



Observer

E-Commerce, the 'Swelling Tsunami' in Asia

Inside:

Challenges for Reconciliation on Korean Peninsula
Page 3

Tackling Climate Change in the Pacific
Page 5

Publications in Review
Page 6

New Generation Seminar for Asia Pacific Young Leaders
Page 7

In keynote presentations at the first Asia Pacific Conference on E-Commerce at the East-West Center,

Internet usage in Asia was identified as the "swelling tsunami."

"Asia is indeed the big question in all of this because it represents by demographics huge potential in terms of what the market means for e-commerce,

the Internet, and users," noted William Carter, president of Global Crossing Development Co.

Carter and Loh Chee Meng, deputy director for the Infocomm Development Authority of Singapore, presented opening addresses at the conference. Asian business leaders and government officials and their counterparts in North America and Europe discussed key regional issues related to information technology, the Internet, and e-business policy at the three-day forum. The conference, held October 30-November 1, was co-sponsored by Pennsylvania State University.

Coordinator Meheroo Jussawalla, a telecommunications expert at the East-West Center, has noted that Asia's booming business-to-business (B2B) trade is the single most coveted market in the world. International Data Corporation predicts on-line trading in the region's B2B sales will escalate from \$2 billion in 1999 to \$32.6 billion in 2003.

Both Carter and Loh acknowledged this potential. Carter also pointed to how well positioned Asia's population is for the Internet and the high-tech job market. Asia's population holds 34 percent of the

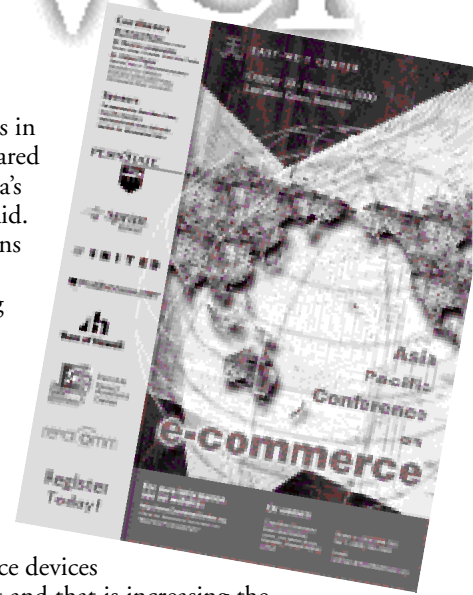
university degrees in the world, compared to North America's 24 percent, he said. In addition, Asians hold 42 percent of all engineering degrees in the world; North America holds 12 percent.

"We now see movement toward smaller, cheaper, more adaptable interface devices with the Internet and that is increasing the usage and will continue to increase the usage potentially outside the U.S., in Asia, Africa, South America," Carter added. "We are seeing a tremendous move from fixed to wireless.

"Japan now has more wireless access to the network than fixed access. This major shift affects what happens to bandwidth," he cautioned. "With the Internet, as we move upscale in applications we're going to use more and more bandwidth. That's going to be a problem."

Carter predicted that this explosion in applications will create a "traffic jam" in the next two to four years internationally because of the density of traffic and only so much capacity.

continued on page 2



The Internet, an Evolving Entity in the New Economy



William Melton

The sum of human knowledge is imbedded and evolving with us on a new non-biological medium called the Internet, observed William Melton, founder and chairman of the board of Cybercash, Inc. and Global Internet Ventures, LLC.

Melton, who over 30 years as an entrepreneur has played a role in bringing technology to the financial industry, spoke at the EWC's Asia Pacific Conference on E-Commerce. He is an investor in venture capital firms focusing on early stage companies in the U.S., India, and China. An EWC grantee (1964-66), he received the EWC Distinguished Alumni Award in 1997.

In his presentation, "Of Railroad, Oil, Fiber Optics, and Brain Power," he applied Darwinian

concepts to components of the Internet and other evolving aspects of information technology. The Internet is one of the oil fields of our time, fiber-optic cables the railroads of our time, he noted, warning that in the past, "not all railroad men made money, most didn't. Not all oil men made money, most didn't."

"In order to be among those that see clearly, we have to use new models. We have to use new eyes. We have to use new perspectives and new tools to make sense out of this phenomenon that we call the Internet," Melton said. "I will argue that the Internet cannot be understood with the tools of the industrial age. It cannot be understood with the tools of that

continued on page 2

E-Commerce, the 'Swelling Tsunami' in Asia

continued from page 1

With the Internet, however, come issues such as security, censorship, and a societal divide. "Is the gap getting bigger between the haves and the have nots?" he asked. "Half the people in the world have never made a telephone call. Are we creating another way to widen the gap or have we got something that will decrease it? That is an issue."

Loh presented statistics for Internet use in Asia, which indicate the opportunities for e-commerce in the region. China has close to 10 million Internet users with projected growth expected to reach 30 to 40 million users in three to five years, he said. At this time, the country's e-commerce revenue is small compared to the United States, but "China is a big

player. The government is allocating \$12 to \$13 billion for development of China's information infrastructure to enhance e-commerce."

He concluded by emphasizing a distinction between East and West with regard to the market. "E-commerce or the New Economy in Asia cannot take off on its own like the United States," Loh said, "government has a role."

Joining the East-West Center and Pennsylvania State University as conference sponsors were: Sprint Hawaii, United Airlines, Pacific-news.Net, Revacomm, Bank of Hawaii, and the Honolulu Export Assistance Center of the U.S. Department of Commerce, U.S. Commercial Service.

The East-West Center Observer

is a quarterly newsletter published by the Center for Cultural and Technical Interchange Between East and West, Inc., East-West Center, 1601 East-West Road, Honolulu, HI 96848-1601. The East-West Center is 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 4, Number 4
Fall 2000**

Charles E. Morrison, President
Karen Knudsen, Director
Office of External Affairs

For information, contact:
The East-West Center
1601 East-West Road
Honolulu, HI 96848-1601
Telephone: 808-944-7111
Fax: 808-944-7376
E-mail:
EastWestCenter.org
World Wide Web:
<http://www.EastWestCenter.org>

Editor: Susan Yim
Design: Kennedy & Preiss

The Internet, an Evolving Entity in the New Economy

continued from page 1

'dismal science' of traditional economics and quarterly reports. Industrial age models do not give, in this area, good predictive tools."

Instead, Melton argued that it is only by using the tools of biological science "that we can either understand the Internet or make reasonable predictions about the unfolding behavior of the Internet."

He took the audience on a quick refresher course of Darwinism, updating it to fit information technology and the New Economy. He suggested looking at evolution beyond the biological base of DNA; "more broadly, without being tied solely to biological mediums."

"Now we know we should talk about evolution as using any 'replicator medium,' certainly not just DNA," he said. "To have evolution, all we need is self-replicating elements with imbedded knowledge, and a certain amount of mutation."

All components of the Internet are bits of embedded knowledge, Melton added. The Internet is an evolving entity.

To predict the speed and direction of the evolution of the Internet, he identified tell-tale signs, including increasing points of connection, the variety of mutations, the rate of replications, and the availability of food sources.

The food source of the Internet — and of all modern industry — is brain power or master's degrees and Ph.D. degrees. That's the primary component that goes into the Internet and to software sciences, he said. "Brain power is the same thing as a food source in this new ecological environment of the Internet."

The U.S. and Europe are considerably short of this necessary brain power, Melton said, while China and India loom as promising sources.

U.S., Japan Journalists Meet at EWC

The East-West Center hosted the final segment of the U.S.-Japan Journalism Fellowships in October. Twelve journalists — six from the United States and six from Japan — participated in the two-week program developed to enhance the quality and quantity of media reporting in each country through specific focus on upper mid-level and senior gatekeepers.

The Japanese participants began with an orientation session in Washington D.C.; the American journalists in Tokyo. The two groups traveled to several cities, meeting with business, government, and media leaders. The program concluded with the journalists convening at the East-West Center.

Co-hosts with the EWC are the International Center for Journalists in Washington D.C. and the Nihon Shimbun Kyokai in Tokyo. The program is made possible by a generous grant from the U.S.-Japan Foundation.



A briefing at the USS Arizona Memorial in Pearl Harbor was included for the 12 participants in the U.S.-Japan Journalism Fellowship Program which concluded at the East-West Center.

North Korea will continue to “muddle through,” making ad hoc adjustments, to rejuvenate its economy consistent with the maintenance of the existing regime and society, predicts Marcus Noland, an East-West Center visiting fellow who has written extensively on the economies of Japan, Korea, and China.

This strategy is based on the North Korean government’s assessment that “for a variety of reasons it’s in everyone’s interest — with the possible exception of the United States — that they continue to exist,” Noland said. “The Chinese would like a socialist, fraternally allied buffer state on their border. The South Koreans don’t want to have to deal with the expense of collapse. The Japanese would just prefer to see the Korean Peninsula being divided.”

Noland spoke on “North-South Reconciliation on the Korean Peninsula” at an East-West Center AsiaPacific Breakfast briefing, sponsored by the Bank of Hawaii, in September. He is a senior fellow at the

Institute for International Economics and the author of the newly published book, *Avoiding the Apocalypse: The Future of the Two Koreas*.

Noland noted

that in the past six to nine months, North Korea has been engaged in a flurry of diplomatic activity, culminating in the historic North-South summit in June of this year. In addition, North Korea has recently normalized relations with a number of countries in Western Europe, and with Australia and the Philippines. This year the country participated in the ASEAN Regional Forum for the first time and made a formal application to join the Asian Development Bank.

In his presentation Noland commented on three questions or issues:

■ Do recent events and actions in North Korea signal real change or some elaborate, tactical maneuver?

He cited recent economic activity in North Korea, including the creation of economic zones in isolated parts of the country, the announcement of a Hyundai facility in the southwest, and a move to establish rail connections that will be useful for linking North and South Korea.

“I think the preponderance of evidence suggests that they (North Korea) really are engaged in some serious re-orientation,” Noland said.

■ If North Korea makes the decision to pursue economic reform, is it capable of managing such reform?

In his discussion of obstacles to economic reform, Noland compared North Korea to Romania. “North Korea is a much more industrialized economy that looks much more like Romania or some parts of the former Soviet Union, like Belarus, than China or Vietnam,” he said. As a result, he maintains the process of reform is much more difficult for North Korea than it has been for China or Vietnam.

He also is skeptical about the regime’s ability to manage that process, suggesting that in the long-run, the process of reform will present fundamental ideological challenges for North Korea. As it starts moving closer to the South Korean model, change could undermine the basic ideological premises of North Korean society and lead to outcomes difficult to predict.

However, a big advantage — one that most transitional economies have not had — is the existence of

South Korea as a benefactor. “The South Koreans can provide money,” Noland said. “They provide technology and, most importantly in some respect, they can provide the worldwide marketing and distribution channels to transform productive potential of the North Korean economy into products the rest of the world actually wants to buy. That’s a tremendous advantage.”

■ What is the intention of the North Korean regime? To what purpose would it apply the gains of economic reform and would these gains go toward pressing material needs of the people or toward other purposes, such as military modernization?

“If one looks at the last year or so, the evidence that I can see from spending patterns is not particularly auspicious in this regard,” Noland said. “What we are observing is, on the one hand, increased reliance on aid for food; on the other hand, increased expenditures on the military. I am wary about this regime’s apparent preference for guns over butter.”

Noland added the caveat that U.S. understanding of North Korean society is minimal, “both in its own internal decision-making processes and even in basic characteristics of the economy. One has to be very careful about attaching too much certainty to beliefs about any future course.”

In response to questions from the audience, he concluded with the assessment that the North Korean regime is engaging in a process of reaching out. “I think that for geostrategic reasons they actually have a very supportive international environment,” he said. “They have three large countries in their neighborhood, all of which want to see a domesticated, non-belligerent North Korea continue.”



EWC visiting fellow Marcus Noland analyzes the implications of recent developments for Korea and the United States.

Challenges for North-South Reconciliation on the Korean Peninsula

News in Brief

Supporting the Center

RECENT GRANTS AND CONTRACTS

Research/ Population & Health

\$13,679

National Science Foundation / University of Minnesota

\$100,000

David & Lucille Packard Foundation / Japanese Organization for International Cooperation in Family Planning

Research/Environment

\$19,000

Rockefeller Brothers Fund / Samute

Pacific Islands Development

\$50,000

Trade Mission of the Republic of China

Education

\$150,000

U.S. Department of Defense

\$25,000

EWC Foundation / EWCA Okinawa Chapter



Shari Villarosa

Inaugural Ceremony for EWC Okinawa Program

The inaugural ceremony for the Obuchi Okinawa Education and Research Program, a graduate studies program at the East-West Center, was held in Okinawa on Nov. 10.

The program was named in honor of the late Prime Minister Keizo Obuchi of Japan. Participants in the ceremony included Obuchi's daughter Yuko, a member of Japan's House of Representatives; Governor Keiichi Inamine of Okinawa; U.S. Senator Daniel Inouye (D-Hawaii); U.S. Ambassador to Japan Thomas Foley; U.S. Consul General in Okinawa Tim Betts; and EWC President Charles E. Morrison. The ceremony was hosted by the Okinawa Prefectural Government.

The program includes graduate studies in international business and Asia Pacific studies, practical internships in business, faculty exchange, and support for Okinawan aspirations to develop an Okinawa-based Asia Pacific research institute modeled on the East-West Center.

Participants included, left to right, U.S. Ambassador to Japan Thomas Foley, U.S. Senator Daniel Inouye, and Obuchi's daughter Yuko.



\$700,000 Awarded for South Pacific Scholarships

The East-West Center received \$700,000 from the U.S. State Department to administer scholarships to students from South Pacific nations.

The Center's Pacific Islands Development Program has managed the South Pacific Scholarship Program since the U.S. Congress initiated the program in 1994. This was the first year the Center competed for the funding with other institutions.

The home countries of students who have participated in the program include the Cook Islands, Fiji, Kiribati, Niue, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Villarosa Joins EWC as Diplomat-in-Residence

Shari Villarosa, a career U.S. Foreign Service officer, joined the East-West Center as diplomat-in-residence in September.

Her research will focus on the challenges of political and economic reforms in Indonesia. She will be at the Center until May 15, 2001, when she will assume her new post in the U.S. Embassy in Jakarta as head of the Economic Section.

Asia Pacific Executive Forum in January

The Asia Pacific Executive Forum, an opportunity for corporate leaders to gain insight into the major issues of the Asia Pacific region, will be held at the East-West Center from January 16-20. The theme will be "Doing Business in a Changing Asia: A Strategic Vision."

Designed as a corporate retreat, the forum will bring together senior executives, government policy-makers, and EWC experts for two days of intensive dialogue on critical regional issues and the effect on economics and business.

The forum, presented by the Center in partnership with Frost & Sullivan, provides corporate decision-makers with up-to-date insights and analysis of the region's economic and political dynamics in an effort to provide necessary information for long-term strategic planning.

For information on participating, contact: East-West Seminars, East-West Center, 1601 East-West Road, Honolulu, HI 96848 USA, Phone (808)944-7384, Fax (808)944-7600, e-mail: seminars@EastWestCenter.org, Web site: www.EastWestCenter.org

Exhibit by Contemporary Native Hawaiian Artists

Work by contemporary Native Hawaiian artists from Hawaii and abroad is on exhibit at the East-West Center Gallery in Burns Hall through December 22.

"Mai Na Kupuna Mai, Ho'i I Ka Pu'olo" (translated "That which comes from the ancestors is returned as gifts") is the second in a series of EWC exhibitions featuring work by contemporary Native Hawaiian artists. Works by individual artists and group installations reflect the exhibition theme.

The exhibit, sponsored by the EWC Arts Program, was planned in conjunction with the University of Hawaii Art Gallery, on the adjoining university campus. Work by close to 60 artists are being shown at the two venues.



Artist and part-time EWC Arts Program staffer Trinette Furtado (right) guides viewers through the Contemporary Native Hawaiian Artists exhibition, here focusing on a work by Lilette A. Subedi. Photo: William Feltz.

EWC Hosts Largest Group of Visiting Fellows During Summer 2000

Twenty visiting fellows were in residence at the East-West Center in Summer 2000, the largest group of scholars on residential fellowships the Center has hosted at one time. Visiting fellows pursued individual research and writing projects while also interacting with Center researchers in weekly seminars.

Twelve of the scholars were recipients of East-West Center Fellowships, focusing on the theme of regional cooperation and institution-building in the Asia Pacific region. Six were POSCO fellows, engaging in policy relevant research on political, security, and economic issues in Northeast Asia, including North and South Korea. And two Indian scholars were the

first recipients of the Watumull Fellowships, working on issues relating to India-U.S. relations.

"From the East-West Center's

perspective, the fellows provided a very rich range of writings and presentations which helped to advance both dialogue and research which we will see in publications that will be produced throughout the year," said Richard Baker, EWC Director of Studies.

The EWC Visiting Fellowships is a competitive program, with scholars selected from the Asia Pacific region for one- to four-month periods of study. This year major fields of interest within the theme were regional political and economic cooperation and environmental issues.

Scholars such as Joel Heinen of Florida International University, who addressed impediments to transboundary cooperation for biodiversity protection in Nepal, looked at special issues or problems. Others tackled a broader scope, such as G.V.C. Naidu of the Institute for Defense Studies and Analysis in India who wrote on the future of the ASEAN Regional Forum. (For information about G.V.C. Naidu's analysis, see Publications in Review on Page 6.)

Because of the fellows' academic schedules, many arranged to come to the Center during the summer months.

For the fellowships, the Center seeks scholars of high accomplishment and promise whose work and presence will contribute creatively to international governance in the Asia Pacific region and to the development of EWC thematic areas.

The EWC is currently screening applications for visiting fellows in 2001. The theme or topic for the competitive fellowships changes every year. For 2001, the theme is issue and conflict resolution. Half of the visiting fellows will be selected through applications, enabling them to pursue individual programs and projects related to the theme. The rest will be scholars, nominated by EWC researchers, who are doing work related to ongoing research projects at the Center.

The POSCO Visiting Fellowships, endowed by the Pohang Iron and Steel Corporation, invites outstanding scholars and policymakers principally from North America, but also from Australia and New Zealand, to be in residence for one to two months.

The Watumull Fellowships are supported by the Jhamandas Watumull Fund, to enhance mutual understanding and cooperation between India and the United States.

Tackling Consequences of Climate Change in the Pacific



Eileen L. Shea

Some 150 specialists representing government, business, scientific institutions, non-governmental agencies, and communities throughout the Pacific and the Caribbean convened at the "Workshop on Climate and Island Coastal Communities" at the East-West Center, November 6-8.

"Climate variability and change — like so many critical issues — facing the Asia Pacific region as well as the Caribbean — require creative approaches that bring governments, businesses, communities, and scientists together in innovative new partnerships," said EWC President Charles E. Morrison. "This workshop's approach of combining research, dialogue, and education mirrors the mission of the East-West Center itself, supporting emergence of new partnerships in working toward an Asia Pacific community committed to shared learning and joint problem-solving."

The sessions focused on developing a more complete understanding of the regional consequences of climate variability and change in the context of economic, social, and environmental stresses.

"Recent experience with the 1997-98 El Nino and subsequent drought conditions in Hawaii and elsewhere in the Pacific provides a vivid reminder of the vulnerability of island communities and businesses to year-to-year fluctuations in climatic conditions," said Eileen L. Shea, EWC Climate Project coordinator.

She noted that recent studies suggest climate change could bring:

- Changes in current patterns of climate variability (for example, El Nino) which, in turn, would alter rainfall and tropical storms.
- Increased ocean temperatures and changes in ocean circulation that could affect important commercial fisheries as well as valuable natural resources like coral reefs.
- Changes in sea level that could exacerbate erosion and storm surge problems.

The workshop was organized by the EWC as part of an 18-month Pacific Islands Regional Assessment Project funded by the National Science Foundation on behalf of NSF, the National Oceanic and Atmospheric Administration, the National Aeronautics and Space Administration, and the U.S. Department of the Interior.

Publications in Review

The Publications Office now sends e-mail announcements of new publications to interested readers. If you would like to receive such announcements, please send a message to ewcbooks@EastWestCenter.org with the word "subscribe" in the Subject field. Please include your name, title, organization name, and e-mail address.

Asia's Environmental Movements: Comparative Perspectives, edited by Yok-shiu F. Lee and Alvin Y. So. 1999. Armonk, New York: M. E. Sharpe, Inc. viii, 319 pp.

This book is recipient of the 2000 *Harold and Margaret Sprout Award*, given biannually by the International Studies Association for the best book or article published that makes a significant contribution to the study of international environmental policy or political issues, either with an international or comparative perspective.

The text (1) identifies the political, economic, and socio-cultural conditions under which Asia's environmental movements have emerged; (2) outlines the characteristics of Asia's environmental movements; (3) traces the history and transformation of these environmental movements over the past three decades; (4) examines the impacts of these movements on the state, economy, and society; and (5) examines the similarities and differences between and among Asia's environmental movements.

Paper, \$27.95. Distributed by M. E. Sharpe, Inc., (800)541-6563 / (914)273-1800.

Multilateralism and Regional Security: Can the ASEAN Regional Forum Really Make a Difference? by G.V.C. Naidu. *AsiaPacific Issues* No. 45. August 2000. 8 pp.

Continuing political uncertainty in the Asia Pacific region following the end of the Cold War led to the formation of the ASEAN Regional Forum (ARF) in 1993. The first security institution created just for the region, the Forum's original aim was to facilitate constructive dialogue among its members. But it soon elevated its goals and now, despite formidable obstacles, the Forum aspires to resolve regional conflicts.

Chief among the obstacles it faces are addressing the divergent expectations of its members, reconciling the perceived tensions between multilateral and bilateral

relationships, assuring that the interests of weak as well as strong states are represented, balancing the agendas of its great power members, and becoming a relevant player in Northeast Asian regional politics — all while operating in the "ASEAN way" of consensus politics. Most recently, the Forum's failure to respond to regional crises has dulled enthusiasm for the ARF, though many of its critics and supporters alike hope that more substantial and effective actions are in its future.

Printed hard copy available for \$2.50 plus shipping/handling from the East-West Center, ewcbooks@EastWestCenter.org.

Free downloadable pdf file located at <http://www.EastWestCenter.org/stored/pdfs/api045.pdf>.

Policy Options to Support Asia's Growing Elderly Population, by Sidney B. Westley, Sang-Hyop Lee, and Andrew Mason. *Asia-Pacific Population & Policy* No. 54, July 2000. Honolulu: East-West Center. 4 pp.

Populations are aging everywhere in the world, but Asia's elderly population is growing at a rate unprecedented in human history. In 1950, there were 55 million men and women in Asia age 65 and above. In 2000, there are 207 million, and in 2050, there will be a projected 865 million — 20 percent of the adult population. At a time when Western policymakers are reevaluating pension programs in an effort to contain costs, many Asian countries have barely begun to implement programs for the support of the elderly. Some of these countries will have to develop better

legal structures, financial markets, and administrative mechanisms if they are to establish and maintain effective programs for old-age support. Given the pace of population aging in Asia, policymakers will need to act quickly.

This issue of *Asia-Pacific Population & Policy* examines four areas in which policy options are available to improve financial support for the elderly. Information is based on a study of population momentum and population aging recently completed at the East-West Center.

Single copies available free of charge from the East-West Center, ewcbooks@EastWestCenter.org.

Free downloadable pdf file located at <http://www.EastWestCenter.org/stored/pdfs/p&p054.pdf>.

The Future of E-Commerce in China, by Dieter Ernst and He Jiacheng. *AsiaPacific Issues*, No. 46. October 2000. 8 pp.

China has the resources, the means, and the motivation to be a central player in the global e-commerce industry but is lagging far behind other countries in terms of market size and scope. The key reasons for China's e-commerce problems include an insufficient grasp by entrepreneurs of the complexity and dynamics of e-business, obstacles to web access and e-banking, inadequate supply and delivery systems, and security concerns. It is therefore imperative that the Chinese government provide high-level policy

coordination and support for e-commerce development, and e-commerce must be a central element in future development strategies. Clear government policies and regulations are needed to address a host of emerging e-commerce issues, especially those surrounding commercial contracts, taxation, and new modes of foreign investment. Finally, government must institute training programs to provide computer-related education.

Printed hard copy available for \$2.50 plus shipping/handling from the East-West Center, ewcbooks@EastWestCenter.org.

Free downloadable pdf file located at <http://www.EastWestCenter.org/stored/pdfs/api046.pdf>.



To order East-West Center publications, contact the East-West Center Publication Sales Office, 1601 East-West Road, Honolulu, HI 96848-1601. Phone: (808)944-7145. Fax (808)944-7376. E-mail: ewcbooks@EastWestCenter.org

Note: These books are also available to walk-in customers at the EWC Publications Office.

Young Leaders from Asia Pacific Focus on U.S. Elections, Foreign Policy

American elections and foreign policy in the Asia Pacific region was the theme of the East-West Center's 10th New Generation Seminar which brought together 17 young leaders from the Asia Pacific region, September 17-30.

Briefings and discussions that provided an introduction to policy issues in the region were presented during the first week at the Center. Participants also took turns leading roundtable discussions on events and issues particular to their countries, such as human rights in Indonesia, opposition movements in Malaysia, political systems in Japan, press freedom in the region, and the role of religion in politics in America. During the second week, participants traveled to St. Louis, Missouri, and Washington D.C. to focus on the U.S. election and foreign policy.

Participants in the educational and dialogue program included two broadcast editors from China, the deputy director of the Human Rights Center in Indonesia, a prefecture-level head of the Democratic Party of Japan, two members of opposition parties in Malaysia, a health adviser from New Zealand, and a state legislator from Mississippi and councilman from North Carolina. Other participants came from India, the Philippines, Mongolia, Singapore, and the states of Alabama and Colorado.

"You meet people, get to know each other, make friends, and establish relationships," said Patricia

Rinwigati, deputy director of the Human Rights Center in Indonesia. "I learn about the way they are solving problems."

For Steven Marlowe, vice president of Cauthen and Associates, lobbying consultants based in Alabama, the seminar provided exposure to the Asia Pacific region. "Where I come from, there's very little Asian interaction. In college I had one Asian class."

With the arrival of a Honda factory in his home county, Marlowe anticipates it will be helpful to be more knowledgeable about Japan. The New Generation Seminar is a first step toward acquiring this background. "I'll have a little bit of insight into the culture and politics and issues," he said.

"I've learned a lot, a great deal," he said of the program. "I would recommend this to anyone, especially in today's age of technology and information. The borders are coming down and it truly is a globalized economy."

The seminar seeks to give younger leaders the opportunity to strengthen their understanding of regional developments and challenges and make lasting personal and professional friendships in the region. Participants are selected from candidates nominated by U.S. and Asia-Pacific organizations.

More than 150 participants from 14 Asia Pacific countries and the United States have participated in the seminars, which were established in 1988 by EWC President Charles E. Morrison. The program is made possible by a generous grant from the Freeman Foundation.

EWC Promotes International Education in Hawaii

More than 100 educators, researchers, professionals, and international students participated in "Hawaii International Education Week: Promoting Global Awareness," November 13-17.

The East-West Center and Pacific Asian Affairs Council spearheaded the community-wide effort to support international education in Hawaii's public and private elementary and secondary schools. The annual event, involving

18 organizations, was designed to help prepare Hawaii students for success in today's global environment.

"One of the best things that happened during this project was the fact that 18 organizations pooled their international resources to help Hawaii's students become a more global generation," said Susan Kreifels, assistant to the president, who coordinated the Center's involvement in the program.

Hawaii-based researchers, educators, and professionals volunteered to speak to students in grades 6 through 12 throughout the state on topics ranging from global information technology, the United Nations and peacekeeping operations to differences between Chinese and American cultures. International graduate students read multicultural stories to children in elementary classes and discussed their home countries.

In addition, a series of community forums was held, addressing global initiatives in research education, issues facing Pacific island people, and Hawaii's role as the "Geneva of the Pacific."

A calendar of events, organizations, and Web sites was available to assist teachers with global education. The Hawaii Department of Education and the Hawaii Association of Independent Schools helped coordinate these activities which also were listed on the U.S. Department of State and Department of Education Web sites.

Global and multicultural reading lists were distributed to Hawaii schools. These lists and information about a speakers bureau can be accessed on the EWC Web site: www.EastWestCenter.org in the education section.



Chenling Chou, an EWC student from Taiwan, shows a kindergarten student at Aina Haina Elementary School how to play a Chinese game during Hawaii International Education Week.

Notes and Quotes

From
**"The Week in Politics:
Rescue Mission
Confirmation"**
By Brent Edwards
in the *Evening Post*
(Wellington, New Zealand)
September 9, 2000

In a speech to the East-West Centre in Honolulu last month, Admiral Blair (Commander in Chief of Pacific Forces) placed more emphasis on diplomacy, peacekeeping, tackling terrorism, dealing with weapons proliferation, and combating piracy and illegal drug trafficking to create regional security than he did on traditional military muscle.

"We also share interests in assisting people in distress at sea and can offer assistance to each other when natural disasters strike. These security challenges — where we share interests — are those most likely to involve our armed forces in operations over the coming decades."

To be fair, he prefaced his comments with the view that American military strength, including its nuclear deterrence, continued to underpin Asia-Pacific security.

Admiral Blair said the challenge was to nurture a security approach in Asia in which nations:

- Genuinely did not plan or intend to fight each other;

- Were willing to put collective efforts into resolving regional points of friction;

- Were willing to contribute armed forces and other aid to UN-mandated operations to support diplomatic solutions;

- Were willing to contribute to humanitarian operations; and

- Were willing to plan, train, and exercise their armed forces together to build trust and confidence and capabilities to conduct these kinds of operations.

From
**"Asia's Vast Potential Draws
'B2B' Firms"**
By Meheroo Jussawalla,
EWC Senior
Fellow Emeritus,
and Richard Barber,
EWC Adjunct Fellow
in *The Washington Times*
October 20, 2000

As Asia recovers from its economic crisis, more countries are focusing on line. Web surfers in Hong Kong, Taiwan and South Korea are buying consumer goods and trading stocks with high-speed Internet access. The Web has introduced small peripheral manufacturers in Taipei to large computer manufacturers in Texas. More than 70 percent of Cisco System's orders are Web-based and a large share of that is from China and other Asian countries.

Other examples:

- Singapore has 300,000 computers with an Integrated-On-Demand network for which a new

generation of infrastructure is being provided by the state. To encourage electronic trade, Singapore is offering to wire every home in the country.

- Last year, Thailand enacted a law requiring companies to provide import-export documentation on line, a radical measure for a developing country.

- Hashim Premji, who heads a software company in India called Wipro, rivals many entrepreneurs in Silicon Valley. With a net worth of \$26 billion, Wipro has provided software to Home Depot and Nike so they can sell on line.

From
**"Asian Markets Plagued by
Political Instability"**
By Michael Dorgan
in the
San Jose Mercury News
November 14, 2000

TAIPEI, Taiwan — The slowing American economy could use a boost from healthy markets in Asia, but political turmoil is threatening the economic health of many Asian democracies.

An erosion of investor confidence and fears of instability have slowed economies throughout the region. President Clinton will meet with leaders of these troubled countries when the 21 members of APEC, the Asian Pacific Economic Cooperation, meet in Brunei on Wednesday and Thursday for their annual summit.

The presidents of Indonesia, the Philippines and Taiwan are under fire and threatened with removal from office. The popularity of Japan's prime minister has sunk to below a 20 percent rating, and Thailand, whose economy has stagnated amid political uncertainty, faces a potentially disruptive election.

"The fact so much is going on simultaneously reflects problems and fractures in leadership and the inability of systems to put in leaders in a stable way," said Charles Morrison, president of the East-West Center in Hawaii.



EAST-WEST CENTER

1601 East-West Road
Honolulu, Hawaii 96848-1601

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

CHANGE SERVICE REQUESTED

2000-01 Annual Campaign



Mr. Hisatsugu Toyoda (ISI 63-64) and Gary Yoshida, EWC development officer, during a recent visit to Kamakura, Japan. Mr. Toyoda worked for many years at Japan International Cooperation Agency and is an EWC Foundation Ambassador donor.

Private Gifts Make A Difference

Community building begins at the East-West Center with the people who share the EWC experience and who continue the Center's legacy of promoting understanding and cooperation. We need the commitment of our alumni, associates, and friends to financially support the Center to meet the many challenges that lie ahead. Your support is vitally important to the East-West Center. Individual contributions are regarded by the Congress, as well as corporations and foundations, as the best measure of broader appreciation and enthusiasm for the Center's activities by those most committed to our mission. Your contribution will help us accomplish our critical mission and encourage other support for the continuing work of the East-West Center as we seek to reinforce bonds across and around the Pacific.

Members of the East-West Center Foundation receive recognition in the Observer and annual report, timely analysis of issues, reports and publications as well as invitations to special events, lectures and briefings. The EWC Foundation staff is available to assist you in achieving your tax, estate planning and charitable giving objectives.

Benefits for donors of \$100 or more include invitations to the AsiaPacific Breakfast Briefings sponsored by Bank of Hawaii and complimentary membership in the Friends of the East-West Center, a nonprofit support organization of the East-West Center.

An International Affair

The East-West Center Foundation will present *An International Affair*, the third annual dinner of the EWC Foundation, celebrating the 41st anniversary of the East-West Center. The event will be held on Wednesday, March 14, 2001 in the Coral Ballroom at

the Hilton Hawaiian Village. Premium table sponsorships are \$25,000 (Diamond), \$10,000 (Gold), \$5,000 (Silver), and \$3,500 (Bronze). Individual tickets are \$100. Invitations will be mailed in early January. Please call the EWC Foundation at 944-7196 for more information.

EWC Foundation Programs

AsiaPacific Breakfast Briefing

Dr. Fereidun Fesharaki, EWC senior fellow, spoke on "Gas Prices in Hawaii: A Matter of Politics or Economics?" on November 21 at the Bank of Hawaii Executive Dining Room.

AsiaPacific Conference on E-Commerce



Ms. Nonie Toledo, vice president and general manager, Sprint Hawaii, was the keynote speaker at the Asia Pacific Conference on E-Commerce luncheon on November 1st sponsored by Sprint Hawaii.

Asia Pacific Outlook 2000 Speaker Series

Dr. Gerard Russo, EWC fellow, spoke on "Health Care Financing in the U.S. and Asia" on September 6, 2000 at the Outrigger Wailea Resort.

Dr. Allen Clark, EWC senior fellow, spoke on "Increasing Social Risk in the Asia-Pacific Region: Lessons for Hawaii Business" on September 26, 2000 at the Mauna Lani Bay Hotel and Bungalows.

The neighbor island speaker series is made possible by the support of Hawaiian Airlines, Mauna Lani Bay Hotel and Bungalows, and Outrigger Wailea Resort.

On behalf of the East-West Center we would like to thank those individuals, corporations, businesses, foundations, and organizations who have generously contributed to the East-West Center Foundation. Listed below are gifts received between August 1, 2000 and October 31, 2000.

Annual Giving Levels

President's Council
\$25,000 or more

President
\$10,000 - \$24,999

Statesman
\$5,000 - \$9,999

Ambassador
\$1,000 - \$4,999

Counselor
\$500 - \$999

Diplomat
\$100 - \$499

Colleague
\$99 and below

Statesman

Bank of Hawaii
(Asia Pacific Conference on E-Commerce)

Ambassador

Richard W. Baker
Christopher, Smith & Associates, LLC
Richard H. Cox
Dr. & Mrs. Edison H. Miyawaki
G. Markus Polivka
Ambassador Charles B. Salmon, Jr.

Counselor

Dr. Michael H. Anderson
Bernard J. Lavin
Jean E. Rolles
Shigeatsu Taki

Diplomat

Anonymous
Tomohide Ashida
Mr. & Mrs. Man Kwong Au
Elizabeth Buck
Alan G. and Joan M. Choi
Mendl W. Djunaidy
Dennis D. & Diane O. Donahue
Philip & Jaynie Estermann
Jefferson Fox
Arlene H. Hamasaki
Jeanne M. Hamasaki
William Lee Henthorn
Mei-Ying Huang
Charles J. Johnson
Elisa W. Johnston
Dr. Bonnie G. Kelm (Center Arts)
Karen & Greg Knudsen
Teruyuki Kume
Robert G. Lees
Patricia Masters
Margaret M. McGowan
Douglas P. Murray
Robert T. Nakasone
Mr. & Mrs. Clinton Y. Nonaka
Victor S. Olshansky
Raymond Olson (Asian Studies Development Program)
Lois E. Oshiro
Roberts Hawaii Tours, Inc. (2000 International Conference)

Sadayoshi Saito
Eileen Shea
Sharon A. Shimabukuro
Kim Small
Hsin-De Su
Wen-Yu Su
Jeryllyn Sumida
Phyllis Tabusa

Colleague

Anonymous (2)
Earl E. Bakken
C & S
Dr. A. Dahana
Corinne R. Ekimoto
Kathy Foley
Cherylene E. Hidano
Penelope L. F. Higa
Cathy K. Hirano
Robert & Linda Kawasaki
Karen Lam
Tina H. Manuel
Patricia and Maurice Matsunaga
Claire Muranaka
Dr. Etsuko Nakayama
Wendy Nohara
June H. Sakaba
Benjamin Schlesinger, FRSC
Kathleen K. Shizumura
Darlene Spadavecchia
Roxanne & Billy Tunoa
Valerie C. Wong

Correction

Mr. Poh Kok Kian made a personal contribution that was incorrectly credited to the 2000 International Conference South Korea attendees. Mr. Kian is from Malaysia.

New Members of the EWC Foundation Board of Directors

Newly appointed to the EWC Foundation Board were Gerald M. Pang, executive vice president and chief credit officer, First Hawaiian Bank; and Daniel B.T. Lau, chairman of the board and chief executive officer, Grand Pacific Life Insurance, Ltd.

East-West Center Foundation 2000-01 Board of Directors

Co-chairs

Kenneth F. Brown
Haigo T.H. Shen

Directors

Joan M. Bickson
Frank Boas
Mark Fukunaga
James F. Gary
John N. Hawkins
Lawrence M. Johnson

Daniel B.T. Lau
Edison Miyawaki
Gerald M. Pang
G. Markus Polivka
Ihakara Puketapu
Jean E. Rolles
Puongpun Sananikone
Oswald K. Stender
Ratan Tata
Gulab Watumull

The East-West Center Foundation has made every effort to present an accurate listing of donors. If your name has been omitted or erroneously listed, please call Judy Masters at 808-944-7105.