Remarks on America and the Asia Pacific: Partners in Prosperity

 Remarks
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SECRETARY KERRY: Thank you very much. I’m really glad I practiced going up the stairs. (Laughter.) I was listening to – well, first of all, thank you, Ambassador Wagter. You are doing a terrific job here, and I’m delighted that our friendship on a personal level continues. And Ho Kwon Ping, thank you. I enjoyed our conversation before we came in here learning about your beginnings at Stanford University and your similar opposition to the war at that time, and I’m really delighted that you have put your considerable talent to work here on behalf of SMU. And I know that they are thrilled.

As I was listening to you going through my history of prosecutor, lieutenant governor, and senator for 28 years, I couldn’t help but think how today being in public life is tough. It’s a different ballgame. And I was reminded of that just before I became Secretary of State and after I had run for president. I was walking through the airport and this fellow points. I could see the sign of recognition in his stopping and staring. And he said, “Hey you, aren’t you – anybody ever tell you you look like that Kerry guy we sent to Washington?” (Laughter.) And I said, “Yeah, they tell me that all the time.” (Laughter.) He says, “Kinda makes you mad, doesn’t it?” (Laughter.) So you get the picture, and it’s tough out there, ladies and gentlemen.

But I am really pleased to be here in beautiful and dynamic Singapore. I want to thank Prime Minister Lee, who I met with earlier today, for his generous conversation. I want to thank the people of the country for a warm welcome, and I thank you for the partnership on some of the region’s toughest issues from climate change and energy policy to international trade, and of course, security in the South China Sea. On these challenges and more, Singapore has consistently played an extremely constructive and positive role.

I want to express my appreciation to Ambassador Wagter. I’ve known him for some time, and I can tell you that his energy and his confidence are really the ideal match for the fast pace and the optimistic view that Singapore has of the future. And we’re blessed – if I can brag for a moment, we are blessed with a tremendous embassy staff here in Singapore, and I am particularly grateful for that because with all that is going on, believe me, they are working overtime and underpaid. (Laughter.) And I can’t do anything about that. (Laughter.) Except exploit them further. (Laughter.)

I am really pleased to be able to be here under the auspices of the Singapore Management University, particularly in the 50th anniversary of Singapore’s independence. Singapore’s journey, as all of you know, was shaped by the vision of its leader Lee Kuan Yew. And I had the privilege of meeting with him really more times than I deserved as a young senator, a member of the Foreign Relations Committee, and I have to tell you I learned an enormous amount from this man. His analysis of the dynamics of the region, of the surrounding countries, his ability to tell me about China and other places 20 years ago, 25 years ago, gave me insights that were as valuable and remain among the most insightful that I have gained in any of my travels, and I’m grateful for that.

Obviously, all of you live Lee Kuan Yew’s legacy in a different way. It’s known to all of you. After presiding over the difficult birth of this country, he served as prime minister for a quarter century, and then senior minister and minister mentor for another two decades. And he was a founder of ASEAN and a visionary economic leader under whose guidance this island nation transformed itself into truly one of the most prosperous and successful societies on the face of this planet.

We see that success in the strong national identity that Singapore’s ethnically diverse population has forged.

We see it in the contrasts of Marina Bay, where the old city center is nestled among buildings that seem almost literally to scrape up against the sky, while preserving tradition without sacrificing the possibilities of the future.

And we see it in Singapore’s colleges and universities, whose graduates are equipped not with knowledge alone, but with a relentless desire to continue learning, to break the barriers, to go out there and do significant things, growing and leading.

In America, it is not an exaggeration to say to you that we think of Singapore with admiration and respect. You are an important strategic partner to the United States, which is why I wanted to come here today to talk about American engagement and about our shared economic future. After all, the United States is also a Pacific nation. We have been for centuries, and we are proud of that. And we know that our security and our prosperity are increasingly linked to this region.

That is why we continue to move forward boldly with the rebalance that President Obama initiated in 2009.

It’s why we’ve modernized our longstanding alliances, reinforced our engagement with ASEAN, which I will leave for after this speech and spend the next two days at. And it is why we have taken an even more active role in the APEC Forum, and worked to elevate the East Asia Summit as a venue for dealing with political and security issues in the region.

It is why we’ve invested time, from President Obama on down, to develop strong bilateral partnerships in the region. And that includes a comprehensive relationship with China that allows us to address differences directly, candidly while making progress on shared interests. We just had a two-day meeting about a month ago in Washington called the Security & Economic Dialogue. We focused on every issue between us, including, of course, the South China Sea. And I will tell you that China was particularly helpful with respect to the Iran negotiations and the responsibilities that they were willing to assume in helping to advance that complicated negotiation.
Our commitment to the notion of Pacific nation and an engagement level that is increased in the region is why – 70 years after the end of World War II – we are promoting a stable, transparent, and rules-based order for the 21st century that will encourage cooperation among all Asia Pacific countries.

Now, one of the most important parts of our rebalance is our agenda for shared prosperity in the region – an agenda that begins with trade. Last week in Hawaii, we made progress, good progress, in our negotiations towards one of the most significant trade agreements in history, the Trans-Pacific Partnership, or TPP as you know it. This negotiation includes Singapore, the United States, and 10 other countries along the Pacific Rim. Together, these countries account for nearly 40 percent of the world’s economy. As with any complex negotiation – and I’ve watched them for years in the Senate, voted for them, may I say, for the trade agreements – there remain details to be hashed out, but the reasons why each of the TPP countries are pressing on to work through tough negotiations or even some of the most sensitive issues of those negotiation is very, very clear.

First, no country can expect its economy to grow simply by buying and selling to its own people. It’s just not going to happen. It defies the law of economics. Trade is a job creator and it is a prosperity builder, period.

In Singapore and the United States, we know this. In fact, our commercial relationship actually extends back more than a century and a half to when a person by the name of Frederic Tudor, an entrepreneur from my home region in New England, thought it would actually be a good idea to ship something that New England had a lot of – ice. (Laughter) Shipping ice to warmer ports of the world, including Singapore. As improbable as that sounds – and people did laugh – it worked, and an importer by the name of Whampoa became Singapore’s first king of the ice trade. And from that humble beginnings have come extraordinary things.

Under the U.S.-Singapore Free Trade Agreement – which is having its 11th anniversary this year – two-way commerce between us has increased by 50 percent and that translates into greater prosperity for both our countries, even though you make your own ice now. (Laughter)

But the Trans-Pacific Partnership is about a lot more than just creating economic opportunities, and this is really important to focus on. It’s about raising standards. This agreement initiates a race to the top, not a race to the bottom. Under this pact, every participant will have to comply with core international labor and environmental standards; every participant will have to refrain from using under-age workers, unsafe workplaces; every participant will have to ensure that state-owned companies are actually competing fairly with those that are privately owned; and every participant will have to fight trade-related bribery and corruption, ensure free and open digital trade, and safeguard intellectual property. Because major economies are committing to TPP’s high standards, its influence will be felt not just through the region but well beyond. It will send a message to people within the TPP and outside of support for good governance, transparency, accountability. It will bear witness to what we have seen in both Singapore and the United States – that sustainable development and prosperity are nurtured by the freedom to innovate, experiment, and compete economically on a level and open playing field.

The TPP is also a tangible means of demonstrating America’s firm and enduring commitment to the security and prosperity of the Asia Pacific. We know – and we know this because people tell it to us – that our presence is not just welcome, it’s requested in many places; that it matters economically and diplomatically, politically, and not least of all, it matters from a perspective of security.

I say to you today that the United States will continue to work with our partners to promote a stable, rules-based order for the Asia Pacific, and the TPP will spur momentum in that effort. For example, the TPP is helping to deepen our trade relations with ASEAN members as they prepare to launch the ambitious ASEAN Economic Community later this year. And that’s going to be good for the United States and for the region. It’s good for our trading partners. It’s good for companies and it’s good for workers here in Singapore.

So trade is obviously a central part of our agenda. It’s part of our agenda for shared prosperity in the region, but it’s by no means the sum total of our economic engagement, and I want to underscore that.

The second arena that demands our attention is investment. We all know that in the 21st century a nation’s interests and the well-being of its people are advanced not just by troops or by diplomats, but significantly by entrepreneurs and executives – by the businesses they build, the workers they employ, the students they train, and the shared prosperity that they create.

In this sense, economic policy is foreign policy and foreign policy is economic policy, which explains why American businessmen and women are, frankly, some of the best ambassadors that my country has.

The fact is that many U.S. companies don’t just do well when they invest overseas; they also do good. And that’s particularly true in Southeast Asia.

American businesses have been major investors in ASEAN economies for decades now. In fact, U.S. foreign direct investment in the region is larger than Chinese, Japanese, and Korean investments combined. I’ll bet you didn’t know that. And ASEAN countries are now returning the favor. Between 2001 and 2012, the growth in ASEAN investments in the United States exceeded that from all other regions of the world. That’s a remarkable change. It’s due primarily to investors from Singapore, increasingly from other places like Malaysia, and it’s strengthening the foundation for cooperation that we’ve been working so hard to build.

But it’s not just the quantity of the investments that matter. You have to look underneath the radar here. It’s also the quality. When Americans invest in countries, I’m proud to tell you without any sense of arrogance, but I think it’s a characteristic of American business that they try to invest responsibly.

In contrast to investors from some countries, U.S. firms from Microsoft to Pepsi tend to hire and train local employees. Instead of recklessly polluting the environment, more and more U.S. companies invest in clean energy and other practices that holds local environments harmless. And instead of actually contributing to corruption – which, unfortunately, as I’ve traveled the world I’ve seen in too many places and in too many places is considered business as usual – the United States has made it illegal for its citizens to engage in corrupt practices abroad. And we are doing everything that we can to enforce those laws.

Doing business right is part of Singapore’s brand, and it’s what – it’s really in the end what the best firms from America and Singapore both stand for: responsible investment, transparency, accountability, honesty, and a close match between promise and performance.

It’s why U.S. companies that have started to invest in Myanmar report publicly on how they are living up to their commitments on transparency and respect for human rights. Coca-Cola, for example, has set the gold standard for reporting on its human rights and anti-corruption due diligence efforts, and it is spending millions of dollars to support local communities and improve access to water and sanitation in the country’s villages and towns.

This kind of commitment to high standards is how we ensure that foreign direct investment is a win-win proposition, benefitting both halves of the investment equation. And it’s also how we build a deep reservoir of trust between the United States business community and the community of ASEAN nations. I think in many ways it is America’s comparative advantage, and therefore you can bet we’re going to stick with it.

Now, another comparative advantage that both of our countries enjoy is a commitment to innovation and entrepreneurship – and I’m sure you’re digging into a lot of that here given the Wharton and other background that you have in the context, not to mention the fundamental experience of Singapore, which understands...
business as well as any country in the world. American firms have been allowed fundamentally to be global pioneers from the iPhone to the Internet, and I could go on with a longer list, obviously.

This is a model worth sharing. And today, I am pleased to announce the launch of an “American Innovation Roadshow” across Asia that will be led by senior members of my economic team and include Chief Innovation and Technology Officers from leading U.S. companies. The purpose of this Roadshow is to engage young entrepreneurs on how to grow their businesses. And the Roadshow will also engage government officials in the region on how to create the favorable environment for entrepreneurship and innovation. The first stop will be right here in Southeast Asia. And I am pleased that my senior advisor Ambassador David Thorne, who is here with us, who has been focusing on promoting entrepreneurship in many countries, is going to lead a delegation to Indonesia and to Vietnam in short order.

Now, just as important, all of us – in government and business alike – have to bear in mind that the ultimate measure of our success is going to be determined not by whether or not we have enabled economies to grow, or to just grow, but by how sustainable and inclusive that growth turns out to be. After all, you can’t build a sound economy on a bubble; we need the kind of foundation that only new and truly exciting industries provide and that permits everyone to enjoy respect for their dignity and for their potential.

This brings me to the third item on our agenda for shared prosperity that I just want to underscore here today. A clean energy revolution is staring us in the face, waiting for us to grab it, in order for us to address the urgent problem of climate change but simultaneously boosting economies all across the globe.

Now let me underscore what President Obama has been saying and we’ve been talking about for years now: Climate change is a crisis that waits for no one and it respects no border; but there is still time for us, according to scientists, to cut greenhouse gas emissions and prevent the worst consequences still from happening. And anyone who tells you otherwise is just plain wrong and not operating off of scientific fact. The science shows that there is still a window of opportunity for us to shift course.

But let me tell you something: That window is rapidly closing. So we need to take a “full speed ahead” approach. And that means setting ambitious targets and coming together in support of a truly meaningful climate change agreement in Paris this December. That’s why we went to China two years ago and I engaged with the Chinese in order to bring them, hopefully, to the table, and they came. And together we set targets, and that helped to provide for an agreement in Lima, and that will help provide for an agreement in Paris.

The solution to climate change is absolutely as clear as the problem itself, and that is transformed energy policy. Climate change is a danger to everyone, but it’s also an enormous economic opportunity. It’s a chance for all of us to make the right choices about conservation, about wind, solar, hydro, about fuel, utility standards; about the kind of buildings you build, the kind of energy sources with which you power your businesses; and about setting ambitious targets to reduce the emission of greenhouse gases.

My friends, countries representing about 60 percent of global greenhouse gas emissions have amazingly already announced post-2020 targets to reduce emissions. This includes Singapore and also the United States where, under President Obama’s leadership, we have increased our wind and energy production more than threefold and raised our solar energy production by a factor of ten. And just this week, President Obama unveiled his final Clean Power Plan, which sets ambitious and historic carbon pollution standards for existing power plants in the United States.

Now, I’m not suggesting that tackling climate change is easy. It’s not an automatic. If it were, we would have solved the problem some time ago, because we’ve been beating around the edges of it for more than 20 years. When the science first revealed what we were facing and we began to feel the devastating impacts in the form of heat waves, floods, historic droughts, ocean acidification, and more, people began to understand the connection. All you have to do is look at the TV today and see the fires raging in a four-year drought in California and flooding all across part of this region to the west.

Make no mistake: It is crunch time now. And the good news is we know what we have to do. There’s also good news in this. Our nation became wealthier during the 1990s than in any other period since we had no income tax and lived in the 1920s – more wealth created, and it was created by a $1 trillion market with one billion users. It was the high-tech communications computer boom. The energy market that we are looking at is today potentially a $6 trillion market with four to five billion users, and that will grow to nine billion users over the course of the next 30 to 40 years. Think about that. It’s the biggest market in human history. And the possibilities of what we can do and create jobs by the millions and solve the problem at the same time is stunning.

I am absolutely confident that we can summon the resolve to get the right kind of agreement in Paris. And we can carve out a path towards a clean-energy future.

Now, this brings me to the fourth and final item on our shared prosperity agenda: growing the middle class and connecting its members to the global marketplace. Here, there are several pathways to progress.

One is to make sure that the leaders of the future are getting the training and education that they need to thrive in a highly competitive economy, and you obviously have already embraced that. Witness this university that is 15 years now in reality. By 2030, the Asia Pacific will be home to two-thirds of the global middle class, and 65 percent of the population in ASEAN countries is below the age of 35. This region’s future depends on the choices that these young people get to make.

That’s why the United States is investing in President Obama’s Young Southeast Asian Leaders Initiative – YSEALI, as we call it. YSEALI offers professional training, study, and grant opportunities in the United States and across this region. And through this initiative, we are engaging the next generation of great leaders to every field of endeavor, empowering them to be able to develop valuable business skills and to create the networks that will shape the future of ASEAN.

We also need to remove the barriers that remain to the advancement of women. No country can prosper without the contributions of half of its people. In fact, experts believe that women’s full participation in the economy can boost GDP worldwide by some 12 percent in the next 15 years. Here in Singapore, where technology, innovation, and entrepreneurship thrive, my government has joined with Hewlett-Packard to encourage young women to think about careers in science and technology. And under something called the Lower Mekong Initiative, with support from private sector partners, we will soon open a center in Cambodia to help women entrepreneurs start and scale up their businesses.

Finally, we need to do more to connect markets and to create a fully integrated trans-Pacific community. An important part of that effort is tackling the infrastructure deficit in the region. That’s why we are committed to finding innovative ways to finance modern, sustainable infrastructure development – through new loan programs at the World Bank, at the Asian Development Bank, and by mobilizing the resources and sophistication of American capital markets. Now, these efforts have already resulted in new wind farms in Vietnam and new geothermal production in Indonesia.

And at the same time, we recognize that there remain many opportunities to be able to improve the region’s infrastructure and to create good jobs. China, for
example, as everybody knows, has established the Asia Infrastructure Investment Bank. We support that effort, but we want that effort to be able to be transparent and accountable in the same ways other international financial institutions are. But we believe it’s important for China to make contributions to global development and responsible investments in regional infrastructure. And these efforts can be complementary to existing efforts, but they need to meet the same high standards that those other efforts do also.

So my friends, this is a moment of exceptional opportunity for the Asia Pacific. We are nearing the completion of an historic Trans-Pacific Partnership on trade. We’re investing at unprecedented levels and promoting high standards when it comes to business practices. We’re doubling down on clean energy and creating the right kind of growth. We’re working together to upgrade education and grow the middle class. And looking ahead, I can assure you we are not going to turn away from this initiative; we are not going to slow down – not at all.

We are determined to deliver on the strategic and economic promise of our era. That can be the legacy of this generation and of this century. And there’s nothing more in keeping with the traditions of Singapore than to look over the horizon to the future for the connections that would create prosperity, harmony, and security for tomorrow.

In October of 1967, Lee Kuan Yew made his first official visit to the United States. He traveled to Washington and he spoke with President Lyndon Johnson at the White House.

Then as now, there were no shortage of challenges for our leaders to discuss. But Prime Minister Lee was confident about what our two countries could build together. He said simply that “patience and prudence, resolution and restraint will see the world through to a better and a more secure future.”

Now, we all know that the successful management of world affairs is, as I said at the beginning of my comments, much more complicated today than it was a few years ago, certainly much more complicated than the era in which I and many peers looking out here grew up in – a bipolar world of Soviet Union and the West and a confrontation of the Cold War which finally ended in 1990 and released all kinds of pent-up forces in many parts of the world. That’s what we’re coping with today – a clash with modernity of culture and history and tradition and fear. There is much about what is to come that remains uncertain, my friends, but I have absolutely no doubt that the path to shared prosperity requires a combination of what Lee Kuan Yew was talking about of prudence, of patience, of resolution and restraint.

The United States seeks what most people in this region seek: a place where countries come to each other’s aid when natural disasters strike or humanitarian emergencies arise; a region where the legitimate rights of every state – big or small – are honored; a region where borders are respected and countries cooperate to prevent small disputes from growing into larger ones; a region where disagreements are settled openly, peacefully, and in accordance with the rule of law; and a region where the human rights of each and every person are fully respected.

That means we must never stop adapting to trying to do better. Lee Kuan Yew was, in fact, a master at adapting his country to the challenges of a new era. And asked about the source of Singapore’s strength, you know what he said? It’s “ideology free.”

Obviously, we are facing a time of many different cross-currents of ideology, religion, sectarianism, and so forth. That’s what makes it so complicated, with particular parts of the world witnessing upheaval and unprecedented violence. Governance is more demanding as it deals with greater religious, political, and ideological complexity in a world of instant communications. People may not have a job, but they’ve got a cell phone. People may not have a future, but they’re connected to the world.

And the same forces that bring us the complexity actually bring us greater opportunity. That’s the way you need to look at it. And so we have to face the world and all its challenges, frankly, with the confidence in the road we have traveled, in who we are, in our ability to compete. I think Singapore understands this. And I am confident as I look around this room today and I look at the purpose and the investment of this institution of learning, we will create stronger partnerships, we will move towards more sustainable growth, more prosperity, more opportunity, and we will be able to do that not for some, but for all of the people. That should be our goal, and the United States will work with you to try to achieve it.

Thank you all very, very much. (Applause.)