible institution in society.

A roundtable discussion has been set on June 29, 2004, 9 a.m. at the Blue Room, Ateneo Professional Schools, Rockwell Center, Makati City. For inquiries, please contact the Ateneo CSP at 426-6061/62.

We also would like to inform you that KAF in partnership with the Foundation for Communication Initiatives is currently conducting a study on the Effects of Media on the 2004 National Elections. Results of this study shall be released and presented in September 2004

For further details, please click on the following links:

<http://www.ateneo.edu>

http://www.ateneo.edu/office.php?office_id=203

<http://www.cmfr.com.ph/>

Upcoming Roundtable Discussion “Engaging the Next Administration’s Mindanao Agenda on its First 100 days” 16 – 17 July 2004

The Konrad Adenauer Foundation has been actively involved in political education and in the promotion of peace and development in Mindanao even prior to the Abu Sayyaf attacks in 1998. The Foundation has been organizing seminars, workshops, conferences and counseling services all over the Region.

This year, another “**Kusog Mindanaw**” Roundtable Discussion is scheduled on July 16-17, 2004 with the theme “Engaging the Next Administration’s Mindanao Agenda on its First 120 days” at the Pryce Hotel in Cagayan de Oro City. The conference aims to present to the next administra-

tion a consolidated Mindanao Agenda – an acceptably realistic and doable agenda for peace and development or at least actionable short term programs that will contribute to peace and progress in the region.

Kusog Mindanaw literally means Mindanao Force. It is a formation of socio-political and multi-sectoral stakeholders of Mindanao that is committed in the campaign of peace and development in Mindanao and of Mindanawons. It aims to be active in policy advocacy that will bring political parity for Mindanao, equitable development and peace and solidarity among Lumads, Muslims and Christians by forging basic unity and consensus among major sectors in this island region. Kusog Mindanaw was born out of multi-sectoral workshop-discussions on Mindanao Concerns organized by the Konrad Adenauer Foundation (KAF) and KAF Fellows in Davao City last October 28-30, 1994.

Six participating networks regularly meet as a core group to discuss each year's engagement: the Confederation of Mindanao Governors, Municipal and City Mayors (Confed-Mindanao), the Mindanao Business Council (MBC), the Mindanao Coalition of Development NGOs (MINCODE), the Mindanao Legislators Association (MLA), the Bishops-Ulama Conference (BUC), and the Mindanao Commission on Women (MCW).

As a mechanism for consensus building, other major sectors and organizations in Mindanao also participate in the conference like the academe, Peoples Organizations (PO) Federations, cooperatives, media, government executives and research sectors. Kusog Mindanaw operates as a forum for unity rather than a formal organization. It proceeds on the basis and is guided by the spirit and principle of harmony in diversity, where it seeks to highlight points of agreements rather than of disagreements.

Kusog Mindanaw meets on a roundtable conference and conducts roundtable discussions to elicit and consolidate multi-sectoral views in order to arrive at a minimum consensus on basic Mindanao concerns. Among the major issues that Kusog Mindanaw has strongly been advocating are as the follows: Mindanao Budget, Mindanao Railway System, Mindanao Peace and Development Agenda, Federalism, and Poverty Reduction.

Approaching on its tenth year, Kusog Mindanaw has conducted nineteen roundtable conferences with the Technical Assistance Center for the Development of Rural and Urban Poor (TACDRUP-a regional NGO), the Mindanao Congress of Development NGOs (MINCON-a Mindanao Network) and the Mindanao Peace Advocates Conference (MPAC-a consortium of peace organizations) as catalysts and facilitators. All these were made possible thru the assistance of the Konrad Adenauer Foundation (KAF). For inquiries, please contact the Kusog Mindanaw Secretariat at (082) 297-2215.

For further details, please click on the following links:

<http://www.philsol.nl/fora/NL00a-Mercado.htm>

<http://www.pia.gov.ph/press/p030619a.htm>

<http://www.kaf.ph> (for Mindanao programs of KAF)

Conference on Results of Philippines Competitiveness 2004

21 July 2004

For the year 2004, 60 industrialized and emerging economies were ranked. Results show that the Philippines' overall competitiveness ranking is continuously slipping from no. 39 in 2001 to no. 52 this year. The AIM Policy Center will present an in-depth analysis of Philippine results to a large forum of business people, policymakers, government officials, diplomats, economists, development specialists and academics. Said conference will be held on 21 July 2004 at Shangri-La Hotel from 8:00 a.m. to 12 p.m. Conference proceedings will be published in a book entitled "The State of Philippine Competitiveness 2004." This conference is an annual project of the AIM Policy Center in partnership with the International Management Development (IMD) and the Konrad Adenauer Foundation.

For inquiries, please contact the AIM Policy Center at 751-9182 or 83.

For your information, below is an overview of the Annual Competitiveness Report and the results in 2003.

State of Philippine Competitiveness 2003

Guided by its mission of fostering a public-policy environment that emphasizes the competitiveness of private enterprises in meeting society's needs, the Asian Institute of Management Policy Center contributes every year to the World Competitiveness Yearbook (WCY) published annually by the International Institute for Management Development (IMD). The World Competitiveness Yearbook study ranks the competitiveness of nations based on quantitative and survey data. As in previous studies, the WCY ranks and analyzes the competitiveness of nations under four major categories known as the Competitiveness Input Factors: Economic Performance, Government Efficiency, Business Efficiency, and Infrastructure. These input factors, in turn, are further divided into five Competitiveness Sub-Factors. All in all, these competitiveness factors comprise a total of 320 criteria. Finally, aggregating the results of these criteria leads to the Overall Competitiveness Ranking of each nation.

To best reflect the competitiveness of nations in the world economy, significant innovations in methodology have been introduced. For 2003, countries and regions have been grouped and ranked by population size to take into account the very different nature of competitiveness in larger and smaller economies. Group I, which includes the Philippines, is composed of 30 countries and regions with populations greater than 20 million, and Group II, features 29 countries with populations less than 20 million. In addition, the 2003 edition expands its scope and includes two new countries and eight regional economies. This brings together a total of 59 emerging and industrialized economies for its coverage.

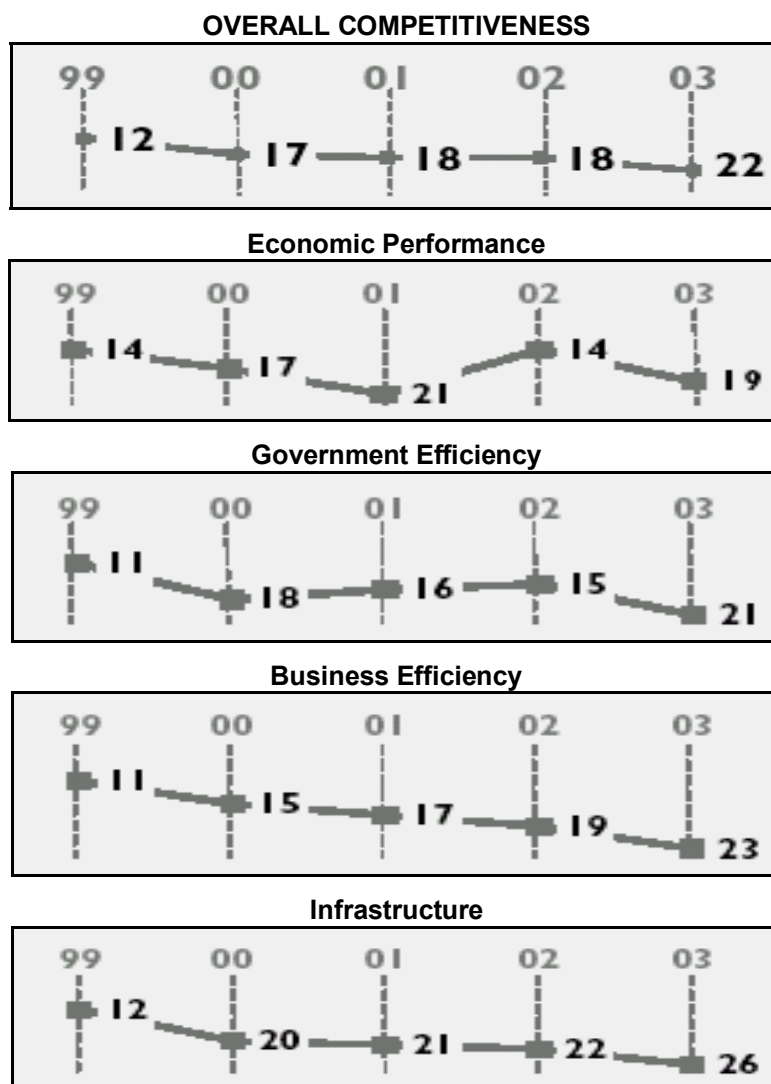
For 2003, the Philippines ranked 22nd out of the 30 countries surveyed under Group I in overall competitiveness. This means a slip of four notches from the 18th place in 2002. Of greater concern is the fact Philippines' overall ranking has been successively treading downhill since 1999. This does not come as a big surprise, however, as seen in the input factor trends that comprise and generate this aggregate standing. The Philippines received a ratings downgrade in all of the four major factor rankings in 2003 (see Box 1). Out of the 30 countries lodged under Group I, the country rated 19 in economic performance, 21 in government efficiency, 23 in business efficiency and 26 in infrastructure (see Box 1).

It is mainly on account of the weakness in the latter two that the country struggles the most in its bid for competitiveness. In fact, the decline in the overall rating chiefly mirrors the consistent drop in business efficiency and infrastructure ratings for the past five years. The low productivity levels and the lack of much-needed infrastructure have long been identified as the primary constraints to the Philippine economy and its competitiveness. And considering the strong interdependence among the four major areas of competitiveness, it was not long before the other sectors were af-

fect. The persistence of problems associated with low business productivity and weak infrastructure eventually redounded on the domestic economy and government control, thus cutting short the improvements these sectors achieved in 2002.

Alternatively, since the 2003 overall score shows the Philippine economy's competitiveness in relation to other nations and sub-national regions, the decline may not necessarily mean the Philippines' performance has gotten worse benchmarked on its own past performance; it could simply mean that other countries and regions are performing better. The slide in the Philippine ranking may be due to the expansion of the study to include new dynamic national and regional economies. This year's addition of economies such as São Paulo, Brazil; Romania; Zhejiang, China; and Maharashtra, India, under Group I may have edged out the Philippines in terms of ranking.

Box 1. Philippine Competitiveness Trends, 1999 – 2003



For further details, please click on the following links:

<http://www.policy.aim.edu.ph>

<http://www01.imd.ch/wcy/>

http://www.kas.de/proj/home/pub/69/1/year-2003/dokument_id-3331/

http://www.ey.com/GLOBAL/content.nsf/Philippines/State_of_Philippine_competitiveness

PINOY CITIES ON THE RISE: Philippine Cities Competitiveness Ranking Project 2003

The Asian Institute of Management Policy Center in Collaboration with the Konrad Adenauer Foundation, The Asia Foundation, German Development Cooperation, and the International Labour Organization has completed the Philippine Cities Competitiveness Ranking Project 2003 (PCCRP). The primary objective of this study is to rank the economic competitiveness of the different urban centers of the Philippines and measure how effective these cities are in providing an environment that is conducive for business and industry. Moreover, the city competitiveness indicators attempt to quantify the ability cities to promote a better standard of living for its residents.

The policy objective for conducting the study is to encourage local government leaders to understand that with the decentralization espoused by the Local Government Code, their roles must shift from being mere providers of public goods and services to becoming economic and development managers. The study also analyzes the best practices in overall economic management by local government units.

The study bases its methodology to that utilized by the Swiss-based International Institute for Management Development in their World Competitiveness Yearbook (WCY), which is an annual ranking of the competitiveness of 59 nations. The AIM-Policy Center has been the Philippine partner for the WCY since 1995. Moreover, the PCCRP is designed to have a similar impact as the Clean and Green Project of the Philippine government that promotes environmental awareness and healthy competition among local governments.

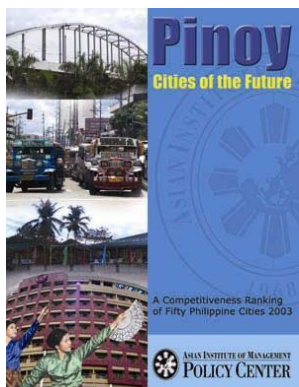
The 2003 edition of the study covered 50 cities nationwide which included 23 cities in Luzon, 11 cities in the Visayas, and 16 cities in Mindanao. The cities were categorized into metropolitan cities (cities comprising Metro Manila, Metro Cebu and Metro Davao), mid-sized cities (non-metro cities that had populations greater than 200,000 inhabitants) and small cities (cities with populations of less than 200,000).

The study uses both ranking and scoring methods that rate the Philippine cities vis-à-vis the following seven major drivers of competitiveness: cost of doing business, dynamism of local economy, linkages and accessibility, quality of human resources and training, infrastructure, responsiveness of local government to business needs, and quality of life. Each category is comprised of city statistics culled from official publications of various government agencies and survey data gathered from executive surveys administered to small and medium enterprises. These indicators were validated by the AIM Policy Center and the following educational partners: Angeles University, Saint Louis University, De La Salle Lipa, Ateneo de Naga University, University of San Agustin, University of San Carlos, Xavier University, Ateneo de Zamboanga University, Mindanao State University (Marawi), and Ateneo de Davao University. Scores for each of the 70 indicators were converted into a ten-point scale based on national and global benchmarks.

The overall average competitiveness scores and rankings of the 50 cities are as follow:

METRO CITIES			MID-SIZED CITIES			SMALL CITIES					
RANK	CITY	SCORE	RANK	CITY	SCORE	RANK	CITY	SCORE	RANK	CITY	SCORE
1	Marikina	6.58	1	Bacolod	6.62	1	Koronadal	6.17	14	Roxas	5.49
2	Pasig	6.36	2	San Fernando, Pampanga	6.24	2	San Fernando, La Union	6.09	15	Malaybalay	5.47
3	Davao	6.34	3	Cagayan de Oro	6.18	3	Tagaytay	6.05	15	Cavite	5.47
4	Makati	6.30	4	Batangas	6.14	4	Legaspi	5.93	17	Puerto Princesa	5.41
5	Las Pinas	6.11	5	General Santos	6.05	5	Sta. Rosa	5.82	18	Dumaguete	5.35
5	Cebu	6.11	5	Iloilo	6.05	6	Dagupan	5.80	19	Pagadian	5.31
7	Mandaluyong	6.09	7	Baguio	5.87	7	Tacloban	5.73	20	Ozamis	5.29
8	Muntinlupa	6.03	8	Angeles	5.73	8	Surigao	5.70	21	Cadiz	5.27
9	Quezon City	6.00	9	Lipa	5.71	8	Ormoc	5.70	22	Oroquieta	5.22
10	Mandaue	5.71	10	Iligan	5.44	10	San Carlos	5.67	23	Cotabato	5.07
11	Manila	5.63	11	Zamboanga	5.32	11	Naga	5.66	24	Tagum	4.89
12	Lapu-Lapu	5.49	12	Butuan	5.30	12	Dipolog	5.61	25	Marawi	4.80
			13	Tarlac	4.98	13	Olongapo	5.51			

Insights on overall scores and rankings point to the importance of available resources for the local government units, local leadership and the interplay of the following factors: presence of a strong supporting environment (e.g., responsive local government with business-friendly policies and regulations, support services), human capital, accessibility and linkages, presence of good infrastructure, quality of life, and proximity to surrounding local and/or international growth formations.



The Pinoy Cities of the Future is the official publication of the Philippine Cities Competitiveness Ranking Project 2003 (PCCRP). The publication features the methodology of PCCRP, the competitiveness ranking of the cities, and it highlights the strengths and specific areas for improvement of each city.

For Inquiries, please contact the AIM Policy Center and look for Mr. Alvin L. Diaz at Tel: 750-1010 loc. 2111.

For further details, please click on the following links:

<http://www.policy.aim.edu.ph>

[http://www.aim.edu.ph/media/Phil. %20Cities%20Competitiveness%202003.ppt](http://www.aim.edu.ph/media/Phil.%20Cities%20Competitiveness%202003.ppt)