



EAST-WEST CENTER

Building an Asia Pacific Community

# Observer

## Anwar Ibrahim: Freedom and Human Rights Are Universal, Not Just Western Concepts

To promote democracy in the Middle East, Anwar Ibrahim, former deputy prime minister of Malaysia, suggested the United States point to Indonesia and Turkey as examples of Muslim democracies. "It's a major

beginning," he said. "You can promote this to the Arab world, not the American experience but the Indonesian experience, the Turkish experience. This is better because this is homegrown."

But democracy is more than "just having free and fair elections," Anwar said at a public program in Honolulu on February 23. Indonesia, in the midst of a democratic transition, has had to recover from "three decades of dictatorial rule." As a result, he said it must create a democratic framework of "separation of powers; credible, well qualified, well trained judges and lawyers; a free media — and free and fair elections."

Anwar spoke on "Human Rights and Politics: An Asian Perspective" at a program co-sponsored by the Pacific and Asian Affairs Council, the East-West Center, the University of Hawai'i Center for Southeast Asian Studies and the Friends of the East-West Center. He is



Anwar Ibrahim

currently a visiting professor at Georgetown University and distinguished visiting senior fellow at Johns Hopkins University. He was in Honolulu as a distinguished visiting scholar at the University of Hawai'i.

In 1998, Anwar was removed from his posts as deputy prime minister and finance minister and

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## Key Issues Facing a Relatively Stable Asia in 2006

East-West Center President Charles E. Morrison predicts another year of growth and relative stability for the Asia Pacific region in 2006, amid rapid economic and demographic changes. He addressed key political, economic and security issues in the region at an AsiaPacific Breakfast Briefing, sponsored by Bank of Hawai'i, in mid-February.

While generally optimistic, Morrison noted North Korea, trans-Pacific financial and trade imbalances, and a pandemic remain potential problems. To this list, he added "the downward spiral in Sino-Japanese relations," exacerbated by Prime Minister Junichiro Koizumi's visits to the Yasukuni shrine, the language in recently published Japanese textbooks and the realignment of U.S.-Japan military arrangements.

"What seems to be going on is a growing nationalism in both countries, a kind of embedding of negative attitudes," Morrison said, that he described as "deeper, more dangerous forces of nationalism and international competition."

"Sustained and growing tensions can have seriously negative implications for U.S. interests by complicating regional endeavors, such as addressing the critical North Korean nuclear issue and the trans-Pacific trade and financial imbalances," he cautioned. "They also make the rationalization of U.S. forward military forces appear more threatening to China."

Morrison said that he had anticipated multilateral organizations like APEC would be useful to resolve

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## Anwar Ibrahim

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imprisoned for political reasons. In 2004, after six years of solitary confinement, he was acquitted of all charges by the Malaysian Federal Court. After six years in jail, Anwar said he emerged feeling “stronger and more passionate about freedom and human rights.” He emphasized his belief that freedom and human rights are universal — not purely American or western concepts.

In the media, he said, viewers see “so much rage against Americans and the West, but speak to individuals in the Middle East and you sense there is a difference in their position on American foreign policy and American Jeffersonian ideals or the spirit of the American Constitution.”

He also said that to understand Muslim society is to understand that it is not monolithic. “To look at the (Muslim) experience in Asia, you cannot understand and appreciate the changes (in the region) from the prism of the Arab world,” he said. “The experience

in Asia is something we need to observe and appreciate.”

Anwar also advocated engagement to minimize conflict and differences, but said that should not negate the push for human rights and freedom.

“I am for engagement, for trade,” he said, with reference to China, “but we should not ... ignore that freedom and human rights remain paramount.”

“Just because you have good relations with countries” like China, he said, “you should not preclude the discussion or articulation of issues of human rights and freedom, because to do so you are condemning the majority of the population who have been denied basic freedoms.”

He encouraged the audience, which included scholars, diplomats and business and community leaders, “to make Hawai’i an important intellectual base” that can play a critical role in forging mutual understanding between the nations of Asia and the Pacific and the United States.

### The East-West Center Observer

is a quarterly newsletter published by the East-West Center, a public non-profit institution established in 1960 to foster mutual understanding and cooperation among the governments and peoples of the Asia Pacific region, including the United States.

Volume 10, Number 1  
Winter 2006

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## Key Issues Facing a Relatively Stable Asia in 2006

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issues between nations, providing a setting for leaders to put differences aside. Instead, the Chinese have used APEC in a negative way, refusing to meet with their Japanese counterparts, “sharpening differences,” he said.

“Outright tensions of this sort create real problems that put the United States in a very difficult position of having to choose between two countries that are very important to our interests,” he said. “So far, the United States has neither fully focused on the implications for us of Sino-Japanese tensions nor begun to develop a behind-the-scenes approach to try to dampen them.”

Morrison also discussed the critical importance of a continued international effort to denuclearize the Korean peninsula. One of the “tremendous risks” of the North Korean nuclear program is the chance that North Korean fissile material could be transferred or fall into the hands of terrorists, he said.

If North Korea were tied to a nuclear terrorist attack or use of a “dirty bomb” on an American city, it would trigger a political and international crisis “of unbelievable consequences,” he warned.



Charles Morrison

While terrorism in Asia has not been of the magnitude in the Middle East and is usually locally driven, ideology and techniques have been imported, he said. This continues to be a concern in the Philippines, Indonesia and Thailand, where terrorism is generally tied to internal conflict. “Most of these conflicts will have to be resolved by Asians,” he said, “but this

can be done with help and with cooperation from outside Asia. That is exactly what we at the East-West Center try to do. We try to bring the best minds of East and West together to deal with these pressing problems of the region.”

# Musharraf: Time Ripe for Peace in Kashmir



Winter 2006 EWC  
Jefferson Fellows with  
Pakistan President  
General Pervez  
Musharraf at his  
headquarters in  
Rawalpindi.

Pakistan President General Pervez Musharraf told a group of international journalists that it was time to resolve the dispute over Kashmir. "The people of Pakistan, India and Kashmir want peace," he said. "I feel Kashmir is ripe for resolution. The earthquake brought us closer together."

In mid-February, Musharraf met with Asian and American journalists who traveled to Pakistan and India as participants in the Winter 2006 EWC Jefferson Fellowships Program. They met for an hour at the Pakistani military leader's headquarters in Rawalpindi near the capital of Islamabad.

Musharraf said that resolving the conflict was a bilateral issue between Pakistan and India, but that he sees the United States as a facilitator "coaxing both sides" toward resolution.

He also reaffirmed his alliance with the United States in the war on terrorism. He told the journalists that there was a difference between

"terrorism" and "extremism." Terrorism can be fought with military force, "extremism is a state of mind" that requires a different strategy, he said.

Asked about U.S. missile strikes in January on a Pakistani border village in the tribal region near the Afghanistan border, Musharraf said the attack was "a violation of the sovereignty of Pakistan."

He expressed regret that 13 civilians were killed in the attack aimed at Al-Qaida's No. 2 Ayman al-Zawahri but said that the residents of the village were "guilty of harboring people who are carrying out terrorism in Pakistan and outside in the world."

Pakistan filed a diplomatic protest with Washington over the incident and Musharraf said he was satisfied with President Bush's response. "Cooperation will continue as before," he said. "I was satisfied with U.S. assurances" that this will not happen again.

Regarding demonstrations and controversy over Danish cartoons of the Prophet Muhammad, the president said he could not understand how anyone could "take the excuse of freedom of the press to hurt the feelings of such a large population of the world. This is stretching freedom of the press to the limits."

## Asian, U.S. Journalists Travel to Pakistan, India

For the first time the East-West Center offered a three-week Winter Jefferson Fellowships Program which took 13 American and Asian journalists to Pakistan and India, February 5-26. The journalists focused on the theme "South Asia Shining," convening first at the Center in Honolulu to discuss how their respective countries are responding to India's rising economic influence and how their governments' relations with India and Pakistan are developing and changing. Then they traveled together to New Delhi, Bangalore, Chennai and Islamabad.

The Jefferson Fellowships Program is now offered three times a year, in Fall, Spring and Winter, thanks to support from the Freeman Foundation.

The Winter Jefferson Fellows visited a fishing village near Chennai, India, that had been devastated by the 2004 tsunami and donated \$250 to purchase school supplies for students. Photo by Terence Chea.



### Terence Chea, Reporter, Associated Press, San Francisco, California:

"The study tour opened my eyes to the tremendous political, economic and social changes sweeping through India and Pakistan. From President Musharraf in Pakistan to the founders of Indian tech giant Infosys, we had a chance to meet and interview some of South Asia's most influential and dynamic leaders. One of the most rewarding parts of the trip was getting to know journalists from eight different nations and learning how South Asia's rise affects countries throughout the Asia Pacific region."

### Aditi Phadmis Mehta, Political Editor, Business Standard, New Delhi, India:

"I am an Indian and the boundaries of my country touch Pakistan but I've only been to Pakistan once earlier in my life. What I saw corrected a lot of misperceptions about Pakistan. I was able to see the country ... with clearer, unclouded eyes. Eyes, that I must add, also belonged to my colleagues from the U.S., Malaysia, Japan, China, Bangladesh and the Philippines."

### Tina Cassandra Perez, News Producer & Executive Producer, GMA Network, Inc., Quezon City, Philippines:

"Being part of the 2006 Winter Jefferson Fellowships Program was an eye-opening and enriching experience. Being a political reporter, my favorite part of the trip was the visit to the Indian Parliament. The information we shared with each other and learned from the formal discussions was truly beneficial."



## News in Brief



Raymond F. Burghardt

### Supporting the Center

#### RECENT GRANTS AND CONTRACTS

#### Research/Environment

**\$16,000**

U.S. Agency for Int'l Development/Centro Internacional de Agricultura Tropical

#### Pacific Disaster Center

**\$45,000**

UN Educational, Scientific & Cultural Organization

**\$53,057**

U.S. Department of Defense/Quantum Leap

#### Education

**\$152,650**

Ford Foundation

**\$145,000**

Ministry of Education & HRD, Government of Korea

**\$150,000**

National Endowment for the Humanities

**\$40,000**

EWC Foundation/Hawai'i Pacific Rim Society

#### External Affairs

**\$46,000**

EWC Foundation/Hawai'i Pacific Rim Society

### Burghardt Named Chair of AIT Board

Raymond F. Burghardt, director of the East-West Center's Seminars program, was appointed chair of the American Institute in Taiwan (AIT) board in February. The appointment was made by the Board of Trustees of AIT.

Burghardt, who joined the East-West Center in January 2005 after retiring from the U.S. Foreign Service, will continue as director of the EWC's Seminars program.

Before joining the Center, Burghardt served as U.S. ambassador to Vietnam, director of AIT-Taipei in Taiwan, American consul general in Shanghai and deputy chief of mission at the U.S. embassies in Manila and Seoul. He also previously served on the National Security Council as special assistant to U.S. President Ronald Reagan and senior director of Latin American Affairs. In addition, Burghardt was with U.S. embassies in Honduras and Guatemala, Beijing and Hong Kong, and was deputy director of the State Department's Office of Vietnam, Laos and Cambodia Affairs.

## EWC Relief Efforts One Year After the Tsunami

Through the East-West Center Tsunami Relief Fund, close to half a million dollars in areas of education, health and social services have been distributed toward rebuilding and reconstruction in South and Southeast Asia since the December 2004 earthquake and tsunami. Support has ranged from scholarships for students and faculty in stricken areas of Indonesia to funding of an ambulance and mobile health clinic in Sri Lanka to assistance for rural fishing villages in India.

A total of \$506,978 was raised in contributions from the public and EWC alumni to the relief fund, which the Center established to distribute donations to non-profit organizations involved in tsunami relief efforts. Initially relief funds were earmarked toward short-term efforts of organizations already in place in the countries. EWC staffers and students made trips to the region to aid and assess the needs of the affected areas after the disaster.

Subsequently the Center has worked closely with institutions in the region to provide long-term support through EWC education and research projects. As of December 2005, 83% of the funds had been distributed, with the remaining 17% in the process of being dispersed to specified projects.

■ In the area of education, the Center is assisting with institutional rebuilding of some of the many schools and universities that suffered physical devastation and loss of faculty and students in the disaster. Among the institutions is the State Institute for Islamic Studies (IAIN Ar-Raniry), a leading institution of higher education in Banda Aceh, Indonesia, where nearly 500 students and faculty have received program support. In Sri Lanka, scholarships were provided to 18 undergraduate students with financial needs who lost a parent or guardian in the tsunami. Through the EWC

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*Students representing 14 countries and more than 50 universities attended the EWC International Graduate Student Conference.*

### 140 Graduate Students Attend EWC International Conference

Some 140 graduate students from 14 countries and more than 50 universities gathered at the EWC International Graduate Student Conference at the Center in mid-February. The conference, on "Sustaining a Resilient Asia Pacific Community: Issues and Solutions," is considered the leading graduate student conference on Asia Pacific issues.

EWC President Charles E. Morrison welcomed participants to the annual conference which was organized by students at the Center. Barbara Watson Andaya, professor of Asian Studies at the University of Hawai'i at Manoa and president of the National Association of Asian Studies, delivered the keynote speech.

Papers were presented on issues as diverse as the regions represented, from perspectives on women's empowerment to international relations to security issues to recovering from disaster.



*Michael Schuster, EWC Gallery curator, discussed the arts of the Philippine Uplands with University of Hawai'i students and faculty. Visual ethnographer Art Tibaldo is standing, right.*

### Exhibit Salutes Centennial of Filipino Immigration to Hawai'i

To celebrate the centennial of Filipino immigration to Hawai'i, an exhibition and series of public events illustrating the rich diversity of the upland region of the Northern Philippines are being presented at the EWC Gallery, February 8–May 2.

The exhibition, titled "Custom and Creativity: Arts of the Upland Philippines," showcases the artistry of the indigenous peoples of the region, including basketry, ceremonial items, wood carving and weaving along with contemporary photographs and paintings by emerging artists. Video of traditional ceremonies by award-winning visual ethnographer Joel Arthur Tibaldo, visiting EWC artist-in-residence from the Philippines, is also being shown continuously in the gallery.

What is the true measure of a country's prosperity? Lyonpo Jigmi Yoser Thinley, former Prime Minister and Foreign Minister of Bhutan, posed that question at an address at the East-West Center in January. Currently Bhutan's Minister of Home and Cultural Affairs, Thinley suggested the answer is "Gross

National Happiness," the guiding philosophy in the Himalayan kingdom's development process.

More than 30 years ago,

the King of Bhutan declared the concept of "Gross National Happiness is more important than Gross National Product." Rooted in the Buddhist notion that the ultimate purpose of life is inner happiness, the philosophy has been adopted as official policy by the country's parliament. While it may sound utopian, Thinley explained that "GNH is a balanced and holistic approach to development."

"While conventional development models stress

economic growth as the ultimate objective, the concept of GNH is ... that true development of human society takes place when material and spiritual development occur side by side to complement and reinforce each other," he said.

As a developing country, struggling to achieve minimum standards long in place in the West, Bhutan

has certain strategies and policies in place to pursue its goal of happiness. Public policies are being crafted in line with four key strategies or "pillars" of GNH.

Thinley explained these pillars are:

- Sustainable and equitable socio-economic development.
- Conservation of environment.
- Preservation and promotion of culture.
- Promotion of good governance.

In his discussion of the four pillars, he explained that the measurement system for a GNH economy must be different from the conventional measurement of GDP. Measures must include social and economic contributions of households and families, free time and leisure. Indicators must not be biased towards consumption but take into account conservation of social, environmental and human factors.

He also emphasized that for a very small country like Bhutan, dependent for its quality of life and livelihood on an extremely fragile physical environment affected by external forces like global warming, conservation is vital.

The minister noted that academia, development experts, social engineers and the media have shown a growing interest in the subject of GNH in recent years. An articulate and engaging speaker, Thinley has traveled widely speaking on the subject. He speculated that interest may be tied to the fact that tremendous increases in real income in highly industrialized countries over the last 50 years have not led to similar increases in happiness. "Triumphs in the rat race to earn more, have more and consume more do not bring true and lasting happiness," he observed.

"Evidently, there is growing interest in how to be happy as opposed to how to make money," he said. "Dollars and cents are not the bottom line in life. It is our hope that as more thought is given to this common quest in life, there will be more ideas and reasons why GNH should guide human development to further human civilization."

## Rethinking Development: 'Gross National Happiness' vs. Gross National Product



*Lyonpo Jigmi  
Yoser Thinley*

## EWC Relief Efforts One Year After the Tsunami

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Schools-Helping-Schools Project, schools in Thailand and Sri Lanka have received funds for office equipment, bus service, computers and musical instruments.

■ Through Operation U.S.A., funds are being used to rebuild the general hospital in Banda Aceh and were used for an ambulance and mobile health clinic to service villages in Sri Lanka. Several organizations also received funds to rebuild homes and livelihoods in rural areas of Sri Lanka and India.

■ The Maui-based Pacific Disaster Center (PDC), managed by the East-West Center, was actively involved in the response and recovery effort immediately after the disaster. PDC has continued to work with affected countries to upgrade their early warning, disaster planning and dissemination systems. "There's a growing need to share knowledge and enhance coordination," said PDC Executive Director Allen Clark.

In November, the PDC signed a formal agreement to help develop an early disaster warning system for Thailand's Natural Disaster Warning Center. The Maui-based disaster experts also completed a new Tsunami Awareness Kit that gives governments, businesses, educators and the general public a framework in which to prepare for and recover from future natural disasters.

■ EWC experts also are tracking the affects of the tsunami in the region, noting economic, health, environmental and political implications. In collaboration with colleagues from the Human Rights Center at the University of California Berkeley and regional partners, the EWC's Research Program joined in a project to assess and prevent the occurrence of human rights abuses in the aftermath of the tsunami.



## Publications in Review

***Shifting Terrain: The Domestic Politics of the U.S. Military Presence in Asia***, by Sheila A. Smith. *East-West Center Special Reports*. Honolulu: East-West Center, March 2006. 64 pp. Free downloadable PDF file available online at [www.EastWestCenter.org/find.asp?it=sr008](http://www.EastWestCenter.org/find.asp?it=sr008). The United States has maintained military forces in the Asia Pacific region since the end of World War II and its alliances with key countries in the region continue today to be seen as critical to regional peace and stability. Academic and policy attention has focused on the shifting regional balance of power or the new sources of instability in the region, yet a parallel story has gone largely untold. Complex social and political changes in the countries that have hosted U.S. forces are changing the way governments in Japan, South

Korea and the Philippines manage the American troops stationed in their countries.

As the U.S. government seeks to transform its global military presence, and as the process of realigning America's overseas military forces proceeds, Washington must consider these new domestic influences on governments that host U.S. forces. Broad public support in these societies for a shared security agenda will be the foundation for future alliance cooperation. Perhaps most importantly, to be successful new initiatives for managing the presence of American forces in each of these societies will need to conform to domestic law and meet public expectations for government accountability. *Paper, \$15.00. Available from the East-West Center, ewcbooks@EastWestCenter.org.*

***Minimum Deterrence and India's Nuclear Security***, by Rajesh M. Basrur. *Studies in Asian Security*. Stanford: Stanford University Press, 2006. 264 pp. In this book, a leading authority on India's nuclear program offers an informed and thoughtful assessment of India's nuclear strategy. He shows that the country's nuclear-strategic culture is generally in accord with the principle of minimum deterrence, but is sometimes

inconsistent and has a tendency to drift into a more open-ended process. He addresses areas of concern, notably the relationship between minimum deterrence and sub-nuclear conflict, the threat from nuclear terrorism, and the special challenges nuclear weapons pose for a democratic society. *Cloth, \$65.00; paper, \$24.95. Order this publication from University of Chicago Press Distribution Center, (800)621-2736.*

***The Helsinki Agreement: A More Promising Basis for Peace in Aceh?*** by Edward Aspinall. *Policy Studies 20*. Washington, DC: East-West Center Washington, 2005. x, 104 pp. Free downloadable PDF file available online at [www.EastWestCenter.org/find.asp?it=PolicySt020](http://www.EastWestCenter.org/find.asp?it=PolicySt020).

This study examines the latest attempt to bring an end to one of Asia's longest-running separatist conflicts. In August 2005 in Finland, representatives of the Indonesian government and the Free Aceh Movement signed an agreement

which sets down the outline of a comprehensive settlement to the Aceh conflict. Written by a leading expert on the Aceh conflict, this study examines the factors that prompted the belligerents to return to the negotiating table, surveys the course of the negotiations, analyzes the deal itself and identifies potential spoilers. It concludes that the Helsinki agreement represents Aceh's best chance for peace since the separatist insurgency began almost 30 years ago. *Paper, \$10.00. Available from the East-West Center, ewcbooks@EastWestCenter.org.*

***Challenges for U.S.-Asia Pacific Policy in the Second Bush Administration***, by Satu Limaye (rapporteur). *Senior Policy Seminar*. Honolulu: East-West Center, 2006. viii, 22 pp. Free downloadable PDF file available online at [www.EastWestCenter.org/find.asp?it=SrPolSem2005](http://www.EastWestCenter.org/find.asp?it=SrPolSem2005). Asians continue to regard the United States as the key contributor to regional peace and prosperity, but express concern that U.S. policy toward the region is characterized by a relative lack of attention, insufficient appreciation of underlying strategic changes and ideological polarization. Yet, despite efforts at Asian regionalism in terms of both institutions and identity, a U.S.-led

regional management system is not expected to wither any time soon. In fact, U.S. bilateral relationships are strengthening, and regional multilateral efforts face formidable obstacles.

The emergence of China as an economic, political and military power was seen as the most important factor in shaping the new strategic environment. The management of globalization, and specifically the distribution of its benefits, remains the key economic challenge for Asian states which despite the growth of intra-regional trade remain dependent on the world economy. *Paper, \$7.50. Available from the East-West Center, ewcbooks@EastWestCenter.org.*

### Also published:

***China and the Depreciating U.S. Dollar***, by Richard C. K. Burdekin. *AsiaPacific Issues*, No. 79. Honolulu: East-West Center, January 2006. 8 pp. Free downloadable PDF file available online at [www.EastWestCenter.org/find.asp?it=api079](http://www.EastWestCenter.org/find.asp?it=api079). (See article on Page 7.) *Paper, \$2.50. Available from the East-West Center, ewcbooks@EastWestCenter.org.*

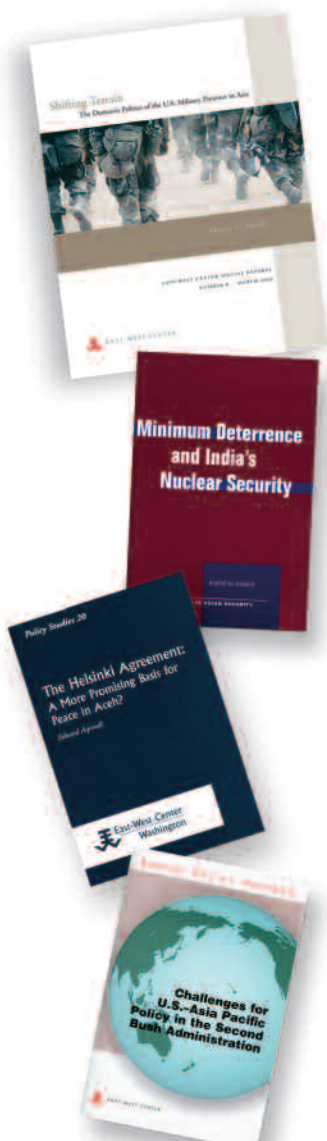
***Hanging in the Balance: Equity in Community-Based Natural Resource Management in Asia***, edited by Sango Mahanty, Jefferson Fox, Michael Nurse, Peter Stephen, and Leslie McLees. Bangkok: RECOFTC (Regional Community Forestry Training Center for Asia and the Pacific); Honolulu: East-West Center, 2006. vi, 222 pp. Free downloadable PDF files available online at [www.EastWestCenter.org/find.asp?it=HangingInBalance](http://www.EastWestCenter.org/find.asp?it=HangingInBalance). *Paper. Available from the East-West Center, ewcbooks@EastWestCenter.org.*

***The Making of the Igorot: Ramut ti Panagkaykaysa dagiti taga Cordillera (Contours of Cordillera Consciousness)***, by Gerard A. Finin. Governance and Political Change Series. Manila: Ateneo de Manila University Press, 2005. xviii, 345 pp. *Available in the United States and its dependencies, Canada, and Mexico from University of Hawai'i Press, www.uhpress.hawaii.edu, tel (888) UHPRESS (847-7377) / (808) 956-8255; Ateneo de Manila University Press, www.ateneopress.org.*

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Continued American calls for strong upward revaluation of China's currency, the *renminbi*, in an attempt to rein in Washington's huge trade deficit with Beijing could backfire and be counterproductive to U.S. trade and monetary interests, according to economist Robert C.K. Burdekin.

"It is unrealistic that any *renminbi* exchange-rate adjustment could reign in the burgeoning U.S. trade deficit," says the professor of economics at Claremont McKenna College and former visiting senior fellow at the East-West Center.

In the EWC's recently published *AsiaPacific Issues* series, Burdekin says "the overall imbalance (of U.S. trade) cannot be entirely blamed on China," despite the fact that Beijing does keep a tight lid on the *renminbi*'s value. He pointed out that "just 10.4 percent of total U.S. trade was attributed to China in the first half of 2005."

"The level of China bashing (in Washington) quickly recalled the Japan

bashing of the 1980s in spite of the short duration of China's large bilateral surpluses and the fact that U.S. exports to China have grown nearly as quickly as Chinese imports," he says, albeit from a base that would mean "U.S. exports would have to grow six times faster than imports to close the bilateral trade deficit."

Calls for import tariffs aimed at China and strong rhetoric from the Bush Administration ignore other important issues. Burdekin ventures, "Discouraging Chinese imports would likely benefit foreign producers

who would then assume the supplier role, not U.S. firms." Fewer Chinese imports would not negate the fact that it was estimated the United States accounted for 70 percent of the world's current account deficits last year.

Burdekin notes that the Chinese authorities are not unaware of Washington's concerns, and have signaled a desire to be more flexible concerning their currency's value, "tying the *renminbi* to a basket of foreign currencies that would include the *euro*, the Japanese *yen*, and the South Korean *won* in addition to the dollar." A two percent upward revaluation of the *renminbi* last July did little, however, to dampen the calls for a larger rise in the Chinese currency's value.

A strengthening Chinese currency could prove costly in other ways to the United States. Burdekin says "an exchange rate reduction could pose considerable financial risk to the United States by threatening the vast inflow of Chinese funds. Ironically, this inflow plays an essential role in the U.S. economy as it supports the trade deficit as well as the level of U.S. interest rates." He notes, "China's reserve accumulation of U.S. Treasuries (bonds) was \$207 billion in 2004 (and) total holdings were roughly \$616 billion."

Burdekin suggests, "The U.S. government should hope that China stands fast and does not make any move to pull its funding of the U.S. trade deficit and, instead, invest in other foreign currencies or its own economy." He concludes, "The Chinese preference for gradual exchange rate adjustment may well be the best outcome for the United States. In any event, the call for *renminbi* adjustment to reverse the U.S. trade deficit appears unwarranted on economic grounds and little more than a politically charged chimera."

## Revaluation of China's Currency Could Hurt U.S. in Pocketbook



## Justice Kennedy on Rule of Law, Judicial Independence

U.S. Supreme Court Justice Anthony Kennedy stressed the importance of judicial systems and the rule of law worldwide in a speech before international and American students from the East-West Center and the University of Hawai'i's William S. Richardson School of Law in early February at the Center.

U.S. Supreme Court Justice Anthony Kennedy



Acknowledging the multinational makeup of his audience, Kennedy said, "There are certain universals regarding the concept of justice and we all have the obligation to understand and debate them together."

In answer to a student's question, the jurist firmly supported the concept of judicial independence. "Judges are not independent to do what they want," he said. "Judges are independent so they can do what they must. They must follow the law."

And, if the law goes against a judge's moral values? Kennedy was adamant. "If that situation arises the judge must take a stand."

He also noted the need for continual education for jurists. He said, "Learning does not end when you go to the bench ... It only just begins." He pointed to a judicial college for sitting judges in Bangkok as a good example of what should be done to insure continued education within the judicial system.

## Notes and Quotes

**From**  
**"On the Hot Seat"**  
**By Thomas Omestad**  
**In**  
***U.S. News & World Report***  
**February 27, 2006**

**M**usharraf, in a meeting with a group of American journalists last week, said he had condemned the January 13 raid as a violation of Pakistani sovereignty. But he professed satisfaction with U.S. assurances that further strikes would take place only with prior consultation, and he praised current antiterrorism cooperation along the border. In what must be music to Bush administration

ears, the Pakistani leader also acknowledged that some villagers were "harboring" terrorists. "They are guilty from all points of view," he said in last week's interview arranged by the East-West Center. Musharraf, who has said that five terrorists were among those killed on January 13, called al Qaeda's presence a more serious breach of Pakistani sovereignty than the U.S. missile strikes.

**From**  
**"India Rising"**  
**By Renee Loth**  
**In the *Boston Globe***  
**February 26, 2006**

**N**EW DELHI — The glittering skyscrapers of Gurgaon, a satellite city that is home to much of India's outsourcing industry, rise incongruously from the flat dry plains outside Delhi. Genpact, the first and one of the largest back-office call centers in India, employs 13,000 mostly young people, processing credit applications and conducting market research for American corporations such as Pfizer and JC Penney. The company is recruiting new employees at a rate of 1,100 a month. They work all night because of time zone differences; they are trained to "neutralize" their Indian accents to be more acceptable to customers in England or the United States; and some are even given such western-sounding names as Tom or Susan. "The

person who comes to work for us has never had a credit card, has never been to the U.S., and has never seen a JC Penney store," says Vivek Gour, Genpact's chief financial officer. "We teach them a lot about the culture to whom they are talking."

A group of journalists traveling to South Asia recently with the East-West Center, a cultural exchange program, found the call center associates wildly enthusiastic about their working conditions. Most came from small towns and loved the adventure. One young man showed off how he had learned to mimic a customer's Cockney British accent. "Fifteen pounds? What a ripoff!" he said to the laughter of his co-workers.

**From**  
**"China and India**  
**to Test Oil Demand**  
**with Price Reform"**  
**By Jonathan Leff**  
**for Reuters**  
**February 24, 2006**

**A** plan to reset Chinese rates to rise and fall in line with international crude prices — effectively guaranteeing refiners an undefined profit margin on domestic sales — is with the cabinet and could be approved in March, sources have said.

Some analysts say China will have to raise prices by 30 percent or more to narrow the gap with growing

international costs, but few expect that to happen at once.

"I think there will be a series of incremental moves over the course of the year, but I'm still not sure what kind of mechanism they'll use," said Kang Wu of the East-West Center in Hawai'i.

**From**  
**"U.S. Envoy to Rally**  
**Tokyo, Beijing on**  
**Nuclear Issue"**  
**By Roger Mitton**  
**In *The Straits Times***  
**January 20, 2006**

**I**n Japan, the first leg of his trip, Mr. Zoellick's diplomatic skills may be tested as he tries to ease problems connected to a planned realignment of U.S. military forces in Japan.

Some 50,000 U.S. servicemen are stationed in Japan, and last October it was agreed that the number will be reduced by moving 7,000 marines from Okinawa to Guam and by relocating other U.S. forces and weapons systems elsewhere in Japan.

But the moves, due to be implemented by the end of March, have been met with local resistance that was exacerbated by the Jan. 3 murder of a woman by a U.S. sailor.

Said Ms. Sheila Smith, an expert in U.S.-Japan security relations at the East-West Center in Hawai'i: "Zoellick will need to reassure the Japanese that the U.S. is doing all it can to discipline its forces."



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# 2006 East-West Center Dinner Honors Buck and Doreen Freeman

Six hundred people attended this year's "An International Affair," helping to raise more than \$150,000 for East-West Center students and programs. The January 19th event at the Hilton Hawaiian Village Coral Ballroom also celebrated the Center's international students. *East-West Center Voices*, a video produced by Dennis Mahaffay, featured a selection of these outstanding young leaders expressing their gratitude for the EWC experience and describing its impact on their lives.



*Feriyal Amal Aslam, Cedar Louis, Cathrine Truong and Aleyamma Mathew.*

The evening also included an *oli* (Hawaiian chant) by the Hawai'i Academy of Arts, Music and Dance, Hālau Mele, piano music by Dale Senaga of the Royal Hawaiian Band, and an exotic, international silent auction.

President Charles Morrison presented Mr. Houghton "Buck" Freeman and Mrs. Doreen Freeman with the 2005 Asia Pacific Community Building Award for their dedication to

strengthening the bonds of understanding among the peoples and nations of Asia and the United States. The award recognizes distinguished individuals whose vision, professional and personal accomplishments exemplify the mission of the East-West Center. Past recipients include Her Excellency Corazon C. Aquino, former president of the Philippines; 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 Tata Group, India's largest industrial conglomerate.

Silent auction items included generous donations of decorative arts, fine jewelry, gift items from international destinations, and travel accommodations in exciting places such as the Outrigger on the Lagoon-Fiji, Hilton Tokyo and several Taj Hotels, Resorts and Palaces in India. The Silent Auction and International Bazaar raised more than \$35,000 for student scholarships.

The East-West Center Foundation and East-West Center staff and participants are grateful to the Freemans, and to our generous table sponsors, individual supporters, and silent auction donors. Many volunteers and staff contributed to making the event a success:



*Buck and Doreen Freeman*

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## **An International Affair Video**

Dennis Mahaffay, producer, Limelight Productions; Montaj 9, and the following East-West Center student participants, fellows and alumni who assisted with the video: Feriyal Aslam, Bryan Bushley, Zarina Chekirbaeva, Thinley Choden, Terry Garrett, Craig Gima, Jamal Hadjisman, Eric Hanson, Ruriko Kumano, Shafiq Meyer, Quamrun Nahar, David Pendleton, Puongpun Sananikone, Gao Song, Kuhio Vogler, Rinchen Wangyel, and Wumaier "Elham" Yilamu

## **Special thanks to the following:**

AIG Hawai'i Insurance Company  
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2006  
An  
International  
Affair

continued from  
previous page



Buck and Doreen Freeman receiving the Asia Pacific Community Building Award from Roland Lagareta and Charles Morrison.



Robin Campaniano and Buck Freeman.



Kitty Lagareta, Gerald Keir, Doreen Freeman, Charles Morrison, Buck Freeman and Don Kim.



Buck Freeman, Ruth Ono and Charles Morrison.

East-West Center students  
Song Gao, Selinaswati,  
Alfian, Alvaro Ribeiro,  
Nurhayati Idris, Maria  
Rita Pires, Encop Sopia,  
Francisca Maia,  
Nurdiyanah Syarifuddin,  
Agung Nugroho,  
Mohammad Shahinur  
Rahman and Yohei  
Shinozuka.







*Hawaiian chant performed by Laimana Budosan and Mahelani Wong.*



*Silent Auction and International Bazaar raised over \$35,000.*



*(seated, from left) Lyn Okazaki, Ella Isono, Leanne Liu, and Lynette Kanda. (standing, from left) Joichi Saito, Yoko Saito, Curtis Okazaki, Denis Isono, Jeff Liu, and Neal Kanda.*



*(seated, from left) Denise Yee, Cynthia Ai-Embry, Nishat Kazi and Sandy Wong. (standing, from left) Clifford Wakatake, Tomas Chan, Mary Chan, Ronald Embry, David Ing, Richard Sato and Douglas Yee.*



*(seated, from left) Herb Wolff, Harriet Aoki, Dr. Lawrence Tseu and Eileen Tokita. (standing, from left) Rodney Chang, Bonnie Chang, Henry Stackpole, Vivian Stackpole, Judi Bramlett, and David Bramlett.*



*(seated, from left) Marchessa Kapiolani Marignoli, Rose Rafel, Darrel Koninger, Claire Strasser, and Joan Bickson. (standing, from left) Eva Castro Verde, Kevin Sumida, Luanna Pang-Ching, Hans Strasser, and Judy Fong.*



*An International Affair  
continued*

*Contributions to the  
East-West Center  
received between  
December 1, 2005 and  
February 28, 2006 will  
appear in the next issue  
of the Observer.*

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