Statement by Kiyo Akasaka

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to AdAsia 2009 Congress: The Age of Responsibility

23 October 2009, Kuala Lumpur Convention Centre

Asian Federation of Advertising Associations President Das,

Excellencies,

Distinguished CEOs,

Ladies and gentlemen,

I am excited to meet with all of you – the dynamic and enterprising leaders of Asia's advertising agencies and associations.

Thank you for this warm welcome and for inviting me to address your 26th congress. I am honoured by this opportunity to speak to you on a theme that is dear to the United Nations: "the age of responsibility."

I am delighted to return to Kuala Lumpur, a city which I first visited almost 30 years ago on my honeymoon. I returned a short six months later, to serve as First Secretary in the Japanese Embassy.

At that time, in the early 1980s, Kuala Lumpur was a small and charming city. It was full of parks and monuments, and I was happy to be immersed in the rich diversity of the Malay, Chinese and Indian cultures.

Over the years, I have been fortunate to visit Kuala Lumpur and Malaysia several times. Much of the beauty that I remember continues. I cannot, alas, find an old restaurant in Ampang Pa where I used to enjoy Asam Laksa and Prawn mee!

But, seriously, so much has changed in these three short decades.

Malaysia, like many countries across this region, experienced a wave of spectacular economic growth that saw poverty and hunger decrease, and living standards rise.

Malaysia's economic success was matched by progress by its neighbours, from Thailand to Indonesia to the Philippines. This success followed the economic growth and development of Japan, the Republic of Korea, and Singapore.

The world watched as Asia blossomed.

In the course of 30 years, the peoples of this region have not just seen but felt major improvements in health and education, and in the quality of life.

More than 400 million people were lifted out of poverty by China alone since the country began liberalizing its economy in the 1980s.

Clearly, the economic transformation of Asia counts as one of the most phenomenal developments of the 20th Century.

How did it happen?

Some attributed the enormous advances made by many countries in East Asia to so-called "Asian values."

These values placed a premium on group orientation and on placing the interests of the community before those of the individual.

"Asian values" were associated with self-effacement, self-discipline and personal sacrifice to the greater good.

But they were also associated with strong or authoritative government, the curtailment of some political rights in the interest of society, and restrictions on the free exchange of ideas and of the press.

The stated need to maintain social order and peace among different ethnicities and cultures was used as an excuse to restrict human rights and political opposition.

When I was here in the early 1980s, Malaysia's then-Prime Minister Mahathir had just launched an initiative called the "Look East Policy."

You may recall the famous cartoon by Lat that depicted Prime Minister Mahathir wearing a Japanese kimono and sitting on a tatami mat to welcome the visiting Foreign Minister of Britain.

In 1981, shortly after taking office, Prime Minister Mahathir decided to learn from the experiences of Japan and the Republic of Korea in the nation-building of Malaysia. He identified certain factors that he believed had contributed to Japan's success.

These factors included: patriotism, discipline, good work ethics, competent management and, especially, close cooperation between the Government and the private sector.

The initiative appeared to be a success. The fastest pace of Malaysia's progress and development took place in the two decades coinciding with Malaysia's Look East policy. This nation of just 20 million people was ranked the 18th biggest trading nation in the world.

In my own country at that time, in Japan, many political and opinion leaders, economists and diplomats argued passionately that "Asian values" would become the future gold standard for managing the global economy and global growth.

For a long time, it seemed that nothing could stop the strong performance of the region's countries.

But then came the Asian financial crisis of 1997-98. The crisis saw the flight of foreign capital from a number of countries that ruined their economies. Businesses and individual lives were destroyed. Governments that had once seemed so strong toppled. Japan, too, suffered during the long "lost decade" of recession and deflation.

This economic malaise put an end to the "Asian miracle". And the same "Asian values" that were once said to have been the source of the region's success were now attributed to be a source of its collapse.

The crisis revealed the region's vulnerabilities to changes in the integrated world of finance, trade and investment, as well as weak social protection programmes for those most in need.

Asia's vaunted entry on to the global world stage was set back. It was a difficult time.

More than 10 years have now passed since the Asian financial crisis. Countries have restructured their economies and reversed the painful declines that had caused so much suffering among so many.

And along with China, India now looks set to take its place among the economic powerhouses of Asia.

Today, again, there are many who say that <u>this</u> will be the Asia-Pacific century.

Ladies and gentlemen,

This brings us to the core of your conference and to the issues that you will discuss for the next two days.

You meet at a tough time. The economic slowdown in developed nations has led to a decline in Asia's exports that is having an impact on its economy as a whole. Hundreds of thousands of jobs have been or will be lost. This affects all of you directly.

You have pointed out that global advertising in 2009 is expected to fall severely – by some \$21 billion this year. Media spending in Asia and the Pacific is down, and expected to contract further.

The question before you is how to transform these challenging times into a unique opportunity. You are poised, here, to draw on the very best that Asia has to offer, to lead the way.

How can you – who promote the world class brands of Asia -- who have a powerful role to play by creating demand for products and services, shaping public opinion, and influencing policy makers -- move the world and change behavior in a way that benefits humanity? What kind of values and norms are you going to present to the rest of the world that should inspire all?

I believe a critical starting point is for businesses like yours not to try again to globalize idiosyncratic "Asian values," but, rather, to embrace and further promote universal values – values such as freedom, tolerance, dignity, human rights and democracy.

Democracy, of course, takes many forms. But in the end, it is based on the freely expressed will of the people to determine their own political, economic, social and cultural systems and their full participation in all aspects of their lives.

These are not "Asian values." They are not "Eastern values" or "Western values." They are universal values enshrined in the United Nations Charter and reaffirmed by all countries.

Asia is endowed with a rich history of civilizations and cultures. It is great enough to embrace and promote universal values and to imbue them with the best traditions and values of this diverse region.

Indeed, Asia actively participated in the founding of the United Nations and in its vision of a just world. Countries like China, India and the Philippines were among the first to ratify the Charter, bringing it into force on the 24th of October, 1945.

Asian countries were again active members in the drafting of the Universal Declaration of Human Rights. Burma, China, India, Pakistan, the Philippines and Siam were among the 48 countries that voted in the United Nations General Assembly for the Declaration in 1948.

For more than 60 years, the United Nations has worked to advance a common understanding – of human progress, human rights, and peace -- among nations and peoples.

With globalization, massive increases in international trade and investment, and rapid communications, it became obvious in the 1990s that the United Nations had to also engage business in helping to spread universal values and principles.

Today, the United Nations is working increasingly with the private sector to ensure that its behavior contributes positively to global growth and good governance and to the achievement of international goals, like the Millennium Development Goals.

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How are we doing this? One example is by putting forward a distinct set of values for business and by promoting corporate social responsibility.

In the year 2000, the United Nations launched the Global Compact. The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour, the environment and anti-corruption.

The Compact's 10 principles are derived from the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

The Global Compact has become the largest and most global corporate citizenship initiative in the world with 7,000 signatories -5,000 from business and 2,000 from civil society and non-business groups. Of the 5,000 business participants, 18% - almost one-fifth – are from Asia.

Participants are based in 130 countries. In some 90 countries they have joined together to form local country networks. Asia has 17 local networks, including in Bangladesh, China, India, Indonesia, Japan, Malaysia, the Republic of Korea, Singapore, Sri Lanka, and Vietnam.

I encourage all of you, as you discuss your communiqué that will emerge from this conference, to consider the values contained in the Global Compact as guiding principles for the standard of behavior to drive future demand for Asian brands.

I have no doubt that their adoption will serve a competitive advantage for those businesses that embrace them, at a time when the global public and consumer is more demanding and better informed about responsible business practices and products.

Embracing the Compact's principles will help to build trust and confidence in Asian companies – at home and abroad. Its emphasis on sound business practices can also promote stronger, better and more sustainable brands - all necessary ingredients for success in today's global economy.

Ladies and gentlemen,

I believe there is another reason why this "age of responsibility" needs your active participation.

And that is because we need more global cooperation than ever today to address the multiple challenges we face.

As the world's people have become more inter-dependent, so have the issues.

We are confronted by a global economic crisis, a food and hunger crisis, an energy crisis, and many threats to peace and security in our world. All of these challenges are occurring at the same time – testing our global cooperation and global solidarity.

This region, although resilient, is threatened by old and new crises.

A total of 24 million people are in danger of losing their jobs, with women and youth – who make up a large share of the manufacturing workforce – disproportionately affected by the latest economic crisis.

It's correct to say that the Asia-Pacific region has the world's fastest rates of economic growth. But it is also already home to 583 million – more than half a billion -- of the world's undernourished men, women and children.

Yes, we have seen growing prosperity for many, but too many still lack basic social protections.

It is estimated that in this region, only 20% have access to health care; only 30% of the elderly receive pensions; and only 20% of the unemployed and underemployed have access to programmes like unemployment benefits, training, or food for work programmes.

Women continue to be disadvantaged in terms of their health, education, employment and politics.

In 2005, 237,000 mothers in Asia and the Pacific died from causes related to pregnancy. This represents a shocking 44 percent of the world's maternal deaths, the vast majority of which are preventable.

Women and girls suffer from malnutrition in many Asian countries where their health and nutritional needs are subordinated to those of men and children. At mealtimes, women eat last, and least.

In many countries women suffer from domestic and other forms of violence. This is a global phenomenon and difficult to measure.

But recent data from the World Health Organization showed that during their lifetime, 62% of rural women in Bangladesh and nearly half of those in Samoa and Thailand had experienced physical or sexual domestic violence, or both. In Japan, 15 percent of urban women surveyed reported having experienced domestic violence.

Meanwhile, advances in education for girls and women have not translated into better employment or economic advancement. In the formal sector, women have fewer opportunities than men and have lower economic status and power. And in almost every country, national and local politics are still dominated by men. Of the 45 countries in Asia and the Pacific where data was available, women representatives in parliaments comprised less than 10 percent in 18 countries.

Nobel Prize Laureate Amartya Sen has eloquently argued that development is not only about the growth of GNP per head, but also about the expression of human freedom and dignity.

He and others, including the United Nations, have emphasized that security cannot only rest on economic progress. It also requires social provisions, political participation, efficient and working democracies, regular elections, tolerance of opposition, and a culture of open public discussion.

Clearly, addressing today's challenges calls for the engagement of all those with the capacity to contribute.

Traditional hierarchies in the workplace or government can no longer impose methods or outcomes from the top. Instead, governments need to draw on individual creativity and collective aspirations. The private sector and civil society, philanthropic foundations and academic institutions must all do their part -- working together for the collective global good.

Ladies and gentlemen,

United Nations Secretary-General Ban Ki-moon, from the Republic of Korea, is the first UN Secretary-General from Asia since U Thant of Burma served in that capacity from 1961 to 1971.

Since taking office almost three years ago, the Secretary-General has called for a new global leadership – and for business statesmanship – that rises to the demands of this new era.

He has pressed Governments and individuals alike to lead with personal responsibility.

Perhaps the one area where the Secretary-General has been the most passionate is climate change. Climate change is a top priority for the Secretary-General and for the United Nations.

No one any longer disputes the science of climate change. The UN Intergovernmental Panel on Climate Change has provided overwhelming scientific evidence that climate change will threaten economic growth and the survival of the world's most vulnerable populations.

In 2008, natural disasters, often associated with climate change, struck this region with intensity. The number of deaths in Asia and the Pacific last year reached 232,500 persons, accounting for a staggering 97.5% of such fatalities worldwide.

China, India, Japan and the Republic of Korea account for 70% of the CO2 emissions of the Asia-Pacific region. Their actions will have a significant influence on the region's contribution to reducing greenhouse gas emissions.

The Asia-Pacific region, which has accumulated over \$4 trillion in foreign exchange reserves, should take the lead in climate change mitigation and adaptation.

The region needs to act now to adopt its own green growth approaches if it is to maintain its competitiveness in goods and services, and a greener more sustainable development.

Negotiators from around the world will meet in Copenhagen this December at the UN Climate Change Conference to "seal the deal" on a new agreement to reduce greenhouse gas emissions.

As advertisers – masters of persuasion – you are in a prime position to put your resources and energy towards creative solutions in the fight against climate change.

Many companies have developed and marketed products and services for a new green economy. But the fact of the matter is, business is still doing too little to make a long-term impact. Only a small share of companies is making climate change a central strategic and operational priority.

All of you can play a role by helping to shift the attitude on climate change and by using your advocacy power to push for change – within your own businesses, among consumers, and by governments.

A change of attitude towards the environment at the individual and household level is crucial for energy conservation. So is a sense of personal or individual responsibility towards nature.

You can promote the use of public transportation and eco-friendly alternatives; you can promote environmentally friendly products and eco-labeling policies that include carbon and ecological footprint information; and you can avoid over-packaged and plastic products.

I am delighted to say that the United Nations is already working in partnership with the advertising industry to help change attitudes and behavior. Changing what we buy, and how what we buy is produced, are critical to combating climate change.

This summer, the International Advertising Association (IAA) responded to a challenge by the Secretary-General to use the creative power of advertising to help fight against climate change.

The IAA, together with major advertising firms including Ogilvy and Mather, Ketchum, Saatchi and Saatchi, and McCann Worldgroup launched the "Hopenhagen" campaign.

The campaign, in support of the United Nations, is designed to empower global citizens to ensure that their leaders make the right choices at the UN climate change talks in December.

The United Nations has also cooperated with Dentsu on their student poster campaign on climate change.

Ladies and gentlemen,

You could not have picked a better theme for your conference. The fact that you chose this theme already indicates your commitment to contributing to meaningful change for humanity. It is clear that you are ready to draw on the best that not only Asia has to offer, but that these challenging times demand.

Today's world is more connected, and more interlinked, than ever before. Our fates are intertwined.

It is time for the business of responsibility to become the responsibility of business.

Over its long and changing history, this dynamic region has looked to itself, to the West, and to the East. Asia's businesses are poised to lead the Asia-Pacific century. For this, Asian States, along with Asia's businesses, should now look to, and more fully embrace, universal values.

You have a major role to play in this age of responsibility, and in bringing peace and prosperity.

Your ideas and energy are crucial to the future of this vibrant and emerging region -- and to the world.

Thank you.