

THE PHILIPPINE URBAN POOR

by

JOHN F. DOHERTY, S.J.

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FOREWORD

This publication by John F. Doherty, S.J. is part of a continuing series of occasional papers on the Philippines and Filipinos, which is being put out by the Philippine Studies Program of the Center for Asian and Pacific Studies at the University of Hawaii. This occasional paper aims to provide an outlet for scholarly work on Philippine-related topics. The series is broadly interdisciplinary but manuscripts touching on specialized subjects on the humanities, social sciences, and other aspects of Philippine life and culture will also be considered. Manuscripts submitted for publication could also be on themes related to the Filipino experience in America or elsewhere.

John F. Doherty is in the forefront of scholarly writing on the Philippines, particularly in the field of Sociology. He has a Ph.D. from Fordham and was professor and Vice President for Academic Affairs at the Ateneo de Manila University from 1964 to 1971. He has written more than a dozen books and monographs, among them, The Sociology of Religion, Can We Predict a Philippine Revolution?, Readings in Peripheral Development, Who Controls the Philippine Economy: Some Need Not Try as Hard as Others, etc. He also authored a book, The Vision of the New Society (1980) under a pseudonym. He has also contributed numerous articles to professional journals, such as Philippine Sociology Review, Insight, Journal for the Scientific Study of Religion, and other publications. He was visiting professor and lecturer in various institutions, like Marquette University, Asian Social Institute, Loyola School of Theology and the East Asian Pastoral Institute. He also served on the Board of Directors of the Ateneo de Manila,

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University of Hawaii
June 1985



INTRODUCTION:
THE MANY FACES OF URBAN POVERTY IN THE PHILIPPINES

BY BELINDA A. AQUINO

Poverty and its various manifestations—disease, malnutrition, illiteracy, squalor, injustice, insecurity, and inequality—are chronic if not permanent conditions in Third World countries. In the words of Mahbub ul Haq, who has written a book on the subject, a poverty curtain has descended across the face of the world, "dividing it materially and philosophically into two different worlds, two separate planets, two unequal humanities — one embarrassingly rich and the other desperately poor."¹ He goes on to say that the most formidable challenge of our time is to lift this curtain of poverty.

Poverty in the Philippines has long historical roots and has been traditionally associated with the rural areas. Rural poverty was spawned by three hundred years of Spanish colonial domination, which concentrated landownership in a few elite families and exploited large masses of people in the countryside whose labor was geared to the production of export crops, such as sugar, copra, tobacco, hemp, and coffee. The subsequent colonial regime under the Americans maintained the feudal social system developed under the Spaniards and the majority of Filipinos have remained at the brink of a marginal existence for generations.

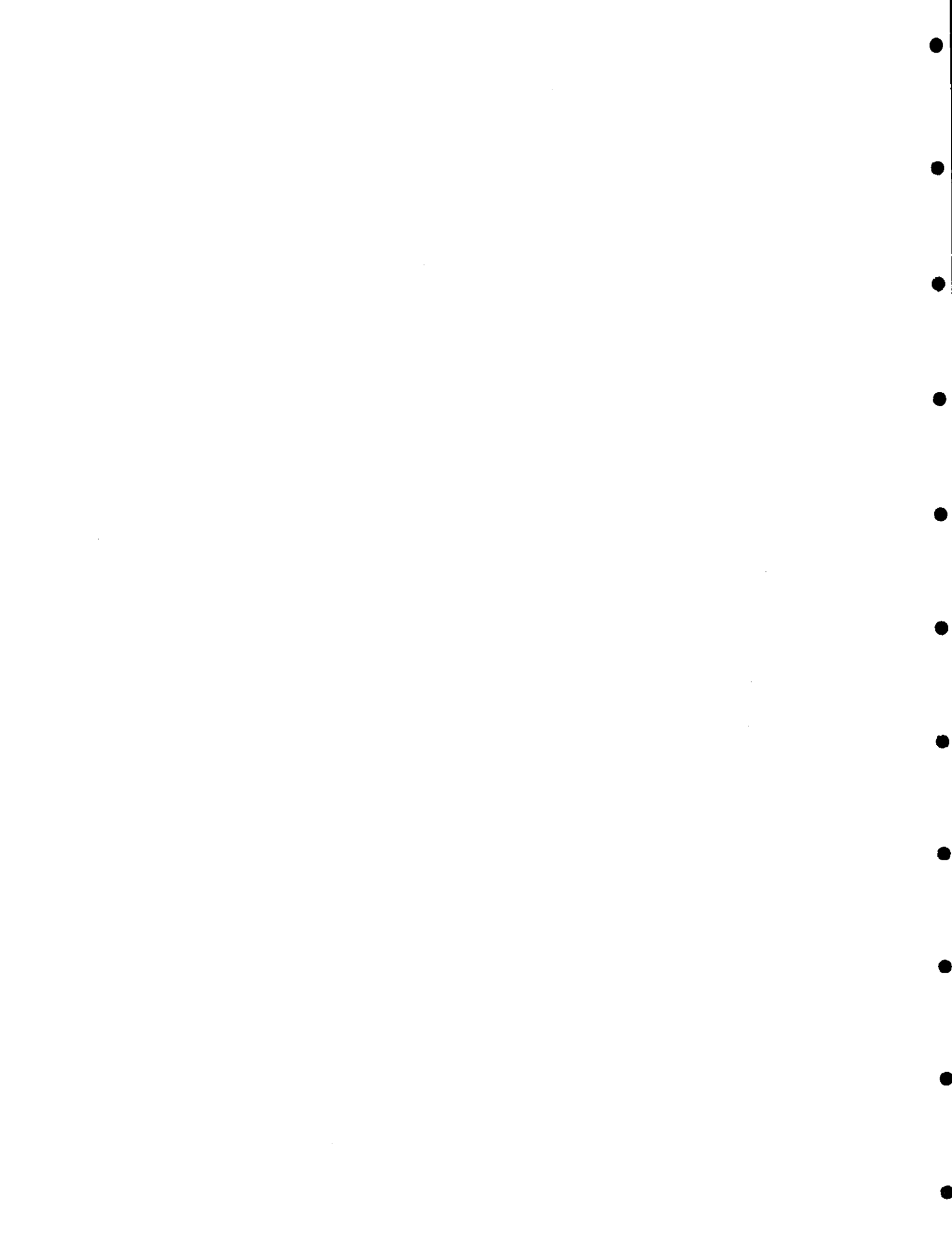
Since colonial times, poverty has acquired new forms and is no longer a monopoly of the Philippine countryside. It has spread to the cities. Urban poverty has become a continuing reality for growing numbers of Filipinos who swell the cities and bigger towns in search of employment and better times. The majority of Filipino families continue to experience hunger and income inequality. It is estimated that presently, 51.18% of Filipino families eat

below the food threshold, and 70.62% live below the total poverty threshold, earning less than P85.72 (about \$4.50 by 1984 rates of exchange), the daily cost of basic needs for a family of six.² The poverty threshold is the lowest level where the barest of basic necessities are met. And this has to be seen in the larger context of inflation, which rose to an average of 55% in 1984, peaking at 63.8% in October.³ (The government's National Economic and Development Authority estimated that the inflation rate at this time was 40.3%.)

Who are the urban poor? On January 25, 1984, some 5,000 residents from the slums of Dagat-dagatan in Manila's Tondo district walked for three and a half hours to the National Housing Authority office to protest the way they were being treated by the government. Tondo is the biggest slum area in Southeast Asia. The marchers were led by the Zone One Tondo Organization, better known as ZOTO, a militant organization which has been active in urban issues. They held signs opposing Presidential Decree 772, which makes squatting a crime, and Letter of Instruction 1309, which sells "flexihomes" built by a World Bank-supported loan at 17,200 apiece — something the residents said they could hardly afford.⁴

On March 6, 1985, 2,000 families in Barangay Payatas in Quezon City watched helplessly as their shanties of about twenty years were torn down by policemen and demolition teams who descended on them with crash helmets and armalites.⁵

Both the Tondo and Quezon City residents, referred to in the above accounts, constitute one sizable segment of today's urban poor in the Philippines — the squatters. It is estimated that one-third of



Metropolitan Manila's burgeoning population of more than 6 million is composed of squatters and slumdwellers. The government's standard solution to the problem combines eviction, relocation, and low-cost housing. It has not worked. Those relocated often go back to the original sites or occupy other areas at the next opportunity. New migrants to the city from the rural areas add to the ranks of the urban poor every year.

Every year in May, thousands of people affiliated with the Kilusang Mayo Uno (May First Movement), or KMU, march around Metro Manila carrying streamers demanding a raise in the minimum wage, among other things. The KMU reportedly now counts with a membership of 500,000 mostly in the Metro Manila area. They represent another segment of the urban poor — the industrial blue-collar workers whose wages are so low they could barely survive. Real wages and the purchasing power of the peso have declined so much in recent years and the hardest hit are the average working class and their families. And because the economic situation has been so unstable in recent years, thousands of the workers are often laid off and become chronically underemployed or unemployed for long periods. The numbers of the projected unemployed in the coming years are staggering. They have to leave the country to survive. It is estimated that there are currently about 500,000 Filipino workers in the Middle East, mostly in Saudi Arabia. Several thousands more leave for traditional destinations like the United States and Canada, or newer ones like Australia, Western Europe, Mexico, and other parts of Asia.

The visitor to Manila cannot fail to see yet another growing sector of the urban poor — countless numbers of pathetic, ill-clad children peddling cigarettes, newspapers, lottery tickets, flower leis, or other wares in the



streets, or simply begging. They are mostly hungry children too, and scavenging is a way of life. "In the evenings, many of them scour garbage heaps in search of food, or other items of use to them. In tourist areas we find them readily available as child prostitutes - selling their tender flesh to adults, often visiting foreigners."⁶ The rise in child prostitution and hunger among the chronically unemployed in Philippine urban areas has been alarming, and this is indicative of the escalating poverty among the underclass. In an interview with the National Press Club in Washington, D.C. on June 2, 1985, Jaime Cardinal Sin mentioned that he has initiated the establishment of soup kitchens to feed the hungry and homeless in the Metro Manila area.

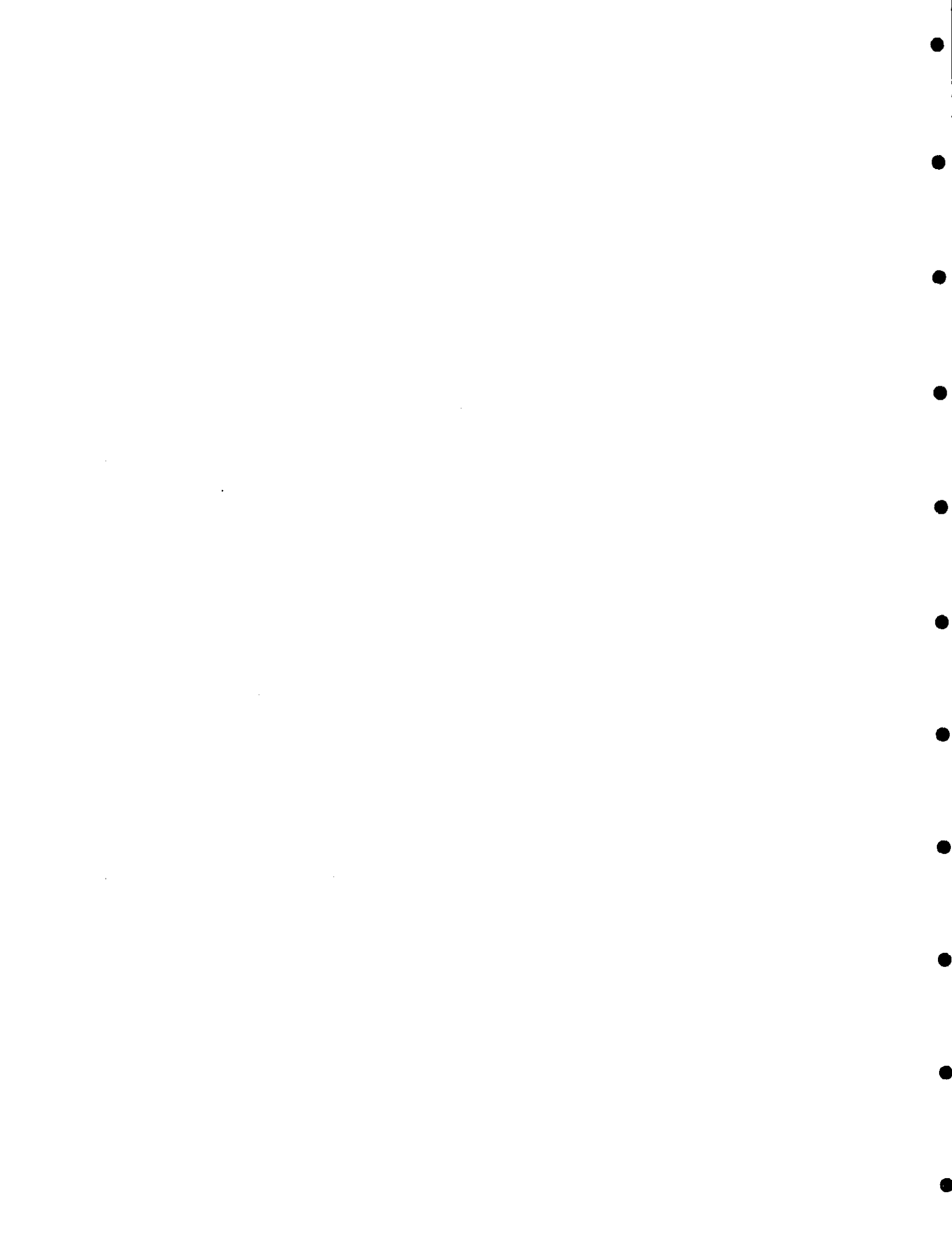
"Blame it on the sky-high prices of basic commodities today," writes one in today's "alternative press" in Manila.⁷ "Or, on the ever-rising costs of fishing equipment such as the 16 horsepower motor of the banca [fishing boat], which is said to cost P25,000 now (compared to its former price of P2,500)... Or, on the Japanese trawlers which are trespassing into the country's waters and hauling all our fishes... Or, on the rich businessmen who have claimed portions of the Manila Bay and parts of the rivers as their personal property."

In any case, the victims fall under yet another category of urban poor — the small-scale fishermen who live in cities close to the sea. Like the squatters and slumdweller, this group has come forward to air their grievances against well-entrenched interests threatening the source of their livelihood. Some 17,000 fishermen in Bulacan province just outside of Manila have formed two groups to protect their rights. One is the Alyansa ng mga



Mangingisda ng Bulacan Laban sa Iligal na Palaisdaan (Alliance of Bulacan Fishermen Against Illegal Fishing), or AMBLIP, a group of 16 barrio organizations coming from different parts of the province. The other is Bangkilas ng Lakas Mangingisda sa Bulacan (Raft of Strength of Bulacan Fishermen). Their main struggle is directed against the rich business people who have constructed fishponds for private profit on territory that had been decreed by law as communal fishing pond. They cite the fishpond of a certain businessman, which has created a sharp, blind curve on the river, causing many accidents and injuries to fishermen, including one who died on November 25, 1984.⁸ They further claim that the national government has not been fair in their negotiations. For instance, it has granted hundreds of hectares (including the illegal fishponds) to the municipal governments of Bulacan, Hagonoy, Malolos, and Paombong "for their proprietary disposition and use." These hectares have been leased to individual entrepreneurs by the municipalities for purposes of generating revenues not lower than P1.65 million a year. This has hurt the ordinary fishermen who have been free until this time to catch fish in communal fishing areas.

These are the many faces of urban property in the Philippines. An in-depth look at them is provided in this publication by well-known social scientist John F. Doherty, S.J., who has lived in the Philippines for nearly thirty years and done extensive research on social conditions in the country. He has had first-hand exposure to the plight of the urban poor, having conducted or directed various research projects on poverty and related topics in the Philippines.



In Doherty's essay, the urban poor are seen in the context of Marcos' authoritarian regime, which started with the proclamation of martial law in September 1972. Doherty analyzes what the Marcos government has done to alleviate the problems of the urban poor and concludes that very little has actually been accomplished. There are all kinds of "development" projects and programs, several of which are financed by international institutions like the World Bank. But the increasing number of strikes, marches, rallies, and other kinds of protest action on the part of the disaffected or oppressed groups indicates that the government has essentially failed in satisfactorily addressing the basic issues concerning the urban poor, particularly housing, employment, and working conditions.

It is appropriate at this point to stress Haq's perspective on "the sins of development" in efforts to combat poverty in the Third World. "Development" has become a dirty word and has come under considerable attack since the early 1970s. Among the "development sins" discussed by Haq are the fascination with numbers and increases of GNP, the love for direct economic controls, the constant preoccupation with investment levels, the addiction to "development fashions," and above all, the often uncritical adoption of development strategies along World Bank and other international models that do not really fit Third World realities. The point is that, while there may have been increases in GNP and other quantifiable measures of development and economic growth, these have not necessarily resulted in social justice and equitable distribution of income and resources, which should be the ultimate test for the success of any development policy. In fact, mass poverty appears to be on the rise in the

modern world in spite of ambitious schemes to contain it. The proverbial gap between rich and poor is recurring expanding and has become a constant feature of most societies, even in the more developed countries. And so, the need to search for an appropriate model goes on, often repeating mistakes of the past and perpetuating the vicious cycle of poverty. Haq contends that any development plan must be based on the premise that poverty must be attacked directly, and to start with, the focus should shift to the needs of the poorest 40-50 percent in society, irrespective of whether they can express them in the market or not.⁹

In the Philippine case, as Doherty concludes, the current regime's emphasis on exports, tourism, impact projects, and other grandiose designs often ignore the lot of the poorest 85% of the country. There is much talk of the increasing numbers of New People's Army adherents and other radical groups. Resistance movements have developed in various parts of the country. The people are restive. There is a sense of crisis filling the air. It seems so easy now for hundreds of thousands of Filipinos to congregate and demonstrate their feelings against continuing injustice and suffering. The situation is potentially explosive. The question is, why? Reading Doherty's monograph makes it easier to understand all these disturbing and painful developments in contemporary Philippine society.



Footnotes

1. Mahbub ul Haq, The Poverty Curtain (New York: Columbia University Press, 1976), p. xv.
2. Business Day (Manila), 25 May 1984, p.1.
3. Business Day (Manila), 11 January 1985, p.1.
4. Yasmin Arquiza and Marie Melanie Manlongon, "5,000 Slum Dwellers March to NHA," Philippine Collegian (Quezon City: University of the Philippines), 2 February 1984, p.3.
5. Rita Hans, "This Land is Their Land," Mr. & Ms. (Manila), 15-21 March 1985, p. 20.
6. Lourdes Abulencia, "Where is Bread and Freedom for the Filipino Child?" Solidaridad II (Tokyo: Resource Center for Philippine Concerns, October-December 1984), p. 21.
7. Rita Hans, "Going After the Big Fishes," Mr. & Ms. (Manila), 22-28 February 1985, p. 16.
8. Ibid., p.17.
9. Haq, op. cit., pp. 42-43.

THE PHILIPPINE URBAN POOR

JOHN F. DOHERTY, S.J.

BACKGROUND

Generally, when we think of the urban poor in a Third World country, we think of squatters, i.e., people who erect make-shift dwellings on idle land owned by others. In this monograph, however, we will include the urban labor force and small fishermen living close to urban port areas in the urban poor category. Both groups are predominantly poor and many of the urban labor force and small fishermen are also squatters. Those who are not technically squatters, however, live under conditions indistinguishable from the conditions under which squatters live. The main difference is, the non-squatters pay rent for the land on which they erect their make-shift dwellings. Like squatters, they can be evicted with impunity despite the fact they are not technically squatters. All three groups have been very badly affected by the repressive policies of the New Society. Deprived of decent livelihood, they are forbidden to organize in defense of their basic human rights. However, they have often defied authority and formed various organizations to assert their rights. At the same time, the priorities of the current administration ignore their right to decent living conditions. While squandering billions on luxury projects, the present government spends little or nothing on housing for the poor.



I. THE METRO MANILA SQUATTERS AND THE MARTIAL LAW REGIME

There are no accurate estimates of the total number of squatters in the Philippines. Most recent estimates, however, place the total at over 4 million people, or slightly less than 10% of the population of the country.

In the Metro Manila area alone, there are over 256 squatter communities of over 2 million people.¹ They make over one-third of the population of Metro Manila and they are growing at the rate of 12% a year.

Since the beginning of martial law in 1972, the daily press has repeatedly carried articles on the concern of the regime for squatters. The First Lady Imelda Marcos especially has been identified with housing programs, nutrition, and family planning projects for squatters and the urban poor in general. She has termed the New Society, the "Compassionate Society," and has constantly spoken about its concern for people. To assist her in her compassion, President Ferdinand Marcos in January 1978 set up the Ministry of Human Settlements and appointed the First Lady to head it. This new ministry, the president said, was being established to emphasize his concern for the less fortunate members of society.

A year later in January 1979, the Bagong Lipunan Improved Sites and Services Program (BLISS) was established. The program, the brainchild of the First Lady, took over and integrated two previous housing programs. One of the programs, the National Housing Authority (NHA), was set up by Presidential Decree 757 in July 1975 to integrate the various government housing agencies. The second program was the Pambansang Bagong Nayon Project (PBN) inaugurated



in Dasmariñas, Cavite in June 1977. The PBN program stressed the human habitat approach to housing. The approach in addition to decent housing also sought the improvement of the environment and the setting up of viable communities with necessary facilities, services and amenities, so that food, nutrition, recreation and culture could be intergrated into the lives of the residents.²

Taking off on the PBN approach, the BLISS program of the First Lady identifies eleven basic needs of the human community which housing programs will attempt to provide.³ In addition to the Ministry of Human Settlements and BLISS, the President indicated other ways in which he demonstrated his concern for squatters. In Five Years of the New Society, he states:

7,000 core houses and 4,546 lots were provided to squatter families from the greater Manila Area. These squatters were relocated in four major settlement sites.⁴

He listed the number of families settled in these centers as 24,567.⁵ In the same book, he discusses the government redevelopment project in the Tondo Foreshore Area.

Meanwhile, we introduced the sites and services approach to urban redevelopment in the most ambitious government redevelopment project ever undertaken. This is being done in the Tondo Foreshore Area, Manila's biggest slum colony. In 1976, slum improvement efforts in the foreshore area and the reclamation/development of Dagat-dagatan area into a model human settlement gained momentum with a commitment of about \$64 million, half of which was provided by a World Bank loan. A case in point was the establishment of Kapitbahayan, a pilot community occupying 5.79 hectares in Dagat-dagatan and consisting of 526 dwelling units and supportive socio-economic structures.⁶



Outside the Greater Manila area, the President claims to have directed resettlement activities towards deserving landless families and displaced families served by the agrarian reform program.

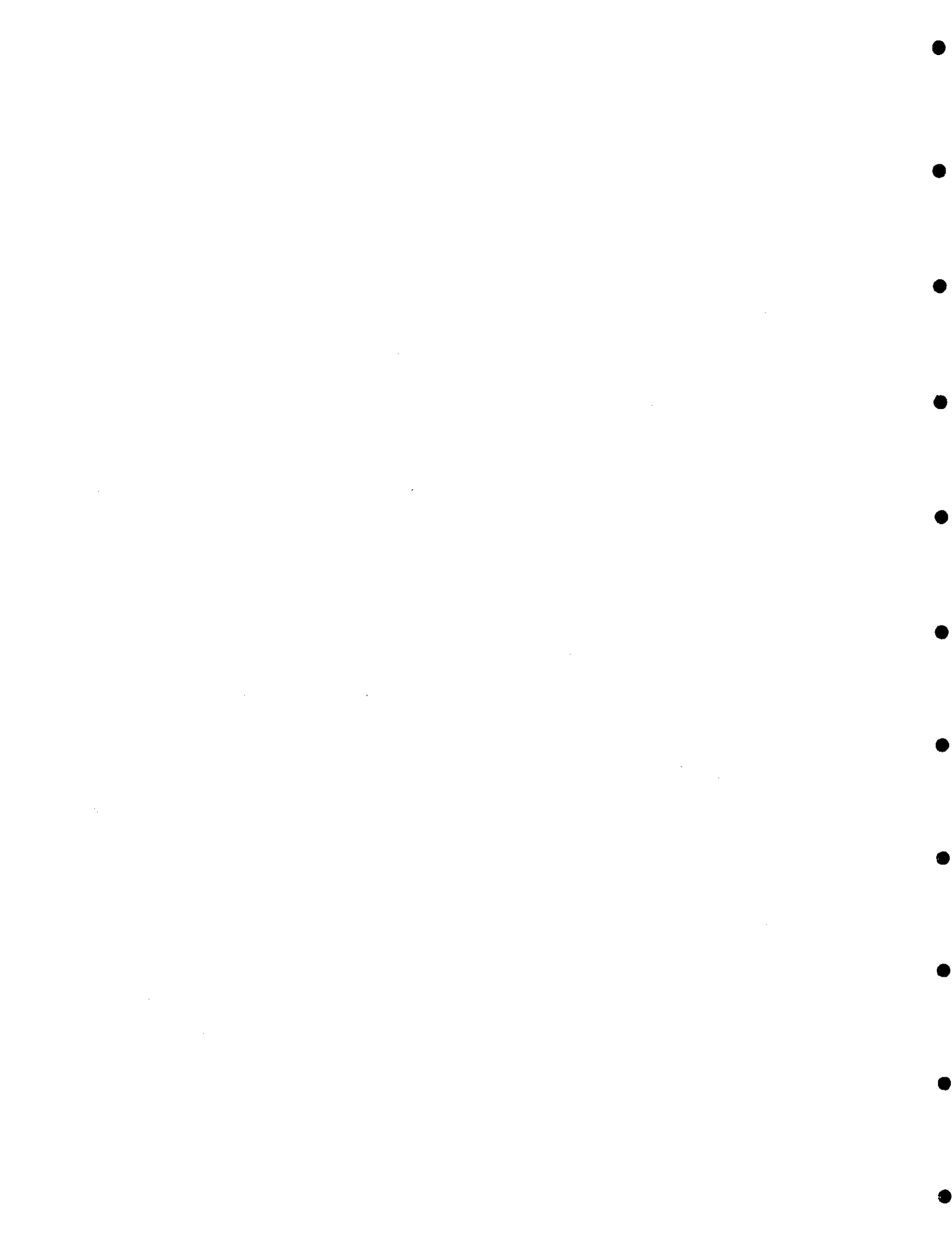
Direct assistance in the form of houses was provided together with farm lots and infrastructure support. Thus, some 36,643 houses were constructed and turned over to settler families for the period 1973-79.⁷

Continuing with his claims in the area of housing for the urban poor, the President says that the government disbursed P1.5 million. Then, as if the reader might miss the point of his concern, he concluded his treatment of housing in Five Years of the New Society by stating:

Taken as a whole, our programs for the social sector show the new dimension we have given to national development. People stand at the center of our development efforts, and so they must remain the end as well as the means to progress.⁸

General Assessment of Regime's Record

Many years have elapsed since the publication of Five Years of the New Society, and while the President and the First Lady continue to detail their success in dealing with the problems of the urban poor, little has actually been done. In fact, recently the rhetoric has begun to change as the President announced an all-out campaign led by the Metro Manila Commission and the National Housing Authority against the urban poor. On June 19, 1982, the Bulletin Today, carried a statement to the effect that: "Squatter colonies irk the First Lady." On June 26, the President and the First Lady referred to the squatters in San Andres Bukid as "professional squatters," "plain

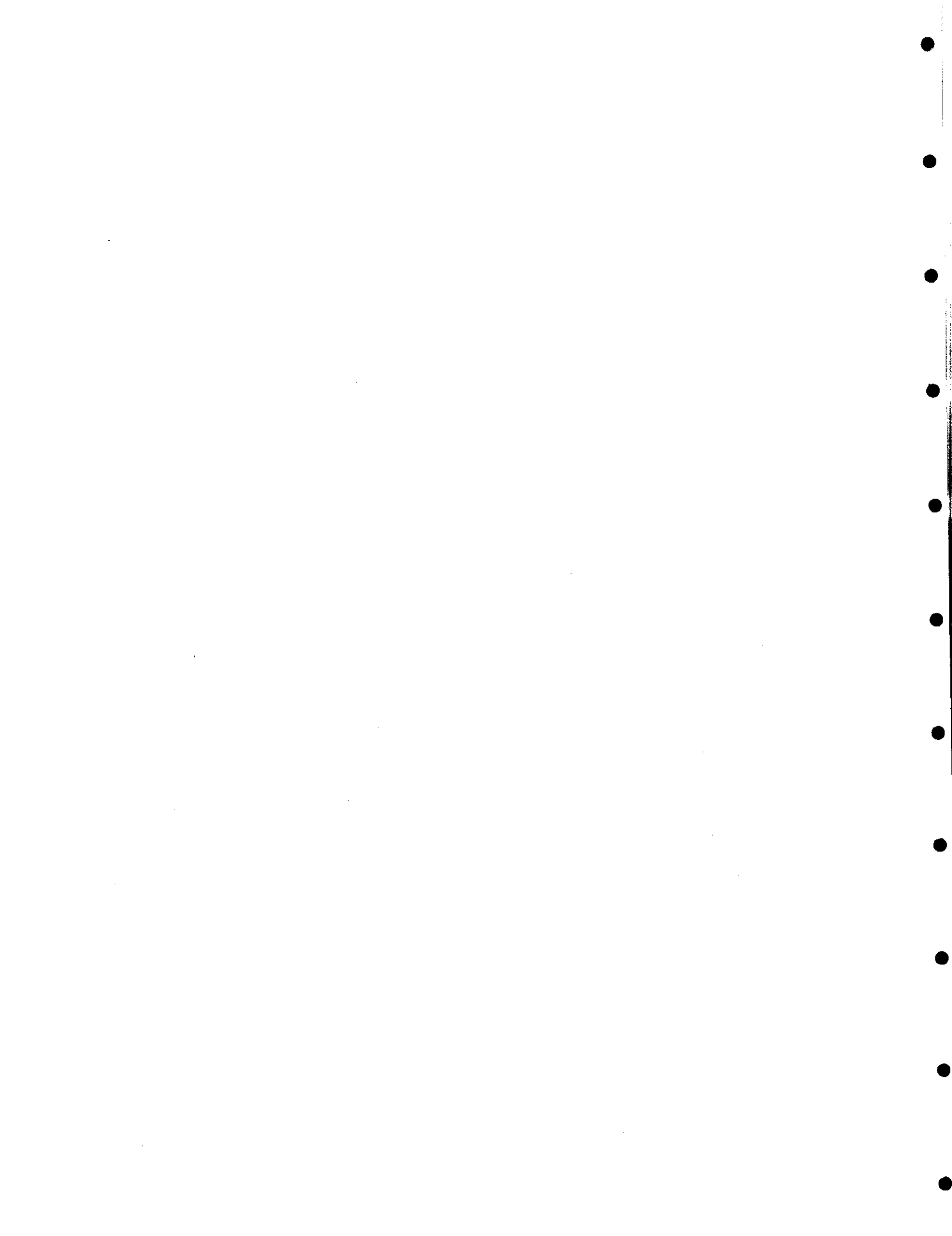


landgrabbers taking advantage of the compassionate society," "opportunists who take advantage of the compassionate programs of the City of Man."⁹ This last statement was made by the First Lady in reference to squatters who returned to their shanties after having been evicted. On March 6, 1985 assault rifles and pillboxes were used against defenseless squatters in Barangay Payatas, near the National Assembly building in Quezon City.¹⁰

The favorable rhetoric about the government concern for squatters in the past was a sham, for despite what President Marcos wrote in his self-serving publications, his martial law regime has done little more than make the lives of squatters more miserable.

Let us look at what has really been happening to squatters under martial law. As already mentioned, they constitute one-third (1/3) of the population of Metro Manila. Eighty percent (80%) of them are migrants from the rural areas with few, if any, skills, so the only opportunities open to them for work in Manila are as stevedores, loaders of heavy cargo, fish and vegetable vendors, scavengers, washers of used bottles and plastics, makers of plastic bags, peelers of onions, dishwashers and waitresses. Their median monthly income is P250 (\$31).¹¹ With no place to live, they build their dwellings with old wood, cartons, tin cans, rusty corrugated iron, discarded billboards, or whatever materials they can find sometimes beside garbage dumps or over stagnant canals along railroads tracks, or under bridges, but more generally, on unused land.

The urban poor are not found in Manila alone. They are found in all cities and towns of the country. The total number of squatter families is estimated as well over 500,000. All have one thing in common: they are

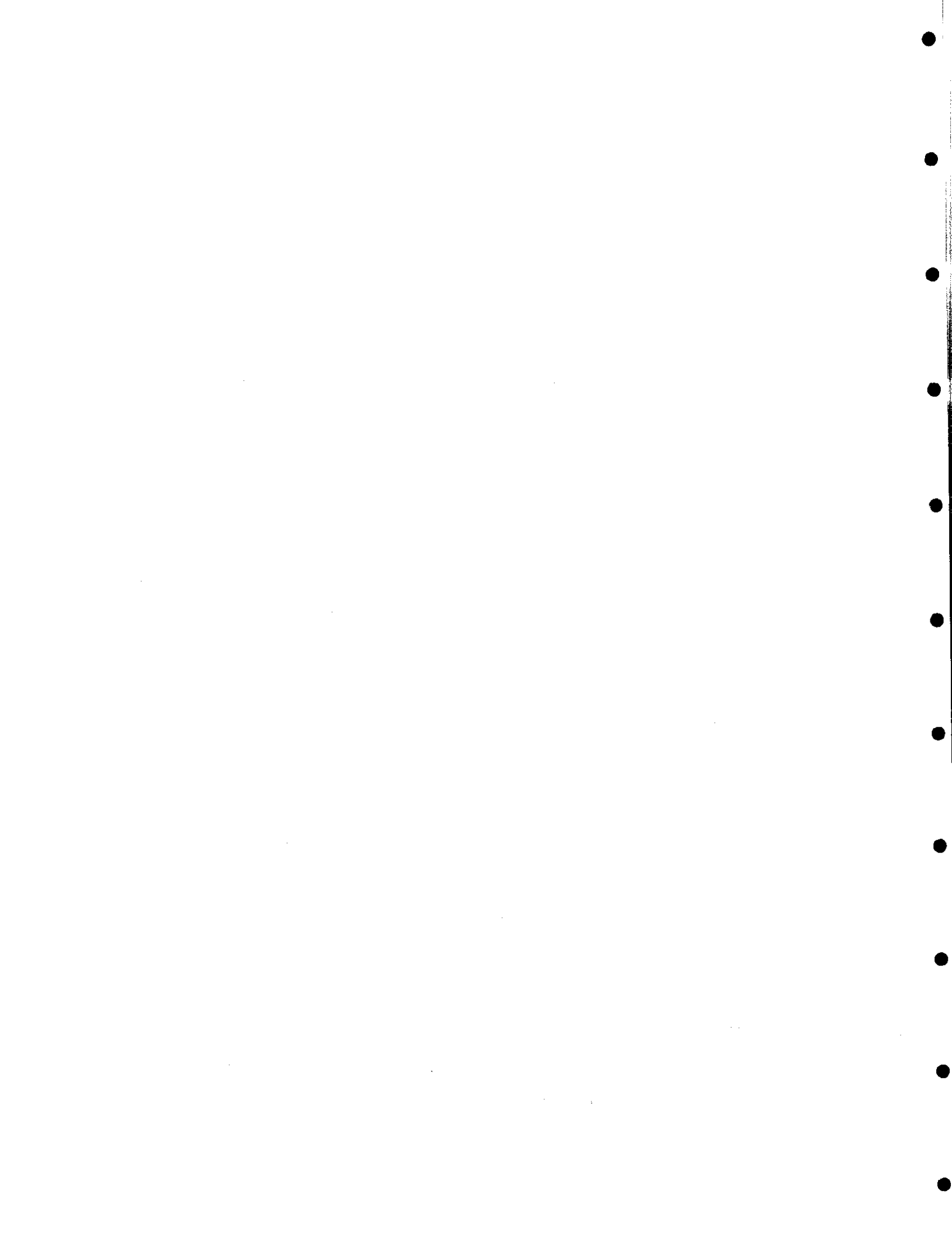


recent migrants from rural areas displaced from the land by agri-business or by new development projects of the government, such as industrial and commercial centers, dams and roads.

Some idea of the problems faced by the rural poor migrating to the cities can be gleaned from the following statistics. The population of the greater Manila area increased by 27% over the past twenty years, yet jobs available for unskilled workers have declined by 1%, and jobs available for household and domestic workers have declined by 6%.¹² These are the categories of the labor force into which squatters generally fit. Those who migrate in search of a livelihood, therefore, find fewer openings available. To survive, many are forced into whatever marginal employment they can find.

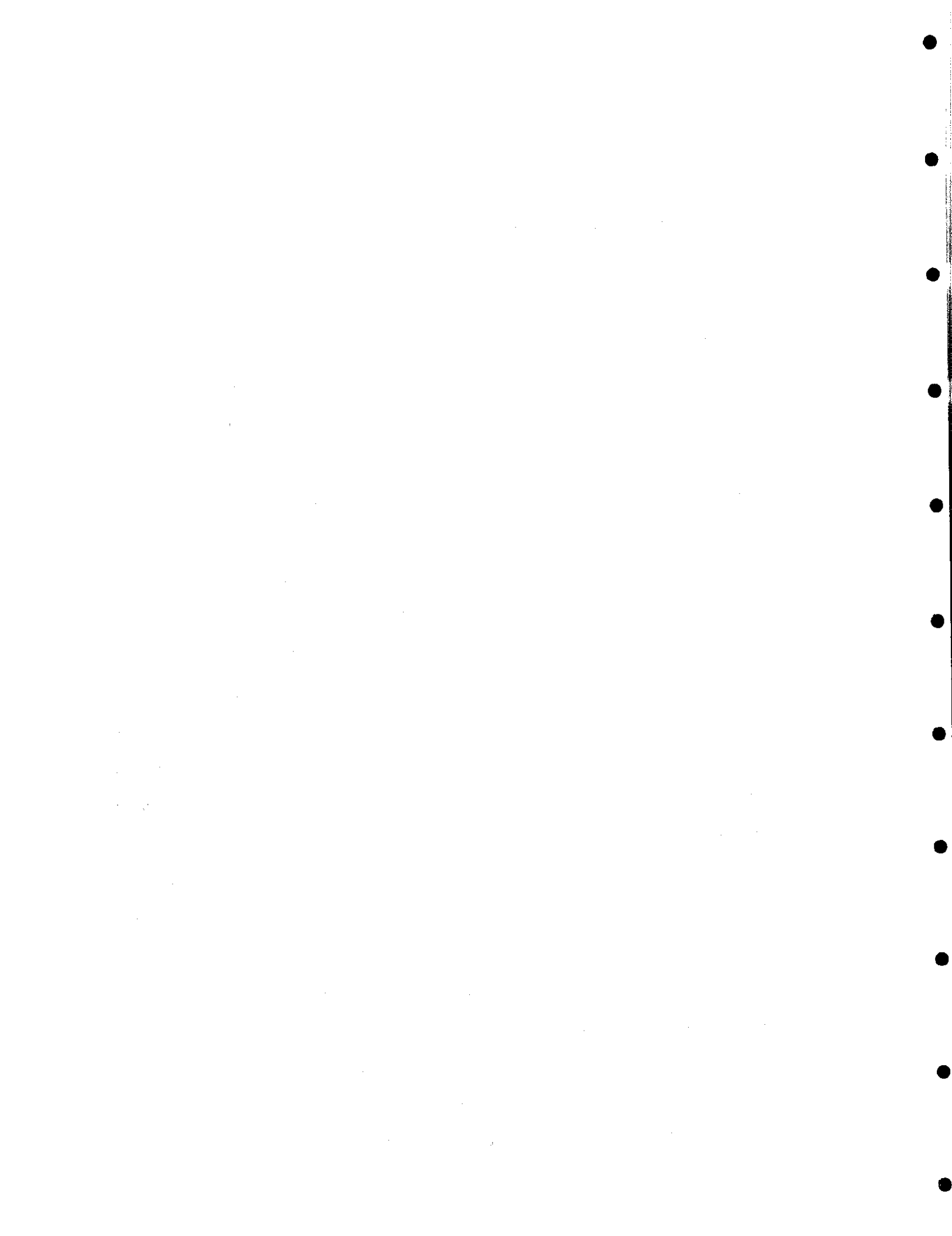
Stereotyped Views of Squatters

The majority of urban residents have a very stereotyped view of the urban poor. They are seen as nuisances. People who cannot take care of themselves — irresponsible, living on the fringes of society. The stereotypes carry over to the squatter areas, which are seen as places with large numbers of neglected children, school drop-outs and criminals. In general, they are places to be shunned by the "respectable" elements of society as unsafe and crime-ridden. The efforts of the national government since martial law to clean out the squatter areas are based on the above stereotypes. The Marcos-controlled press, often echoing the government's war on Manila squatters, betrayed the President's real sentiments by referring to squatters as "economic saboteurs," and "eyesores."¹³



These stereotypes, as all stereotypes go, ignore the evidence. The urban poor are not poor because they are shiftless or irresponsible. In fact, they are the backbone of the cheap labor force the economy thrives on at present. They work long hours under impossible conditions for very low wages on the docks, in textile and electronic factories, and more recently, on the streets. Women are working as Metro Manila Aides, a euphemism for street cleaners. Without them, there would be no one to recycle the used bottles and cans or to haul fish and vegetables. The fact that many of the poor without regular work survive in the cities at all is a tribute to their creativity and resiliency. Women take in laundry. Children sell newspapers or flowers on street corners while men, if they do not have work, take to scavenging. Survival is a common effort of the family. In squatter communities, one often finds that people enjoy much more human and personal relationships than those found in other areas of the city. Among the urban poor, people from the same region of the country settle near one another for social contact and emotional support. These contacts help new arrivals adjust to city life and provide them with urban experience. Much mutual assistance and sharing take place in these groupings. All of these are very exciting elements in the life of the urban poor, which enable them to survive in a difficult and often hostile environment.

It has been argued that squatters, as squatters, that is, living on someone else's land, have no legal rights. That may be true, but as persons they do have human rights, and in the Philippines, as in most Third World countries, there is almost no low-cost housing within reach of the poor. What is worse, there is little interest in providing such housing. The land is



available. In fact, the squatters are now living on it, but the government does nothing to get the land for the people. The labor is available. The squatters themselves could provide that. What is lacking is the minimal amount of capital that would enable people to build their own houses. The First Lady herself explained why such capital is lacking in a now famous statement:

Why do I build a Heart Center or a Convention City instead of urban mass housing? I believe we just can't do that. I don't believe in building houses for anyone because I don't want our people to be mendicant.¹⁴

This is an amazing statement, coming from one whose projects will have helped mortgage the Philippine nation to foreign banks to the tune of over \$28.7 billion projected by 1986.¹⁵ A government that can borrow billions for expensive projects cannot afford to spend a peso for mass housing yet, at the same time it condemns people who try as best they can to satisfy their basic need for shelter.

To simply ignore the urban poor by doing nothing to assist them would be bad enough but to harass them and to manipulate their need simply to project an image of concern or compassion is even worse.

No one, even the urban poor, disputes the government's right to remove them from areas where their dwellings are a threat to public health and safety. While this is given as the reason for many evictions, in most cases, no such threat is present. Though accurate figures are hard to come by, one estimate is that since 1973, close to 400,000 families or 80% of all squatter families have been evicted from their dwellings in urban areas throughout the country.

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No adequate provisions have ever been made for relocating those evicted. There are some relocation sites but they are generally far worse than the previous habitats of the urban poor. In one relocation site, Barrio Capri, Novaliches (one of the districts in Metro Manila), families were literally dumped in the middle of a ricefield and had to build their own shanties from whatever materials they could find in a swampy and mosquito-infested field. Two shallow and hurriedly dug artesian wells provided water for over 500 families. Every morning, before sunrise, people queued at each of the wells for water. By sunset, the lines remained as long as they were at dawn. The high incidence of stomach ailments in the area is an indication that the wells are not safe, but it is the only water the people can have. There is no electricity. The roads are often impassable. There is one doctor but he has no medicine to provide and even if he did, the people could not afford to buy it. In the early weeks of relocation, the Ministry of Social Welfare distributed a small bag of rice, one can of pork and beans, and one can of condensed milk per family, per week but this did not continue for very long. These conditions can be duplicated over and over again in relocation sites. Little wonder that over 70% of those relocated or returned to their provinces come back to the city. Some squatters have been relocated four times already.¹⁶ But they keep coming back.

The reasons for most evictions are not, as stated, health and safety, and given the conditions of the relocation sites, it is all the more certain that the health and safety of the urban poor is not a factor. There are three real reasons. First, government impact projects such as tourist hotels, a Convention Center, and Arts Center, a new National Assembly building, a Heart



Center for Asia, a Kidney Center, and a Children's Hospital. Second, people are evicted for government beautification projects. In an effort to attract tourists and international conventions, there has been a strong campaign to beautify Manila. The dwellings of the urban poor are considered eyesores for foreign visitors and guests, so they are removed. Thus, to prepare for the 1974 Miss Universe Pageant, all squatter shanties visible from the parade route were ordered torn down. To beautify Manila for the visit of U.S. President Ford in 1975, the First Lady announced that 200,000 squatters would be relocated. In an two-week period before the World Bank-International Monetary Fund (IMF) meeting in Manila in 1976, 1,500 squatter families were evicted. To provide two pre-fabricated buildings for Mother Theresa's Missionaries of Charity in 1979, forty squatter families were evicted from the area of the Pan Bridge. Third, squatters are evicted to make way for various government economic development projects. Perhaps the most widely-publicized of these projects to date in the Greater Manila area is the Tondo Foreshore Development Project. This project has turned most of the Tondo Foreshore Area into an industrial park with port facilities for multinational corporations. Tondo is the site of the largest slum area in Southeast Asia. It has an area of 130 hectares of land reclaimed from Manila Bay—the home of 28,000 urban poor families or approximately 195,000 people.¹⁷

In 1956, the now defunct Philippine Congress passed a bill authorizing qualified squatters in the Tondo Foreshoreland to purchase lots at P5 per square meter. Implementation, however, was slow due to the opposition of local and foreign commercial interests who wanted to turn the area into a commercial and industrial zone. When Marcos declared martial law in 1972,

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most of the land had not been sold. In October 1975, after a World Bank investigation of the site, Marcos, through Presidential Decree 814, repealed the congressional bill declaring it "unrealistic and inadequate to bring about a harmonious, meaningful and lasting solution to the squatter and slum problems." He also presented a proposal to the World Bank, which would allow a small minority of the present residents to rent, but not buy, their sites and to relocate the rest to Dagat-dagatan, a filled-in swampy area nearby, where government housing would be provided on government-owned land at prices far beyond the capacity of the people to pay. Estimated rentals would be from P70 to P100 a month in addition to a downpayment of P3,000. This constitutes from one-third to one-fourth of the median monthly earnings of a squatter family.

Resistance by Squatter Groups

The Foreshoreland residents mounted strong resistance to the government housing project. They felt it condemned them to the permanent status of squatters with no hope of ever owning their own land. Two days before the inauguration of the project on May 17, 1976, the military descended on the area looking for community leaders they suspected of preparing a demonstration timed for the arrival of the First Couple for the inauguration. Again in early June 1976, while the U.N. Human Settlements Conference was taking place in Vancouver, Canada, the Tondo squatters defied the martial law ban on demonstrations in an attempt to gain international support for their plight. The government responded by arresting 700 of them, including Trinidad Herrera, the leader of the Zone One Tondo Organization (ZOTO), the largest group who

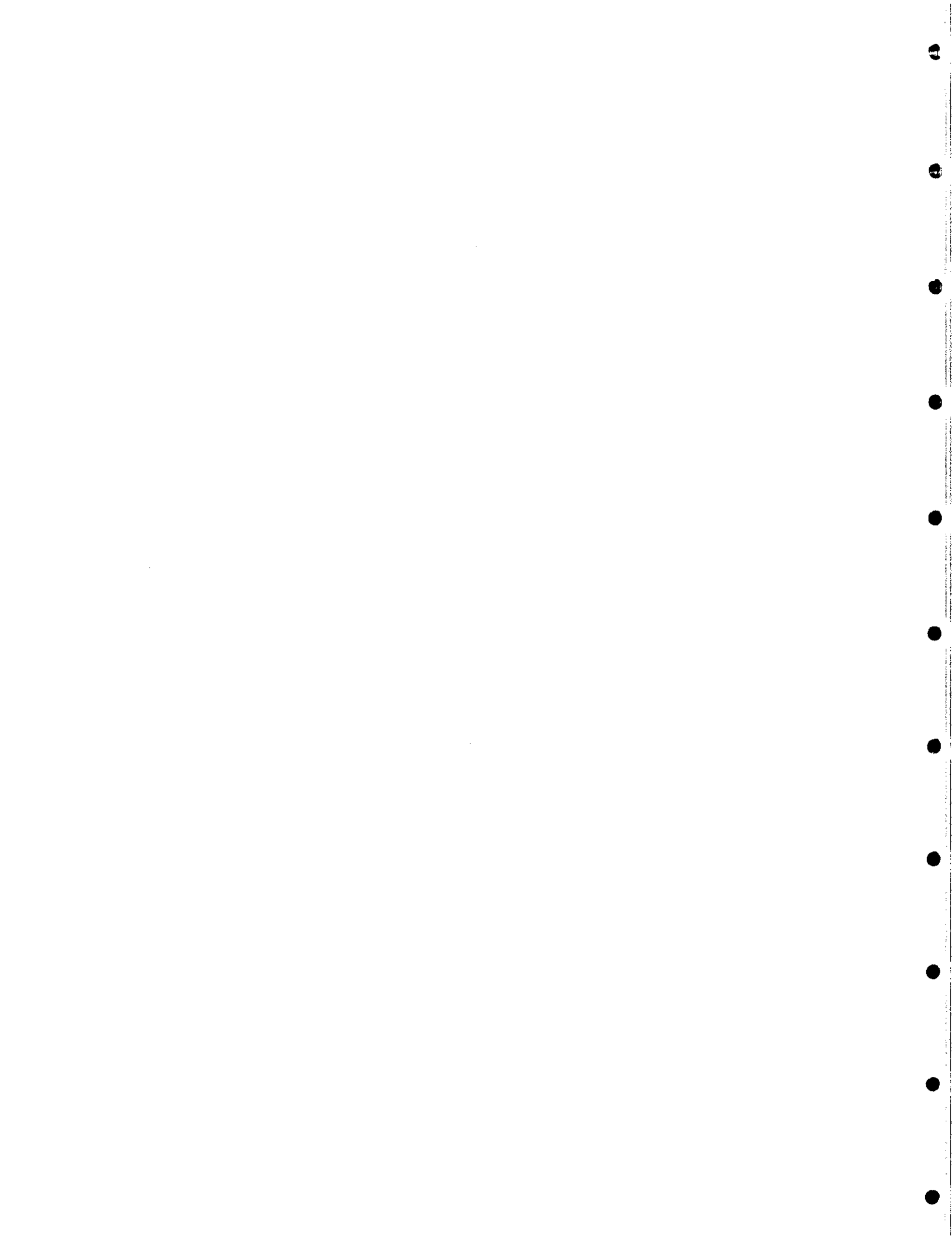


was scheduled to deliver a paper at a Human Habitat conference in Vancouver, but was prevented from leaving the country. After being cruelly tortured, Mrs. Herrera told the military what they wanted to know, and then ridden with guilt, collapsed into a sort of comatose state. She was finally released from prison due to pressure from U.S. Vice-President Mondale and the Canadian government. The Apostolic Nuncio to the Philippines who had been asked on the day of her arrest to intercede on her behalf failed to do so.

In addition to its efforts to neutralize squatter organizations through arrests and torture, the government has tried to buy off leaders or turn members of the various organizations into informants by threats, intimidation and/or bribes. They have succeeded sufficiently in these tactics to sow a climate of distrust in the various squatter organizations and split them into feuding factions in some cases.

Housing

There is no denying the fact that all developing countries face a critical problem of housing for their growing populations. The government of the Philippines, however, does not make the problem less critical by making available P1.4 billion for the construction of luxury hotels for tourists and practically nothing for the housing of the poor. Since martial law, the Philippines has been investing only 2% of its GNP in housing against a United Nations acceptable norm of 5 to 6%. It has been producing only two units per thousand people annually. Though the National Housing Authority projected an annual need of 375,000 units, the government has been averaging only 562 units a year, or .001% of what is needed.¹⁸



Since martial law the picture has grown steadily worse as government housing subsidies have gone to the top 12% of the population in terms of income earned. In 1974 alone, the Social Security System (SSS), by virtue of compulsory contributions from the entire work force of the private sector, had cash inflow of P606 million. Its total assests reached P2,389 million with only 1/4 of annual revenues paid out in benefits; the investment portfolio increases each year. One of the major uses of these investment funds is for housing. Average SSS housing loans come to P22,000. The SSS grants concessional rates of 6% a year, while commercial banks provide loans at interest rates of 12% a year or more. SSS is always willing to finance up to 90% of the house and lot costs. Amortization can be extended up to 25 years, and in special cases, 30 years. Both in the amount of funds available and in concessional term, low-cost housing cannot be adequately accomplished without the cooperation and support of the SSS. But the constraints the SSS imposes do not allow housing loans to seep down to lower income families. Eighty percent (80%) of SSS members earn less than P500 a month. Sixty-three percent (63%) earn less than P300. Yet P500 is the benchmark used by the SSS real estate department evaluators as the minimum wage below which applicants are not considered. If the wage-earner's house cannot cost more than P10,000 or the equivalent of 2 1/2 year's salary and SSS finances homes that average P30,000, it is obvious that the system's custodial role over members' funds in practice results in using the funds of the poor to finance the homes of higher income groups. Since the SSS also requires that the house outlast the amortization period of 25 years, strong materials are required. The cost of such materials also puts housing out of the reach of the poor.

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Hotel Building Boom

In 1974 four government lending institutions, the SSS, the Government Security Insurance System (GSIS), the Development Bank of the Philippines (DBP), and the Philippine National Bank (PNB), were directed to lend over 75% of the building costs of 14 new hotels to be rushed to completion for the World Bank-IMF meeting in Manila in 1976. In fact, these four government institutions loaned much more than 75% of building costs. In many cases, they loaned 90%, and in at least two cases, 100%. The 6,000 hotel rooms rushed to completion for the World Bank meeting were not needed. However, the cheap government loan money was a great boon not only to the First Lady for her Philippine Plaza Hotel but to the relatives and friends of the First Family. In addition to the First Lady, Pacifico Marcos, brother of the President; Antonio Martel, brother-in-law of the President; Benjamin and Antonio Romualdez, brothers of the First Lady; presidential cronies Roberto Benedicto and Rodolfo Cuenca, among others, could take advantage of the building loans, which at 12% with a two-year grace period on the principal, was as good as free, given the high inflation rate.

Much of the money lent to the new hoteliers went into the local money market. It was common practice to overstate the funds needed and then invest in high-yield, quick-return investments. In the rush to build hotels, normal loan procedures were shelved and releases were made on the basis of payroll statements and letters of credit. As one official put it "the government was throwing money at the hotel people."¹⁹

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In January 1980, the Philippine-China Friendship Hotels Corporation, a government entity headed by the First Lady, announced that it would participate in a joint venture for the construction and management of two five-hundred-room first class hotels, one in Canton and one in Peking. Ten years after the start of operations, the People's Republic of China (PRC) will take over the ownership of the hotels. Again SSS and GSIS money not available for housing for the poor in the Philippines would be used for hotels in the PRC.²⁰

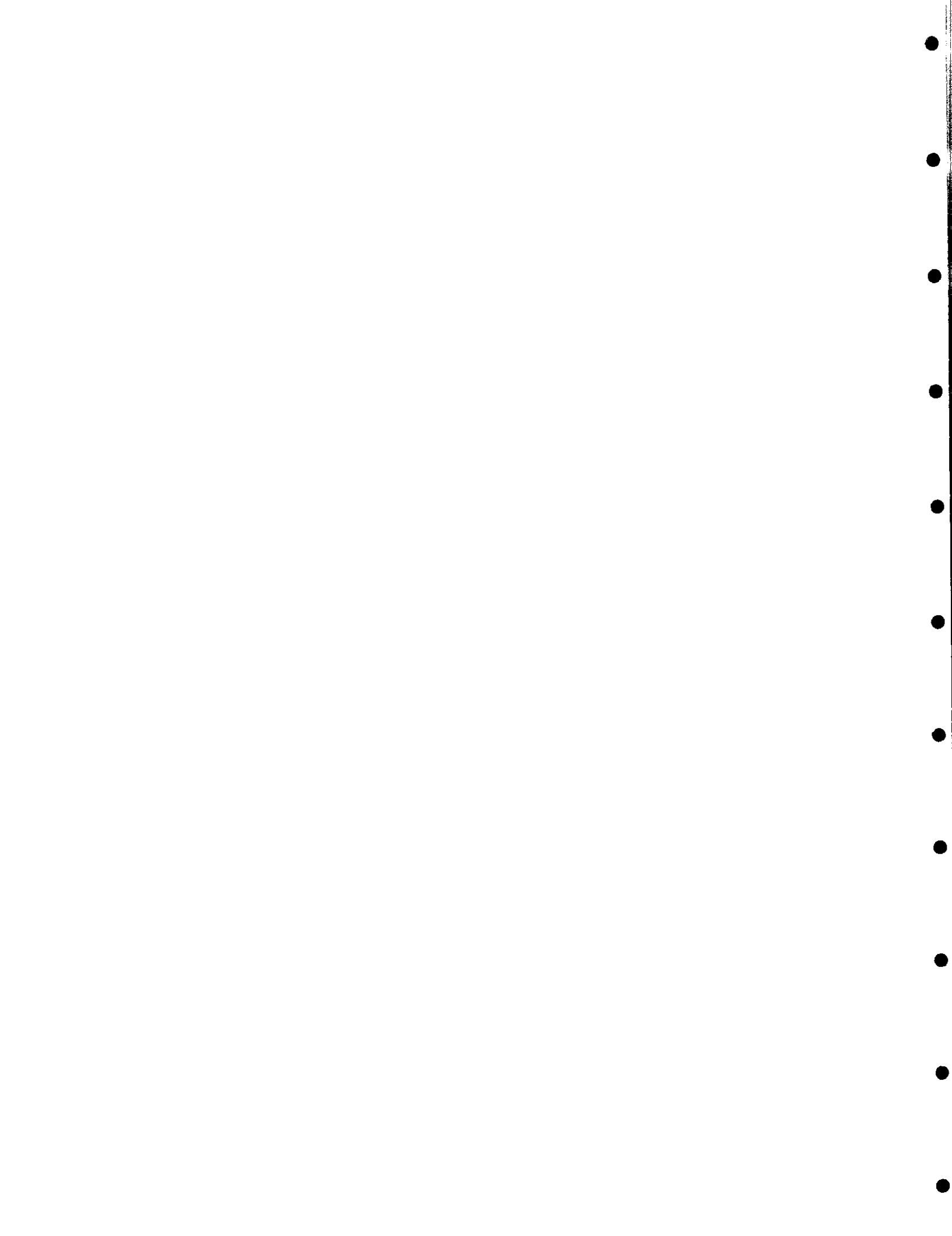
Land Use

Even worse than the government's dismal housing record since martial law has been its plans for land use. As an urban planning expert put it:

The Philippines is not land poor. The problem in the Philippines is not a scarcity of land but of refusal to sell. Much of the acreage in the urban and urbanizing districts lies frozen in the hands of owners who have no present intention of developing it. Neither the magnetism of demand nor the temptation of profit can persuade the larger landholders to make use of their landholdings or sell it to others who will.

The situation is most acute in the environs of Manila where land poverty exists amidst land plenty. In the Philippines, it is land even more than building costs that deprive the lower income group of home ownership. In Legaspi City, a small house made of wood, bamboo and nipa would cost only \$100 but a 400 square meter lot would run to over \$3,000 or 30 times the cost of the house.²¹

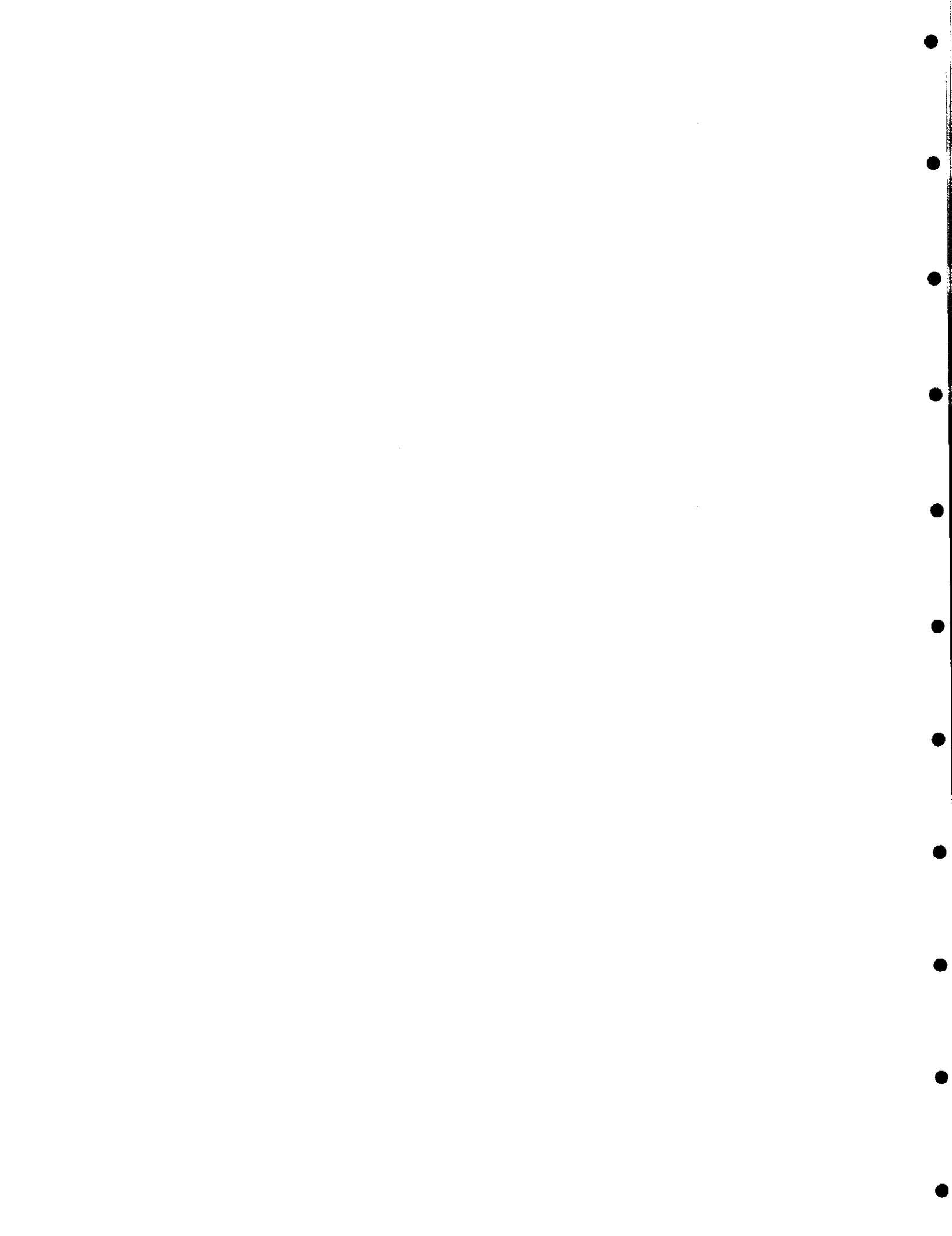
What Abrams wrote twenty years ago is still true. The legal structure initiated and maintained by the elite, control-oriented bureaucracy has tightened even more since martial law to support a speculative land market



which keeps land scarce in a country where land is plentiful. The martial law government, given the will, could have changed the patterns of land use in favor of the poor but it has not. In fact, the greater the pressure of people on the land, the more government-initiated policies of land use are biased in favor of a very small group of the elite.²²

To ensure that land would not be used for the benefit of the urban poor, P.D. 1517, known as the Urban Land Reform Decree, was passed on June 11, 1978. This decree covers all urban and urbanizable lands, as well as all cities and municipalities which have a population density of 1,000 persons per square kilometer, and where at least 50% of the economically active population are engaged in non-agricultural activities. The decree effectively places all future urban land development under the Human Settlements Development Corporation, the corporate arm of the Ministry of Human Settlements. No land within the proclaimed land reform zones "can be disposed of or sold, acquired or purchased, used or constructed on without prior clearance from the Human Settlements Regulatory Commission, and unless its proposed disposition or use conforms with the approved development and zoning plans of the area and the same is registered with the official development registry in the HSCR."²³

This decree also allows for the expropriation of private lands if the "government considered such expropriation necessary for its development plans for the area."²⁴ The whole intent of P.D. 1517 is to enhance the power of the Ministry of Human Settlements, with a view to keeping any wealthy landowners in line who might question whether the "edifice complex" of the First Lady would continue generating more and more extravagant projects. The decree by no means intends to provide land or housing for the poor.



Government programs for squatters reflect the overall policy of the government in general and of the Ministry of Human Settlements in particular. Attracting foreign money and pageants and entertaining tourists and the wealthy at home have precedence over the needs of the poor. Since martial law, the efforts of the First Lady have been focussed on making Manila a center for the "jet set" and the "beautiful people." The only programs actually implemented for squatters have been evictions. There has been no effort to purchase idle lands to provide homesites for the poor. The relocation areas that have been provided by the government are generally poorly selected and ill-suited for human habitation. They lack adequate access to water, health services, schools, and electricity. Those living in these areas have no source of employment close by and no security of tenure as they do not own the land where they are staying. There have been a few relocation sites for which the government has subsequently found other uses. When this happens, people relocated to these sites are evicted again once the government finds some other use for the land.

The Bagong Lipunan Improved Sites and Services (BLISS) Program

A much heralded program of the government to solve the housing problem of squatters and other urban poor is the Bagong Lipunan Improved Sites and Services (BLISS) program. BLISS is a program of the Ministry of Human Settlements and is, therefore, under Mrs. Marcos. According to her, the program is aimed at meeting eleven basic needs in depressed areas of the country over the next five years, from 1979. BLISS will assume responsibility for providing water, food, power, clothing, medical services, education,



culture and technology, ecological balance, sports and recreation, shelter and mobility. Providing these needs will involve BLISS in almost every area in which the government has contact with people. Under BLISS, the Ministry of Human Settlements will set standards for land use, infrastructure programs and estate development in both the public and private sectors. It will also plan and implement urban renewal programs, community estate projects and new towns, control estate use and manage property.²⁵

The Ministry is empowered to call on any department, bureau, office, agency, or instrumentality of the government and private entities in the performance of its functions. The following table gives a preliminary list of agencies to be tapped by BLISS and the number of projects for which each agency is to be tapped. Needless to say, the private organizations were not consulted before their names were added to the list. The government organizations do not have much choice. A familiar remark in Manila is, what the First Lady wants, the First Lady gets.

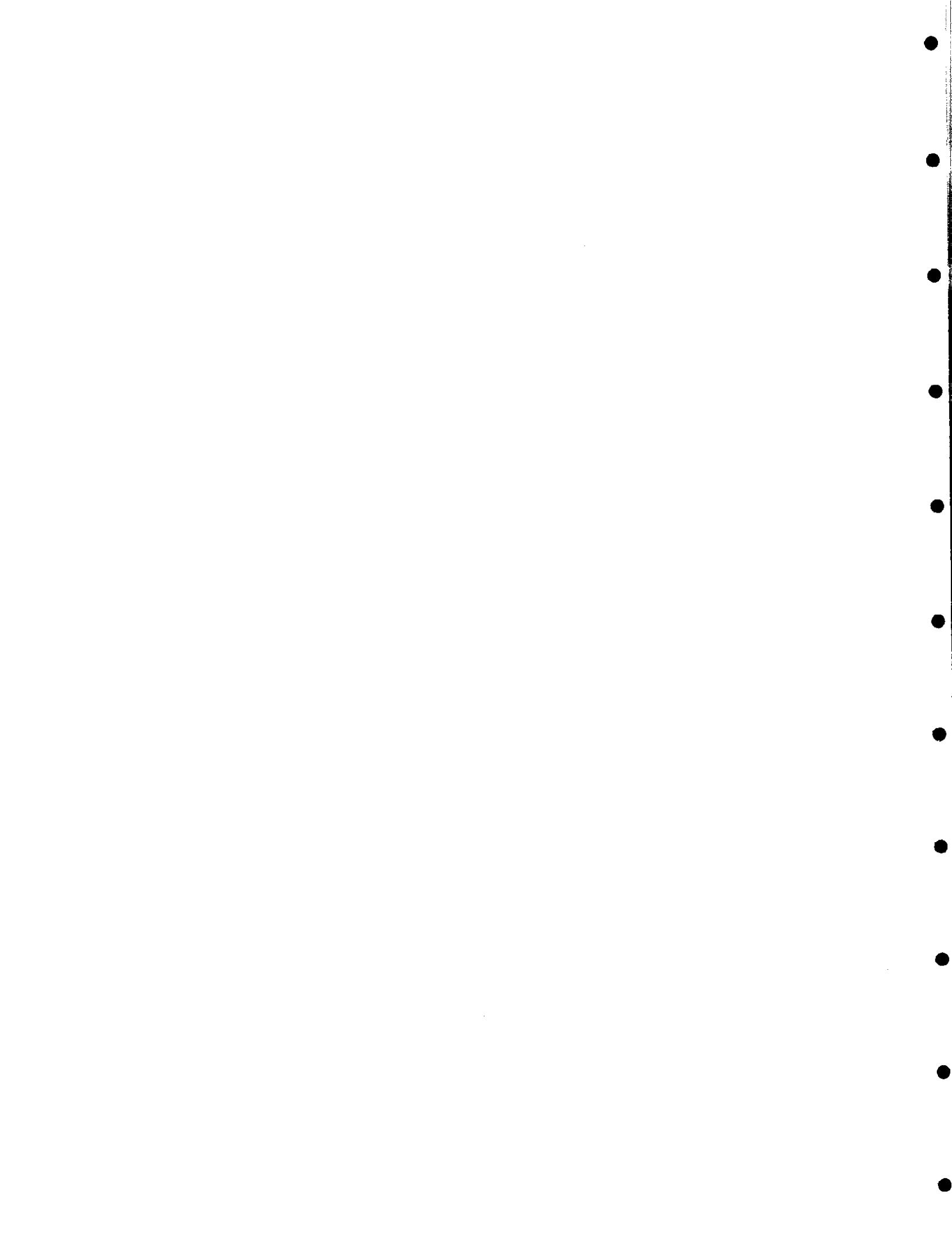


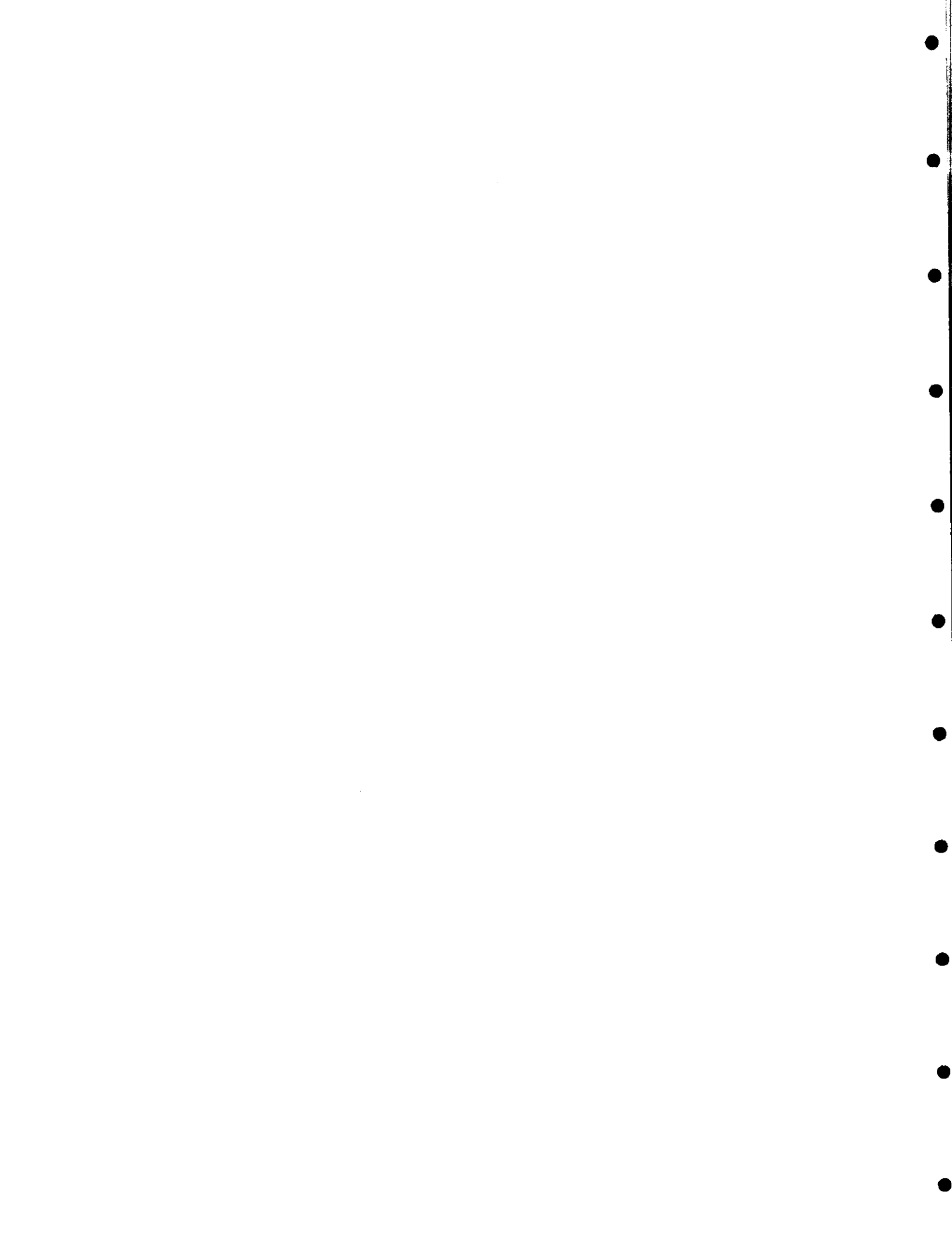
TABLE 1

MINISTRY OF HUMAN SETTLEMENTS AGENCIES
COMMITTING THEIR RESOURCES TO BLISS

<u>Government Agencies</u>	<u>No. of Projects</u>
Ministry of National Defense	50
Ministry of Public Highways	50
National Grains Authority	30
National Irrigation Administration	30
Ministry of Agriculture	30
Ministry of Natural Resources	30
Bureau of Public Works	20
Ministry of Social Services	10
National Power Corporation	10
Ministry of Labor	5
National Manpower and Youth Council	5
<u>Civic and Religious Organizations</u>	not listed
Society of Jesus	"
Maryknoll Fathers	"
Society of the Divine Word	"
Congregation of the Immaculate Heart of Mary	"
Lions	"
Kiwanis	"
Rotary	"
Jaycees	"
Roman Catholic Archdiocese of Manila	"

Sources: Policy Paper on the Expansion of Implementing Entities
for BLISS (Manila: Ministry of Human Settlements, June 20, 1979).

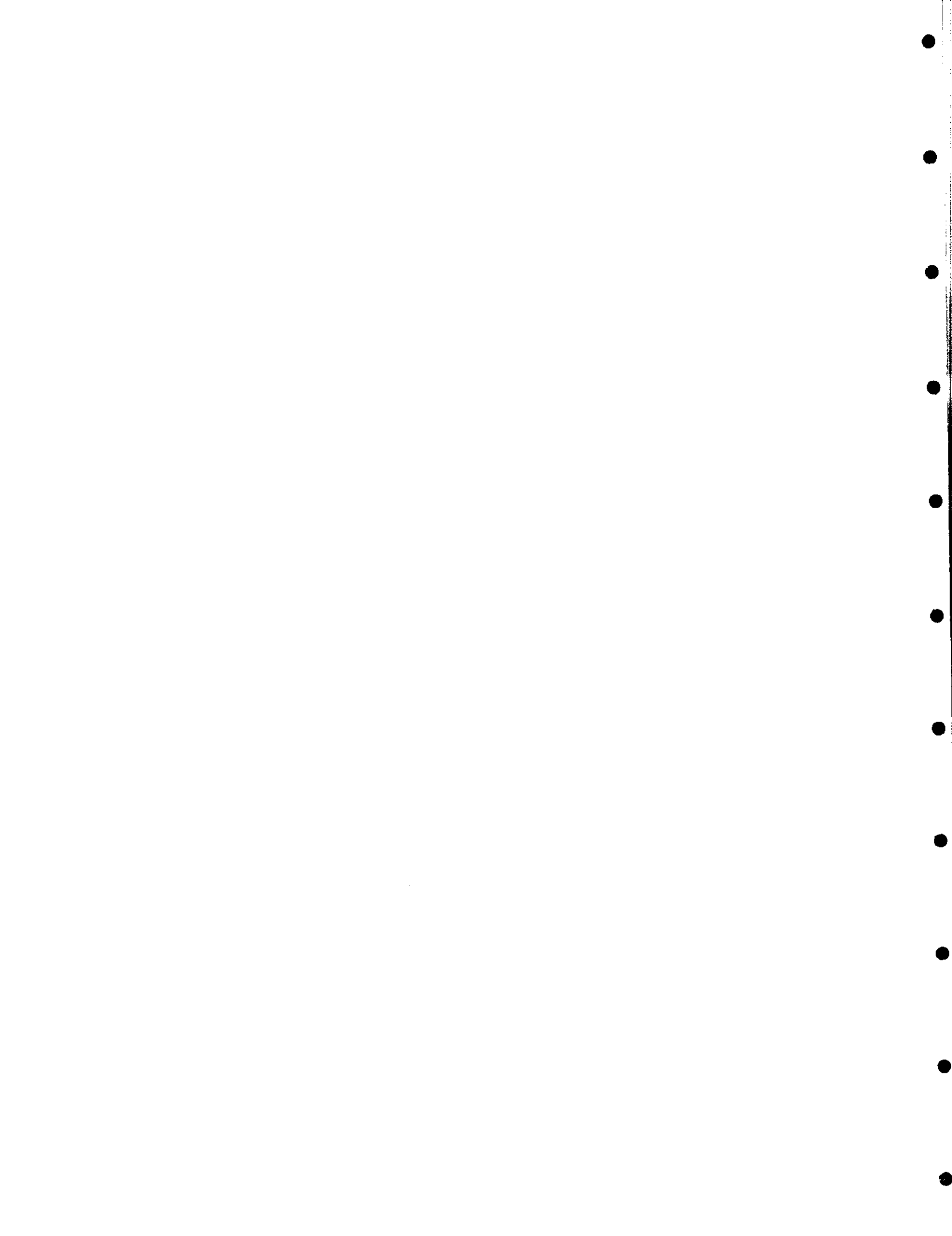
BLISS projects, according to the First Lady, are aimed at helping the neediest 10% of the population.²⁶ They will focus on the poorest neighborhood in each of the country's 1,700 towns and cities; two hundred and seventy of these neighborhoods are identified in the Metro Manila area alone. Each of these neighborhoods, according to her, is "to be developed into a model community."²⁷



To date the implementation of BLISS has not lived up to its promise. One of the first BLISS projects, a pre-fabricated, condominium style, high-rise building in Paco, Manila, was hurriedly completed for display during the May 1979 meeting of UNCTAD V in Manila. This building, for which 40 squatter families were evicted, has three levels of occupants: first, high-income, defined as those with a gross monthly income of P2,501-P5,000; second, middle-income, defined as those with a gross monthly income of P1,000-P2,500 and third, low-income of P300-P999. Since, as already mentioned, 88% of the population earn less than P300 a month instead of benefiting the neediest 10%, BLISS's first completed project actually favored the top 12%. The Paco project has set the pattern for all other BLISS projects. None of them to date has any provisions for the poor.

The BLISS program is a good example of the essentially elitist approach to development pursued by President Marcos and the First Lady. Few benefits trickle down to Manila's poor and those that do are the result of direct allocation of resources in favor of the underprivileged. Rather they are the incidental by-product of an economic system whose resources are concentrated in the hands of a wealthy few.

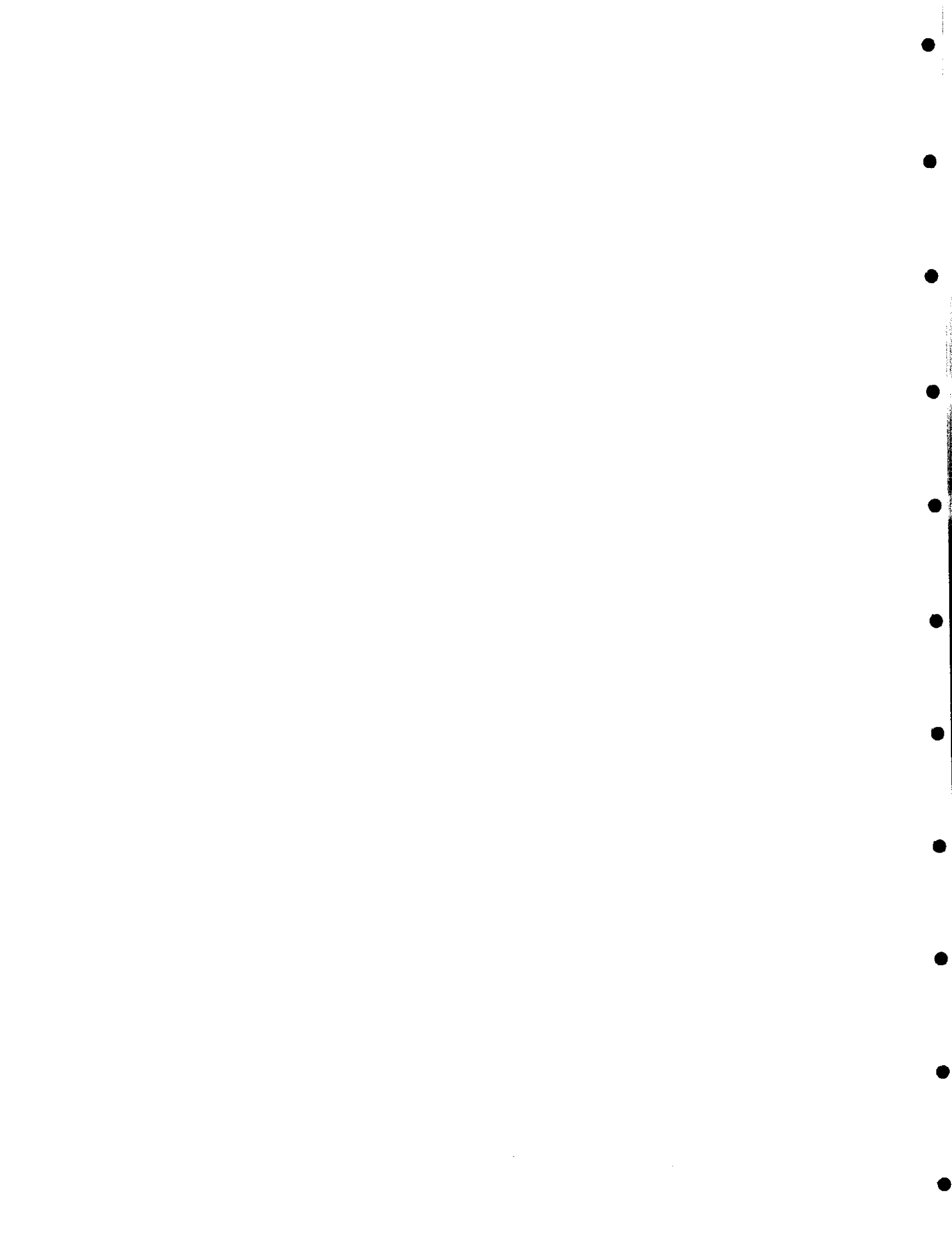
One of the most recent BLISS projects was that in Labangon in Cebu province. It brings out another fetish of the First Lady, the use of local materials in construction. As with all other projects of BLISS, this too was hailed as the fruit of Madame's compassion for the poor. It was also heralded as a model of how the native materials could be used in construction. The native materials decided on were cement and asbestos. Leaving aside the question of how native these materials actually are, they were so expensive



the poor could not afford them. The plans called for 116 houses for 15,000 squatter families. Each family would need an income of P500 monthly to qualify for the housing. For a 16-ft. house costing P10,000, a family would have to pay P83 monthly for 25 years or P25,000, P15,000 more than the house was worth. Of course, no squatters qualified as none earned P500 a month. As a matter of fact, no squatters were actually interested in the houses anyway. They had heard about the dangers of asbestos and besides the houses were so small, they derisively referred to them as "bachelor's quarters."

A study published in 1976 pointed out that the poor "operating illegally under constant threat of eviction have produced more human dwellings than the combined efforts of government and private sector."²⁸ The basic question posed by this study is "whose standards should prevail in an environment where the majority who are poor live and strive decently to house their families?" Basically what the poor want is not much different from what other groups in society want. The residents of the Tondo Foreshoreland have expressed this in a People's decree issued shortly after P.D. 814 was released. They state clearly what they want, namely:

- 1) That the government live up to its assurances contained in Republic Acts 1597 and 2439 and reaffirmed by President Marcos that actual residents of Tondo Foreshore be given ownership rights.
- 2) For twenty years, the people of Tondo Foreshore have believed they would eventually become owners, consequently, they have developed a strong attachment to the concept of individual ownership. Policies and laws respecting promises that have built up hopes would not be overruled so easily.



- 3) Ownership will lead people to care for their property and to improve it.
- 4) They would like to enjoy the rights of owners including the right to mortgage and sell their property which confer a sense of dignity and of possessing higher forms of rights.
- 5) Ownership will lead people to assume added obligations.²⁹

Finally, the people ask for consultation with the government planners right from the very beginning of plan formulation. The sad fact is that government has never consulted people on its plans for them. The people affected by government decisions on housing simply have no voice. Perhaps more than anything else, this indicates the hollowness of the President's claim that his concern is for the less fortunate members of society. His actions and those of the First Lady and her Ministry of Human Settlements indicate that for the government, the poor are little more than obstacles to be removed so that their plans to attract extravaganzas and tourists to Manila can be carried out.

Government initiatives to date have left the poor with little choice but to organize and to fight eviction. This they have done in many areas of the country. Through their organizations they have even managed to slow evictions in some areas. Organization has led to continuing harassment by the military, to the arrest and detention of community leaders, and to continuing surveillance of squatter areas by the military. It is an uneven battle but gradually the people in spite of, and maybe even because of, this continued harassment, and finding their voices and asserting their basic rights to a decent living security and in freedom.

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Perhaps the most inhuman and dehumanizing aspect of government programs in dealing with squatters is the manner in which evictions are carried out. Sometimes as many as one hundred military men in full battle gear arrive on the scene and cordon off the area. People are then told to collect their belongings and leave their houses. Bulldozers move in and quickly demolish the shanties. In no time the area is turned into a heap of rubble. The people are loaded on to open dump trucks and taken to resettlement areas where generally all they have is what they can carry with them. No consideration is shown to the elderly, to pregnant women, to the sick, or to infants and young children. One who sees the suffering of people on an occasion like this will not soon forget it. At one demolition early in 1978, nine infants died. After the people's dwellings were destroyed, they were simply left to fend for themselves in an open field under the hot sun. One man begged the military for some pieces of wood or corrugated iron to build a make-shift shelter for his feverish infant son. It was refused. The infant was one of nine babies who died in this eviction. Nearby stands the reason why the eviction took place: the new National Assembly Building, a symbol of the priorities of the present government.

When the President says, "People stand at the center of development," the urban poor, given the way present government programs are being implemented, can only conclude one of two things: either the government does not recognize them as people, or if it does, they are at the center of present government programs only to the extent that the various government agencies are spending a great deal of time and effort to effect their disappearance.

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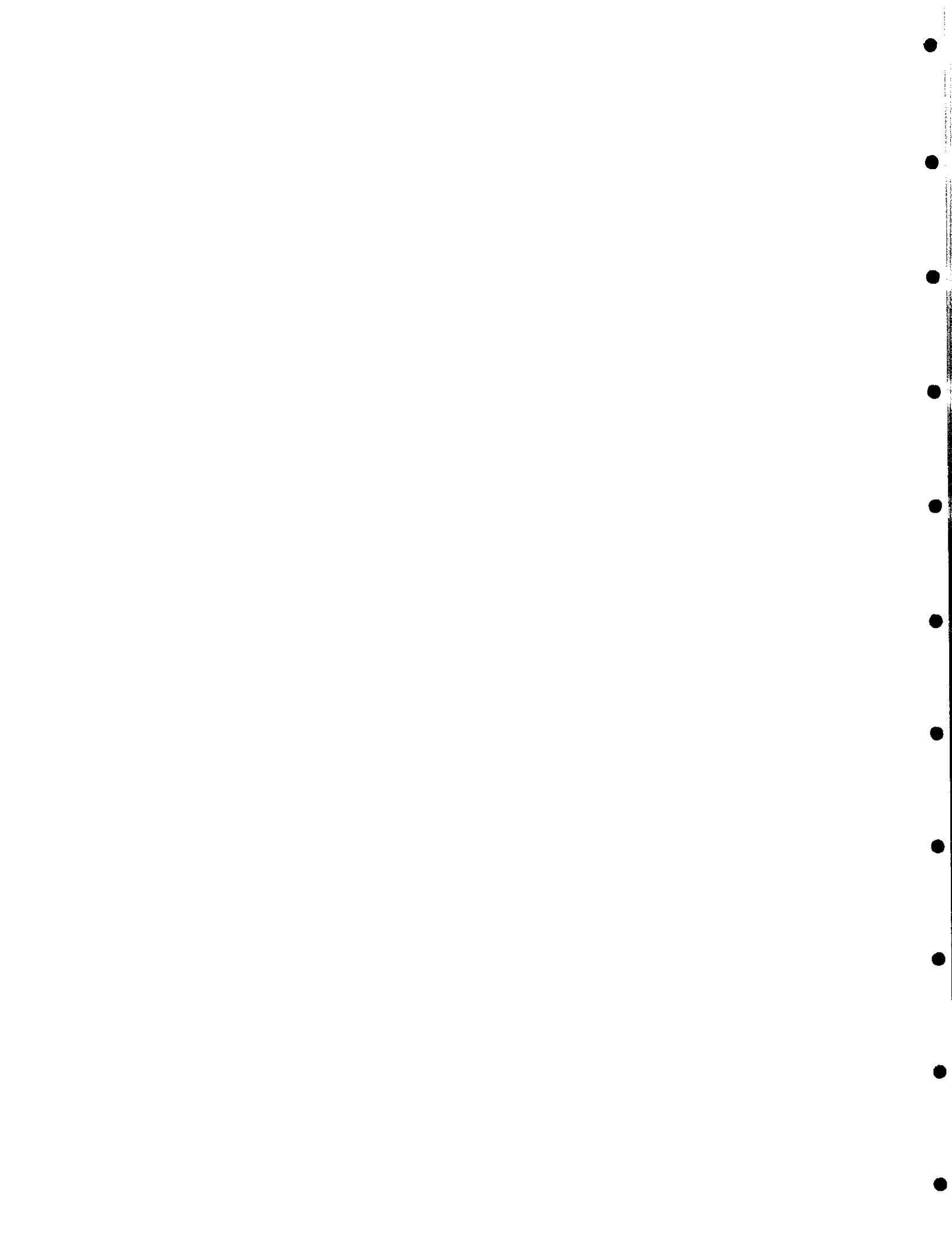
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Presidential Decree (P.D.) No.1472

P.D. 1472 passed in January 1980 gave the National Housing Authority power "to summarily eject without the necessity of judicial order, any or all squatter colonies on government projects as well as any illegal occupants in any homelot apartment or dwelling owned or administered by it." In all cases of ejectment, however, a ten-day notice is supposed to be given either personally or by posting the notice either in the lot or dwelling to be cleared. In June 1982, the ten-day notice was abandoned when the First Lady ordered the creation of a Metro Manila Council for squatter control headed by herself. At the same time, an anti-squatting Task Force was set up for the four cities and thirteen towns of the Metro Manila area. This Task Force was made up of representatives from these towns and cities as well as members from the Philippine Constabulary and of the Integrated National Police Force. With the creation of the Task Force, an all-out campaign against squatters was started beginning in San Andres Bukid, Quezon City. This is to be the site of the new National Government Center. Other reasons given for the creation of the Task Force were to "make metropolitan Manila more beautiful and habitable;" "to make Metro Manila a summer capital for the middle class;" and, "in line with the First Lady and Metro Manila Governor Imelda R. Marcos' goal of developing the blighted squatter areas in Metro Manila as a model to host the next regional Asian Congress of Human Settlements in Manila in 1984."³⁰

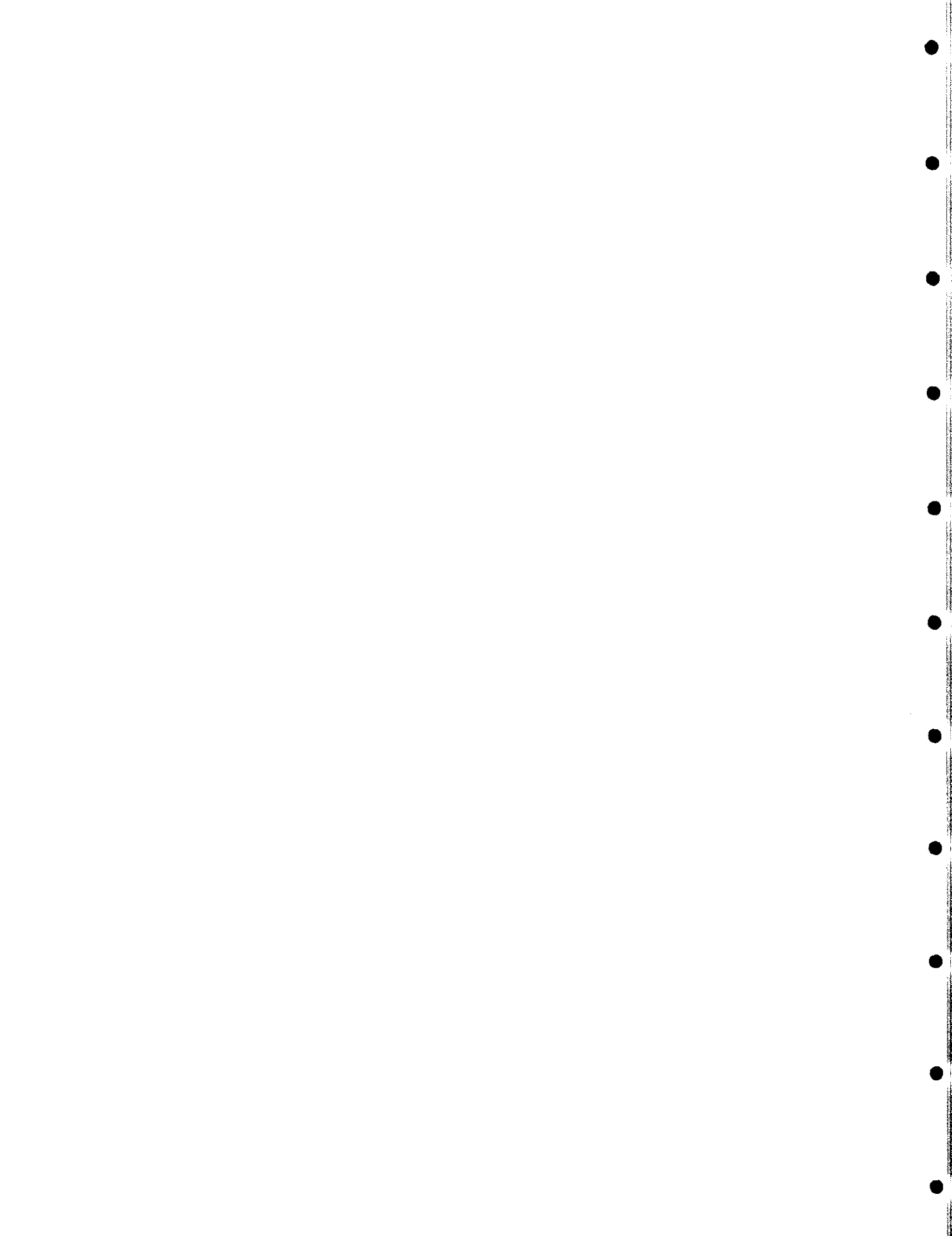
P.D. 472 gives the Ministry of Human Settlements its arm, the National Housing Authority, absolute control over the lives of the urban poor. The government need no longer transfer squatters to another housing site or to their home towns with the assistance of the Ministry of Social Services. With



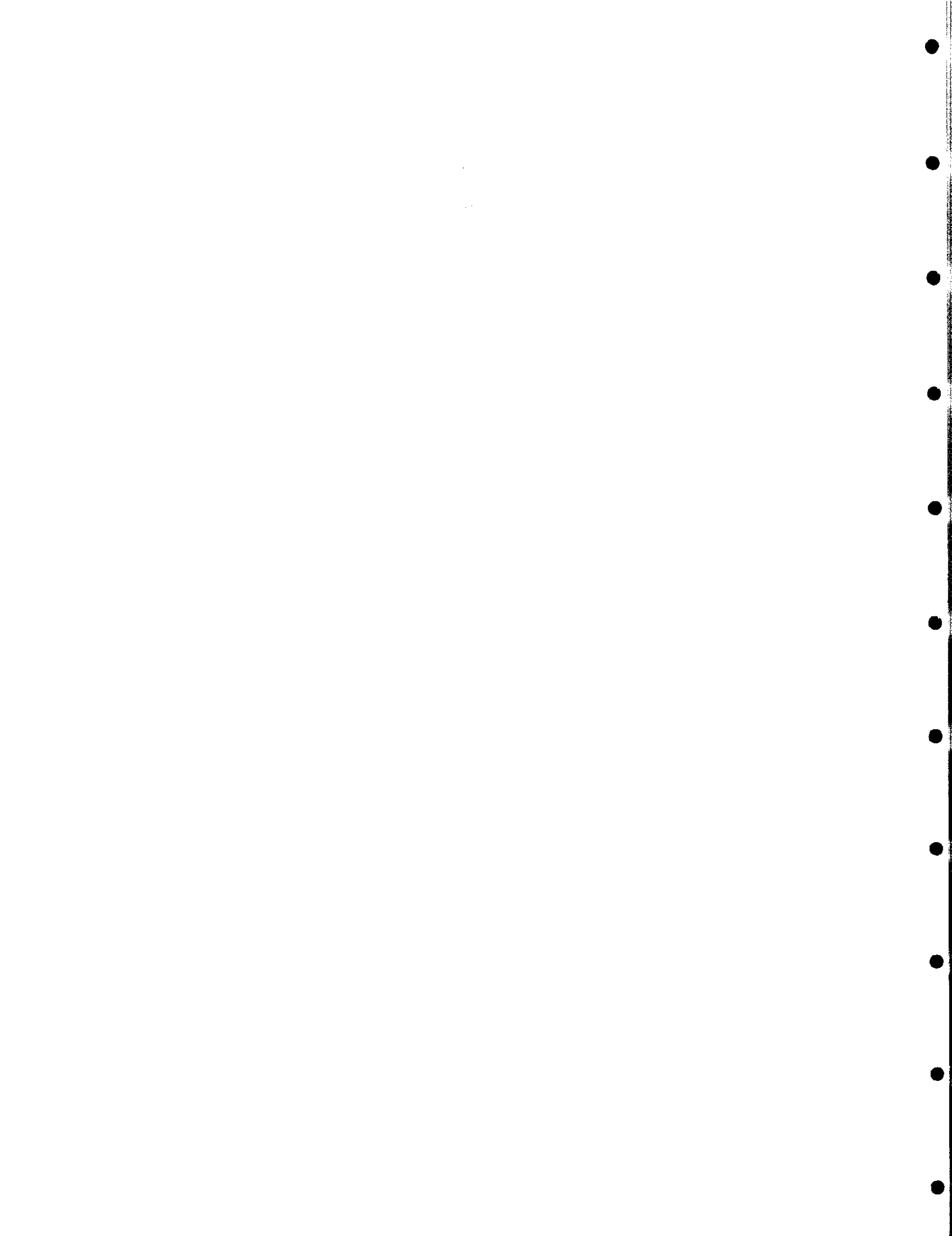
P.D. 1472, there is no longer any pretense that the urban poor enjoy priority in the New Society. Even those resettled by the government have no guarantee that they will not be evicted again, but now the government takes no responsibility for their relocation. Yet, the President who signed this decree did say:

Equality in the sense of our progressive society does mean that, the dock worker will have his three square meals, a roof over his head, efficient public transport, schooling for his children and medical care for his family.³¹
(Underscoring supplied.)

How can equality be brought about when the First Lady spends P52 to build the Philippine Heart Center for Asia and comparable sums for Lung and Kidney Centers, while the country holds the world records for the highest incidence of whooping coughs, rabies, leprosy, schistosomiasis and polio? While she is planning another pet project, Lungsod ng Kabataan (Children's City) dedicated to the "future of the nation," five out of ten Filipinos never reach the age of 14, and 74 out of 1,000 infants die before their first year. Pneumonia alone claims one out of every two infants infected. Thousands of children grow up mentally retarded due to early malnutrition. The Philippine Food and Nutrition Institute itself found that as of 1978, 70% of the entire population was suffering from some kind of malnutrition, 50% suffered from protein deficiency, while 40% of all deaths, malnutrition was listed as the principal cause. The United Nations Food and Agricultural Organization found Filipino food intake was only 100 calories above the Bangladesh average, and 270 calories below the minimum daily calorie requirement of 2,210 set by the World Bank. An Asian Development Bank survey found that the average calorie consumption in the Philippines is the lowest in Asia. Quite simply, all of



these studies indicate that President Marcos and his First Lady are either liars or have their feet firmly planted in mid-air when they protest their concern for the poor. Their investments in curing the few diseases the majority of the Filipinos do not live long enough to contract are much more important to them than preventing those diseases that would keep the nation healthy.³²



II. THE URBAN LABOR FORCE

The urban labor force is made up of industrial workers in factories in the Metro Manila area and in other cities of the Philippines. As mentioned earlier, many of the urban labor force, especially unskilled workers, are also squatters.

Closely related to the problem of affordable housing discussed above is the issue of wages an individual or family receives. Much of the urban labor force cannot afford decent housing, so despite the fact that many have skills and steady employment, they wind up as squatters. Again, contrary to the President's rhetoric, martial law has made the situation of urban workers much worse than before. First, let us look at some of the martial law legislation affecting labor, then, the President's assessment of the effect of his legislation and finally, how the legislation is actually working.

Martial Law Legislation on Labor

With the declaration of martial law in September 1972, President Marcos issued General Order No. 5, which enumerated the restrictions to be placed on labor for the duration of martial law. This order forbade:

All rallies, demonstrations and other forms of action by persons within the geographical limits of the Philippines, including strikes and picketing in vital industries such as companies engaged in the manufacture or processing as well as in the distribution of fuel gas, gasoline and fuel or lubricating oil, in companies engaged in the production or processing of essential commodities or products for export, and in companies engaged in banking of any kind, as well as in hospitals and in schools and colleges.

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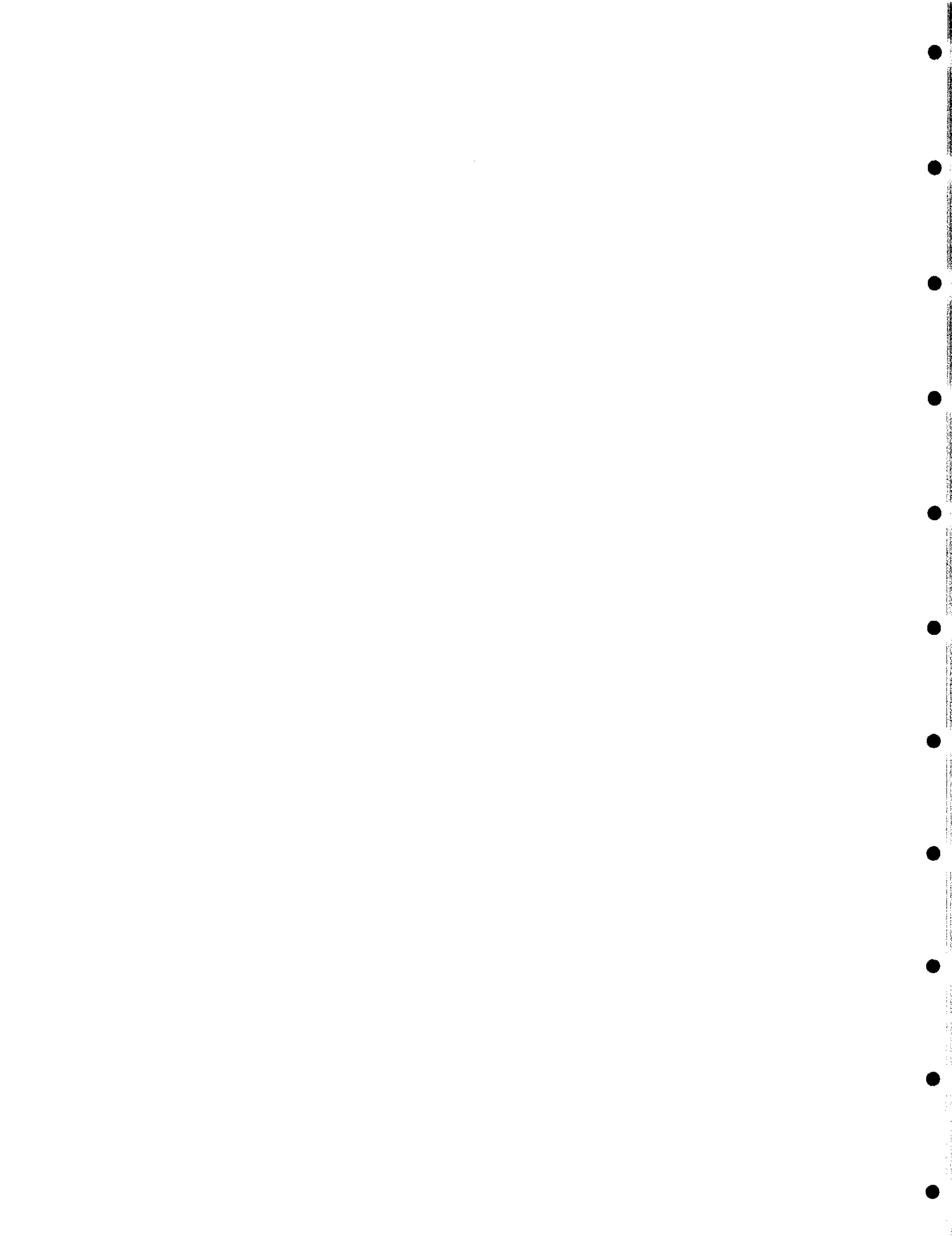
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Anyone violating this order would be "arrested and held for the duration of the national emergency." P.D. 31, issued on October 14, 1972, set up the National Labor Relations Commission (NLRC), which was empowered to handle strikes and lockouts, as well as "all dismissals and terminations of employees and shutdowns." It also required that all cases "be resolved or terminated within 30 days of filing."³³ The presidential decree "required every employer to secure a written prior clearance from the Secretary of Labor for any of the following cases irrespective of whether the employer complies with the requirements of existing laws on the service of notice terminating the services of an employee and the payment of severance pay." The cases involve all dismissals, with or without just cause, or regular employees with at least one year of service.

P.D. 143 issued on March 3, 1973 prescribed a weekly resting period of "not less than 24 consecutive hours for each (work) period of seven days." This decree covered all enterprises "whether run for profit or not." The employer was to determine the rest days of his employees but was enjoined to respect the "preference of the employee if this was based on religious grounds."

P.D. 148 amended the "Woman and Child Labor Law." Among the amendments are that, "no woman shall be allowed to work between ten o'clock at night and six o'clock in the morning..." that "establishments that are required by law to maintain a clinic or infirmary shall provide free family planning services to their employees which shall include, but not be limited to, the application or use of contraceptives and/or intra-uterine devices," and that the employer shall pay maternity benefits to an employee for the "first four deliveries only."



In May 1974, the President issued a new labor code called the Industrial Peace Act. While the old Labor Code had recognized the worker's right to self-organization, the new labor code was silent on concerted activities of workers. It reaffirmed the ban on strikes until the right to strikes is restored. Security and management personnel are prohibited from joining unions of any kind, and this whether they are strictly government service or in government corporations. The new code also changed the meaning of unfair labor practices. They are now considered to be administrative rather than criminal offenses. It also declared that no temporary or permanent injunctions in labor cases can be issued except by the NLRC and that, only in cases under compulsory arbitration recommended by the Bureau of Labor Relations of the Regional Office of the Ministry of Labor concerned. Perhaps the most significant item in the new labor code is the provision for restructuring the labor movement. The code envisions that this restructuring will

unite and restructure labor on a one-union, one-industry basis in order to make it more stable, responsible and relevant to development as it pursues social justice for the workers. At the same time the power of the Ministry of Labor to discipline trade unions and their leaders is increased in proportion to the expected increase of trade union power. In short, even after unification and restructuring, the government shall be in full control of the situation without impairing the right of the workers to self-organization and to free collective bargaining under the new constitution. (Underscoring supplied.)

Finally, the new code abolished the existing workers' compensation system and created an integrated compensation system administered by the SSS for the private sector and the GSIS for government employees.

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On November 3, 1975, P.D. 823 was promulgated. The decree states that it is aimed at strengthening "free collective bargaining and trade unionism."

At the same time, it

- 1) bars all strikes in all industries. (here it goes beyond General Order No. 5, which banned strikes in those industries vital to national security.)
- 2) bars all foreigners except "recognized international labor centers from engaging directly in all forms of labor activity." (As explained, this means that foreigners not only cannot give advice on moral and material support to labor unions or labor groups, but cannot take part in seminars or other discussion groups or give sermons on the rights of labor or denounce oppressive or unjust acts of management or labor.)
- 3) bars Philippine citizens from giving any kind of material support to labor unions, or labor groups of workers or their auxiliary organizations such as cooperatives, credit unions, research, educational or communications institutes without prior permission in writing of the Secretary of Labor.³⁴

The most recent labor legislation was Batas Pambansa (National Law) No. 227 passed in July 1982 by the National Assembly. Though not a presidential decree, no law is passed by the National Assembly without the approval of the President. The provisions of this law have the overall effect of denying the workers right to strike as well as their right to a life of dignity and economic self-sufficiency. It empowers the Ministry of Labor and Employment (MOLE) and the NLRC to issue injunctions without benefit of a guarantee of due process or appeal. It also provides that strikes may be arbitrarily stopped and declared illegal. This simply means that "jurisdiction over the legality of strikes and pickets is now in the hands of government labor arbitrators,



not the courts." The law further firms up the stand-by power of the President "to ban strikes in any industry judged by him personally to be vital to the national interest. Finally, it legislates the restructuring of the labor movement into a one-union, one-industry scheme.³⁵

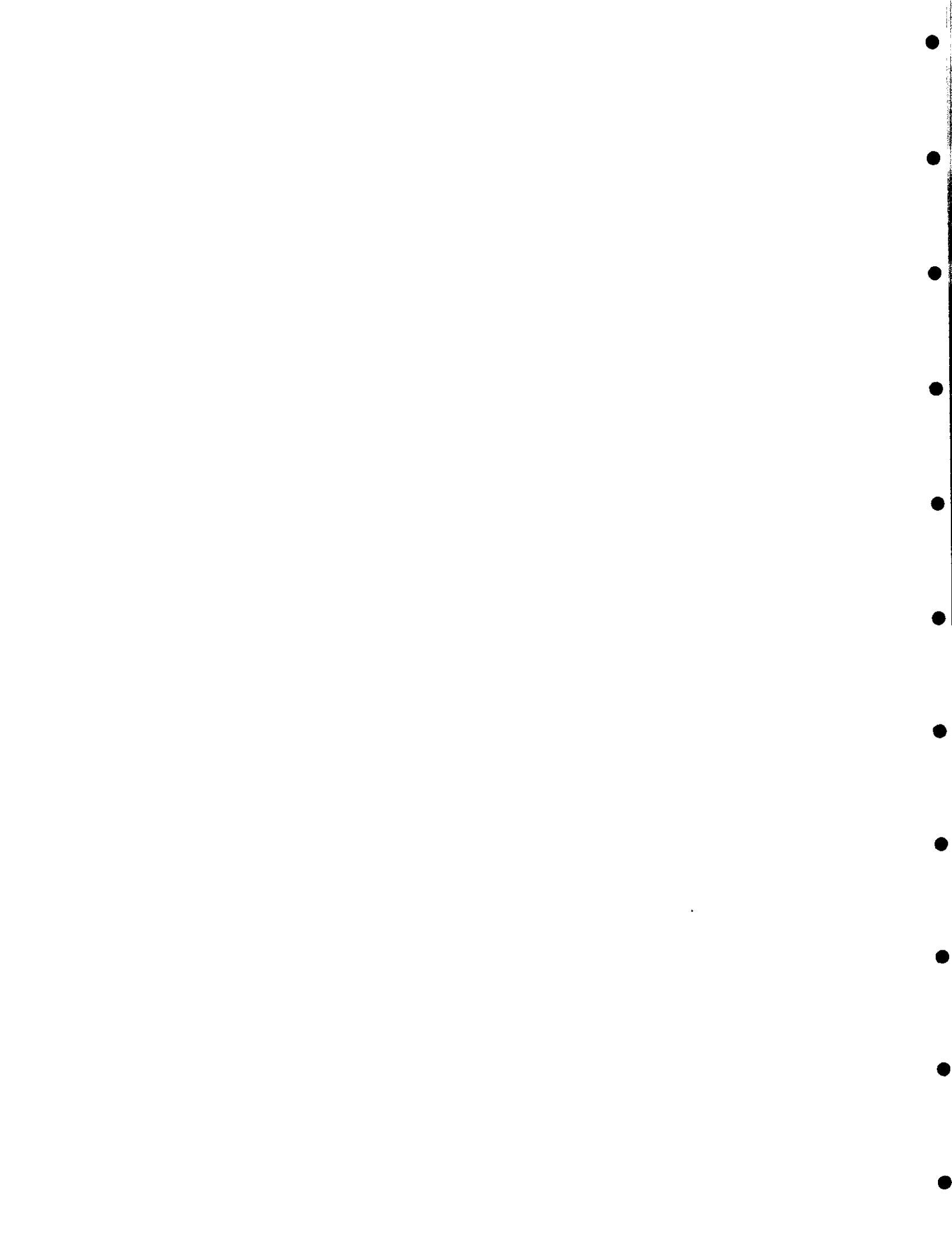
The Regime's Record on Labor

In Five Years of the New Society, Marcos writes, "One of the landmark legislations under crisis government is the New Labor Code, promulgated in 1974 to embody the New Society's concern for the Filipino worker."³⁶ This Code was promulgated for the purpose of protecting the rights, interests, and welfare of labor and established the framework for basic government policies and programs in this sector.³⁷ It seeks to achieve three objectives:

First, industrial peace based on social justice and the maximum protection of the rights of labor; second, industrial cooperation of labor, management and government; and third, the promotion of the interests and welfare of labor particularly through union organization, better wages, manpower development and employment placements.³⁸

According to the President, the government has also sought to provide the expansion of employment opportunities. It has expanded the MOLE budget from P30 million to P140 million and the personnel of the Ministry from P1,000 to P5,000 employees.³⁹

As the President sees it, martial law has also "counteracted" the forces hostile to labor and has thus strengthened unionism everywhere, but especially "in formerly forbidden areas such as sugar plantations, logging camps, fishing enterprises and some enterprises of the oligarchy in Metro Manila."⁴⁰ He also



sees the fact that the New Labor Code has made it "mandatory for the labor movement to restructure itself on the basis of the principle of one-industry one-union" as an achievement. This, he adds, is being done under the auspices of the Trade Union Congress of the Philippines and with the active assistance of the Department of Labor.⁴¹

Another significant provision of the Labor Code mentioned by the President is that it requires unions and management to have collective bargaining agreements (CBA) but before they become effective, they must be approved by the Ministry of Labor. There are at present 2,347 CBAs covering 700,000 workers.⁴²

The Code also provides for job security since, according to the President, no regular employee with at least one year of service can be dismissed without clearance from the Ministry of Labor.⁴³ The President concludes the account of his benevolence towards labor by stating:

Perhaps the New Society's positive and encouraging attitude towards the unions and the labor movement is best seen in the representation accorded labor in government bodies. Their representatives now sit in the Social Security Commission, the Employees Compensation Commission, the National Manpower and Youth Council. The National Labor Relations Commission, the Overseas Employment Development Board and the National Seaman's Board.⁴⁴

On wages, the President claims

the direct response to the plight of the workers has been the adjustment of the minimum wages. In the last five years, minimum wages have in fact been increased by more than 100%... the 13th month pay for all workers not receiving more than P1,000 a month (has also been added as well) as the emergency cost of living allowance... for all

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workers receiving not more than P600 a month (and an)...additional P60 living allowance for all workers receiving not more than P600 a month, (and) the ten paid legal holidays.⁴⁵

There is also

the five-day service incentive leave with pay, the 30% premium pay for work on special holidays, the 100% night premium pay for work from 10:00 o'clock in the evening to 6:00 o'clock the following morning.

If you summed up all these benefits, the daily take-home pay for various workers would be as follows: non-agricultural workers in Metro Manila P16.30; non-agricultural workers outside Metro Manila P15.30; agricultural workers P13.30; non-agricultural workers in the sugar industry P17.30; agricultural workers in the sugar industry P13.30 or P14.30 (depending on locality).⁴⁶

The President lists the various manpower training programs of the government as positive achievements. According to him, these along with the economic growth generated in the past five years are "among the most important and revealing achievements of the New Society in the drive to uplift the condition of labor."⁴⁷

President's Assessment Questioned

Despite the President's Pronouncements of the Presidential Decrees and General Orders referred to above, as well as the New Labor Code, are, if not overtly, at least, as they have been interpreted and applied to date, anti-labor. Though General Order No. 5 does not explicitly ban all strikes, as interpreted by the three-man NLRC on November 13, 1973, "All strikes and



picketing are prohibited." This Commission also prohibited the collection of contributions for defense or strike funds by the unions and ordered that existing strike funds be channeled into labor, research, and education.

P.D. 21 set a 30-day limit for the resolution of cases brought before the National Labor Relations Board but this has not been observed. Some cases brought by workers to the Board have dragged on for months or even years. This is particularly difficult for workers in cases of preventive suspension or shutdowns of the plant. While the case is pending before the Board, the worker is deprived of his livelihood. Even when a delayed decision is favorable to the worker, there is no mechanism to enforce it. Management in many cases has been known to delay implementation interminably without incurring any sanctions. The policy of the Board seems to be to delay action on pending cases in the hope that the worker will settle his grievances. Deprived of his earnings and with no assurance when or even if his case will be heard, the worker often settles with management to his disadvantage. When this happens the Commission simply affirms the decision and calls the case closed but not without crediting itself with another labor dispute resolved.

P.D. 21 also prohibits management from dismissing or suspending workers with more than a year of service without prior clearance from the Minister of Labor. However, the same decree gives management the right to place employees it may want to discharge under "preventive suspension." This means that though legally the suspended employees are connected with the company, they are not allowed to work and therefore, unable to earn until their case is decided by the Commission. Again "preventive suspensions" are allowed to drag



on interminably presumably in the hope that the worker will tire of waiting and let the case lapse. Many companies have taken advantage of this "preventive suspension" provisions of P.D. 21 to dismiss employees especially those active in union organization, or known to be members of the union. Though the dismissal may be called "preventive suspension," no one understands it as being anything short of dismissal."

P.D. 143 in effect abolished Sunday as a compulsory rest day for workers. Due to this decree, employers can now operate seven days a week without having to pay overtime for Sunday work. Employers are obliged to grant employees a one-day rest period each week. They determine the day though they are requested "to respect the preferences of employees based on religious grounds." In effect, employers simply stagger the workers' rest days during the week. Since Sunday is an ordinary work day for those whose rest day is not a Sunday, no overtime is paid. A further restriction on workers as a result of P.D. 143 is that they used to hold union meetings and seminars on Sundays, a day they were all free. This is no longer possible.

P.D. 148 actually reduces maternity benefits for women employees. Under the old Woman and Child Labor Law, women workers were entitled to 60% of their pay for six weeks before and eight weeks after delivery. Now they receive 100% of their pay but the period has been shortened to two weeks before and six weeks after delivery. Maternity benefits are also limited to the first four deliveries, miscarriages or complete abortions, whereas previously they covered all.



The Revised Labor Code reaffirms the ban on strikes and on the collection of union funds. Security, managerial and government employees are forbidden to join unions of any kind. Consequently, they have no mechanism through which to negotiate terms of employment or redress grievances. Under the old Labor Code, unfair labor practices which violated the worker's right to self-organization and collective action were considered criminal in nature. Anyone who violated these rights could be criminally prosecuted and penalized. This is no longer true of the New Labor Code. Unfair labor practices is an administrative, not a criminal offense.

The Revised Labor Code also endorses the inequities found in P.D. 21. It declared that, no temporary or permanent injunctions in labor cases can be issued except by the Commission in limited cases. These are cases under compulsory arbitration recommended by the Bureau of Labor Relations or the Regional Office of the Ministry of Labor concerned. This procedure delays cases and is prejudicial to the workers who need the remedy most in cases of dismissals, lay-offs, and other unfair labor practices.

The one-union, one-industry provision of the new code is perhaps the most insidious of all the provisions. The Code itself gives the reason why, namely, "the government shall be in full control of labor." If implemented, this provision of the Code will mark the end of free and independent unions of the workers' choice. The new workman's compensation system put into effect by the New Labor Code also limits the workman's compensation granted under the Industrial Peace Act. Whereas previously a sick or injured worker could get 60% of his average salary from the Workman's



Compensation Fund and 70% under Social Security benefits making for a total of 130%, he now gets only 80% of his salary from Social Security, if employed in a private firm, or from the Government Service Insurance System, if employed by the government. Whereas previously, industry alone bore the cost of workman's compensation, now the worker shares the cost with management.

Presidential Decree No. 823

The decree that spells out most clearly government's policy toward labor under martial law is P.D. 823. To understand this decree and its implications, it is necessary to see it against the background that gave rise to it.

On May 24, 1975, a union certification election was held at Gelmart Industries, Philippines Inc. to decide the union that would represent Gelmart employees.⁴⁸ Gelmart Industries is a huge complex of textile factories, about 15 kilometers south of Manila, which employs 10,000 workers, 9,500 of whom are women. It manufactures mostly women's undergarments and babies' clothing almost exclusively for the American market. Gelmart products are marketed in the United States under such brand names as Kresge, Sears, Maiden Form, Tiny Tots, and Mighty Mites. Among the 1,000 top corporations in the Philippines in 1977, it ranked 344th in sales.

New women employees at Gelmart received P8 a day. After one year of service they received a 10-centavo daily increase, after two years, 20 centavos till their daily wage reached P10. After this there is a standard yearly increase of 15 centavos (a little over one U.S. penny) a day. For this

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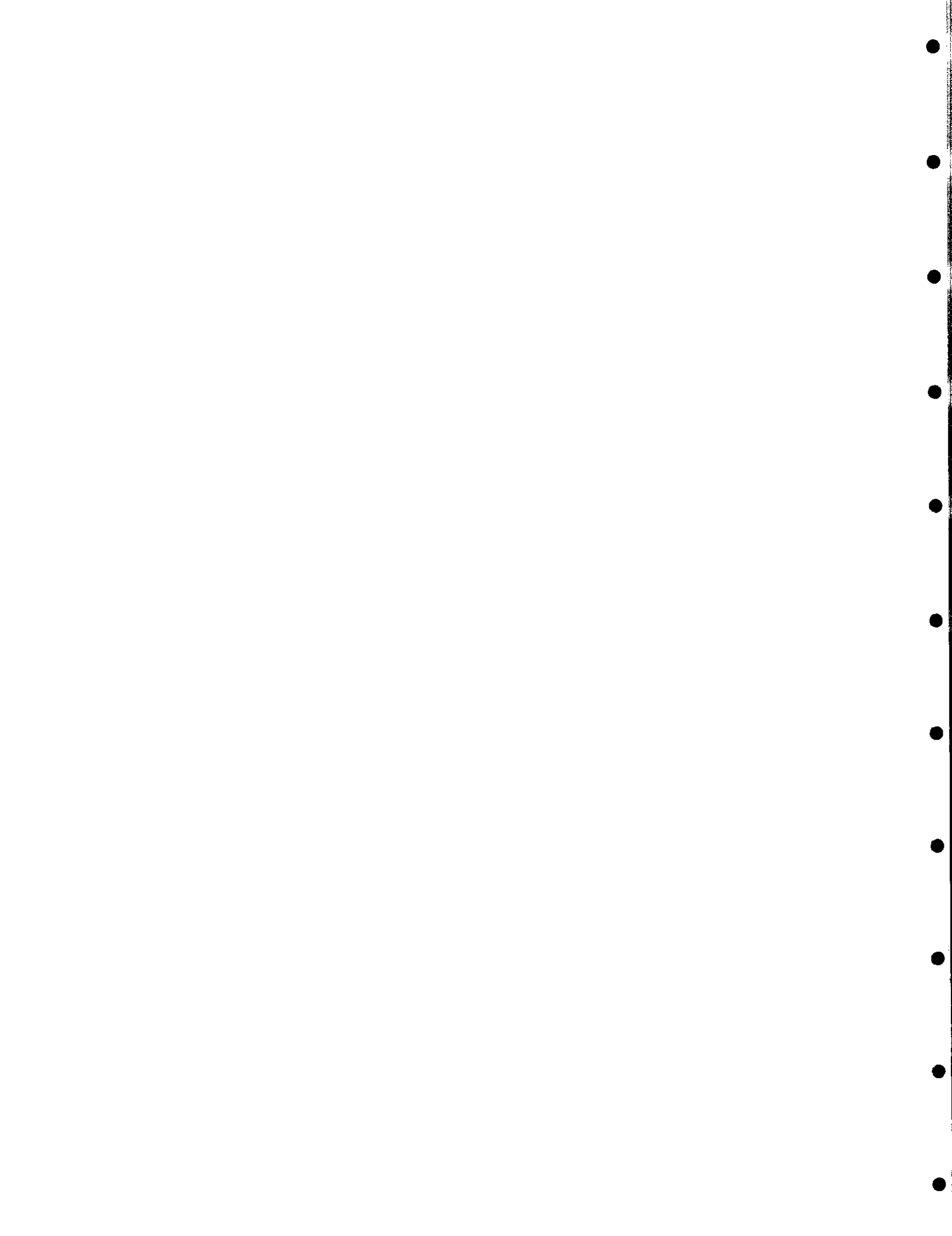
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wage employees have to meet daily quotas established by management. For example, in the woolen glove department, a girl is expected to process 24 dozen pairs of woolen gloves a day. These quotas are often raised but never lowered. Girls are locked in the departments in which they work and are allowed out for a brief break in mid-morning and afternoon and for a half hour at lunch. The windows of all departments have steel bars and are covered with steel mesh screens. These security procedures, according to the management, are to prevent pilferage. They are also the reason why 21 girls died in a fire in one of the departments in April 1975.

The union existing at Gelmart up to the time of the May 1975 certification election -- the United Employees Union of Gelmart Industries Philippines (UEUGIP) -- was a company union. It collected dues which were spent on meetings of union officials. It also agreed on its collective bargaining agreements with management to the system of pay and salary increases described above and agreed that the company manager be the final arbiter of grievances.

In November 1973, a group of Gelmart employees founded another union -- GATCORD (Garment, Textile and Cordage Workers). In a January 1974 election, its candidates for union president and auditor won but the other seven positions were won by the candidates of the company union. From January 1974 until May 1975, the company harassed the two newly elected GATCORD officers, eventually having them arrested by the military and detained for interrogation. But organization work continued and in the May 24, 1975 certification election, GATCORD won 60% of the votes. During the election, nuns and priests served as poll watchers at the request of GATCORD and with



the approval of management. Management made a number of attempts to interfere with the election, all of them clearly illegal. However, the vigilance of the sisters and priests prevented the attempted interference from succeeding. Thwarted in their efforts to block GATCORD and despite the fact that they congratulated the union on its victory, management brought a case against GATCORD in court, charging that the presence of priests and nuns as poll watchers constituted intimidation. The fact that both management and the Ministry of Labor had agreed to allow priests and sisters to serve as poll watchers.

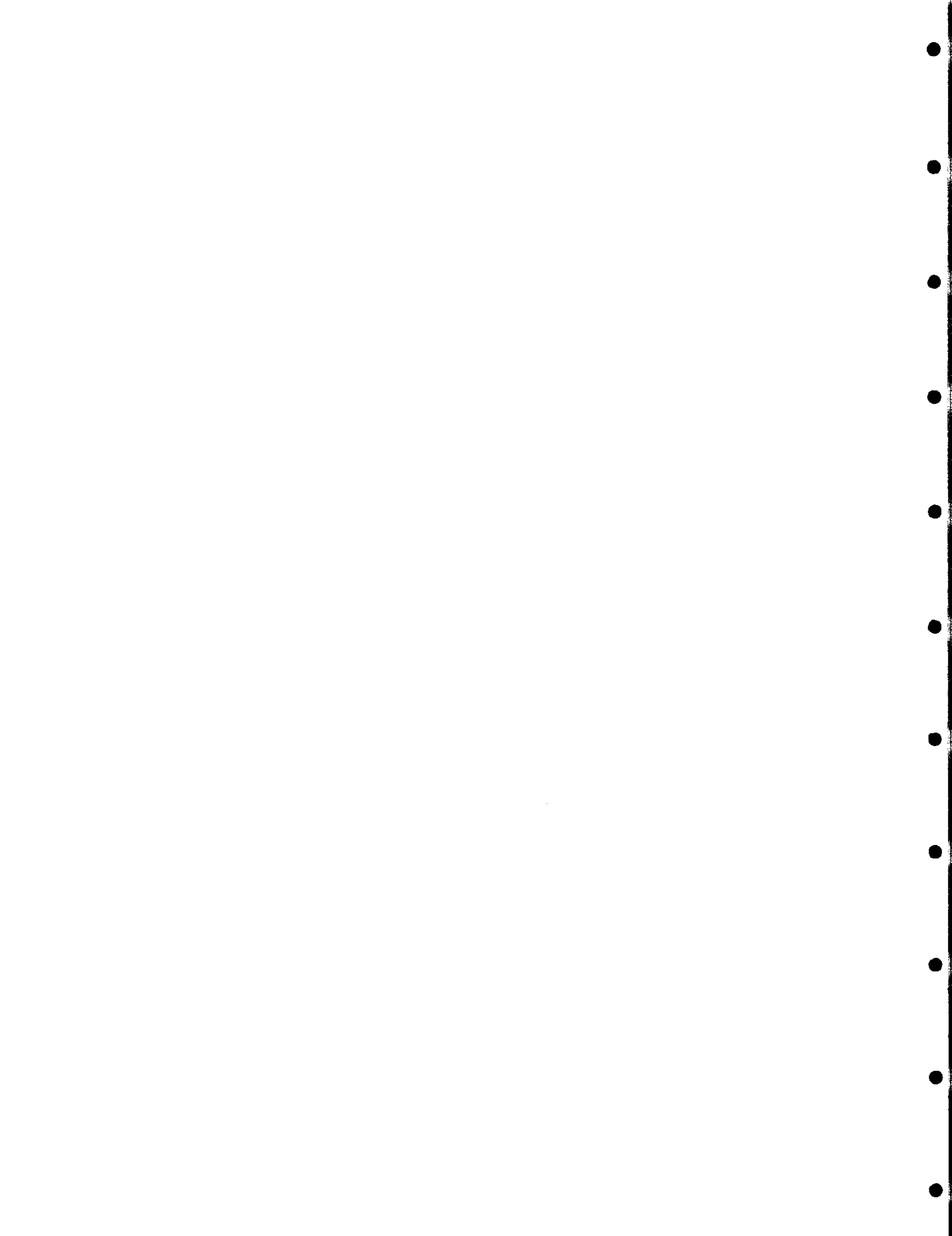
The second case that led to the promulgation of P.D. 823 was a strike in La Tondena Incorporated, the largest distillery in the Philippines.⁴⁹ From 1972-75 workers at La Tondena had made over 30 petitions to the NLRC for the redress of grievances against the company. Among the grievances cited was the practice of alternatively hiring and laying-off 700 workers whom it considered casuals though most of them had been with the company for a number of years. The normal practice was to hire these workers for eight weeks, then lay them off for two or three weeks, then rehire them again. This practice had been going on for at least four years. The so-called casual workers did the same work as the regulars, washing bottles and bottling gin and rum, but they received P10 a day compared with P16 for regular workers. Other grievances listed were no vacations or sick leave, no maternity leave for women employees, and finally a list of employment criteria imposed by the company on the workers which would prevent any casual from becoming a regular worker.



In two decisions on thirty appeals brought before them, the Commission sided with management. Aside from this, management with the support of the military harassed union leaders. In one instance, management distributed to union leaders xeroxed copies of an order supposed to have been issued by General Prospero Olivas, Chief of the Metropolitan Command, ordering them to appear before him at 8:00 a.m. on October 15, 1975. Former Senator Jose Diokno, the union legal counsel, answered the order on behalf of the union by requesting General Olivas to provide grounds for the invitation. Nothing happened.

Despite this harassment and the clear bias of the Commission, the workers presented petitions to the Ministers of Labor and National Defense and to President Marcos. Still nothing happened, so the workers decided to strike. On October 24, 1975, after the workers had reported for work, the leaders of the union gave the signal for 400 "casual" workers and 150 "extra" employees to begin a sit-down strike. Priests and nuns were present to support the striking workers and to prevent any untoward incidents from taking place. The sit-in lasted for two days. Finally the military moved in at one o'clock, Saturday morning, October 26, to arrest the striking workers and carry them off in eight buses to the stockade. They were released the following day with the promise that negotiations would be held. These negotiations were held and most of the workers' demands were granted. However, the concessions proved to be merely verbal as management soon reverted to its old tactics.

It was interesting that workers were arrested for violating the midnight-to-4:00 a.m. curfew and not for violation of General Order 5 banning



strikes. It would have been difficult for the government to prove that the bottling of gin and rum was an industry vital to national security. The two cases described above occurred within five months of each other. It was reliably reported by a source within the Ministry of Labor that the ranking officials in the Ministry panicked. A free election followed by a successful strike could jeopardize government policy with regard to labor unless even firmer measures were taken to curtail union activity. The firmer measures taken were embodied in P.D. 823.

The policy of the martial law government was stated by President Marcos himself on January 4, 1974 in a speech on the silver anniversary of the Central Bank.

There is, next that most important element of a developing country's resource endowment: labor. Abundant supply of low cost and adequately educated workers is considered by some economists to be second in importance only to a sound financial position from the standpoint of accelerated development. That such a supply of labor is of critical value is best seen in the case of the countries in our region which have been recording the highest rates of real growth. I refer, of course, to South Korea, Taiwan, Hongkong, and Singapore. It is interesting to note in this connection a survey done recently by a well known local auditing firm showing that our country now has one of the lowest average wage levels in this part of the world. The examples of Hongkong and, not so long ago, Japan, show that labor will not stay low cost forever, and that, as an economy's growth exerts pressure on its labor supply, wages will rise. We intend to see to it that our export program is not placed in jeopardy at an early stage by a rapid rise in the wage level.⁵⁰ (Underscoring supplied.)

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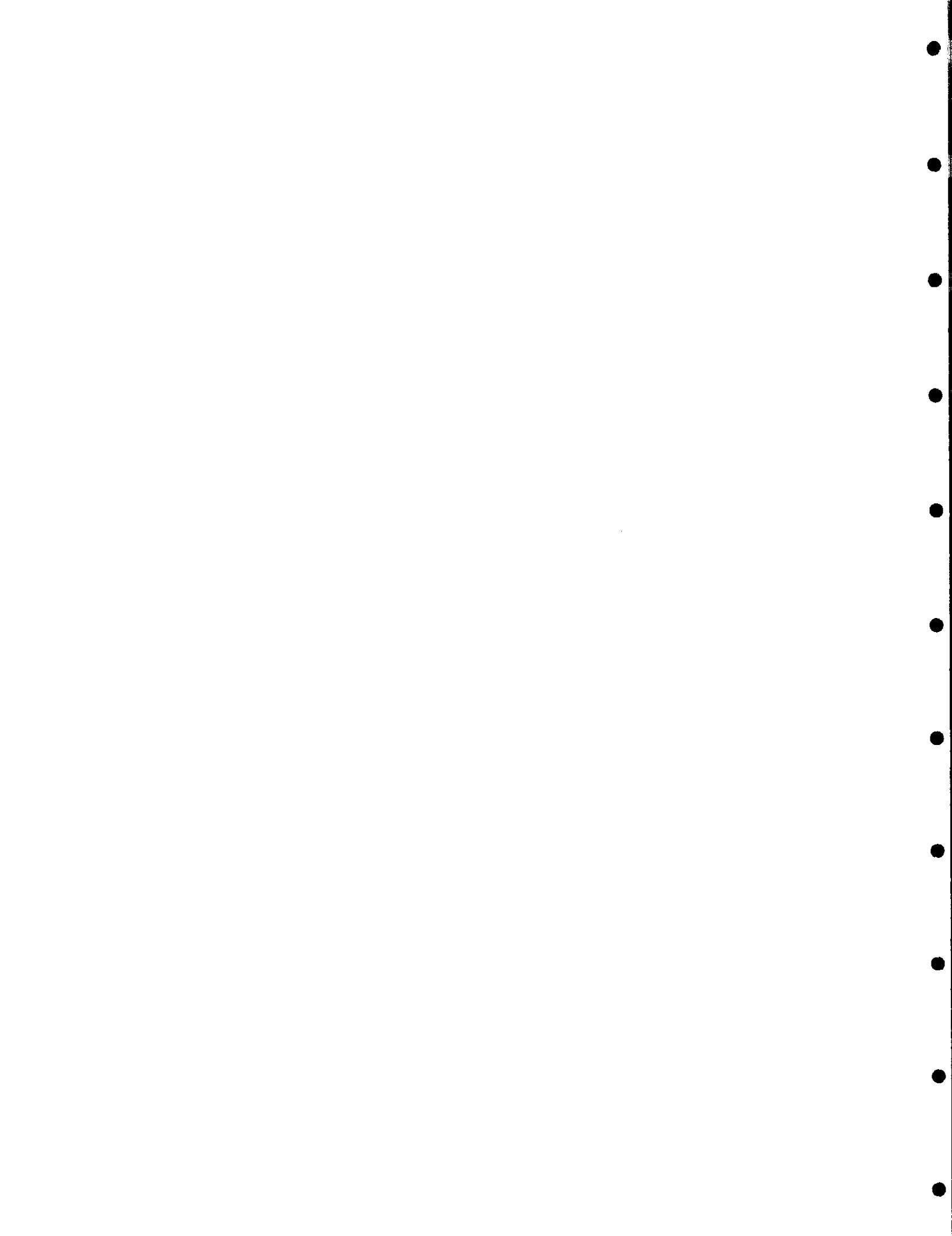
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P.D. 823 has to be seen as a way of dealing with the threat that the Gelmart and La Tondena incidents posed to the above stated policy of the President. The overly repressive nature of the decree itself indicated an over-reaction. Compulsory arbitration is a denial of free collective bargaining. The total ban on strikes deprives workers of a legitimate vehicle for expressing grievances. Under P.D. 823, management can deliberately violate the law or break its contact with labor. It can mistreat its employees and dismiss them without cause and all that workers can do is file a complaint with the Commission, which as we have seen more often than not simply sits on the case until the workers, compelled by necessity, are forced to submit to a management-imposed "agreement." Finally, the prohibition against extending any assistance whatsoever to labor or labor organizations is so all-encompassing it would prohibit even helping a dying man.

Due to strong protests from labor, the Churches, and the Civil Liberties Union of the Philippines (CLUP), P.D. 823 was amended in December 1975. The revision restored the right to strike in industries not vital to national security but only on unresolved economic issues in collective bargaining. Before a strike could be called, a 30-day prior notice had to be filed with the Bureau of Labor Relations. Once this notice is filed, the Minister of Labor is empowered to step in and resolve the issue and his decision is final and is to be carried out immediately unless stayed by the President. The President, moreover, may certify any dispute to the NLRC, and thus ban the strike.⁵¹



In a statement on the revisions of P.D. 823, the CLUP pointed out that the lifting of the ban on strikes in non-vital industries was a nominal not a substantial change in the decree.⁵² First of all, all strikes over unfair labor practices remain banned even in non-vital industries. Strikes in these industries may only be called over "unresolved economic issues in collective bargaining." Secondly, "vital industries are very loosely defined." They are described as industries "engaged in the production or processing of essential commodities" but what these essential commodities are is not specified, and it is not clear whether strikes in companies connected only marginally with exports are also banned. Thirdly, at any time during or after the filing of the notice of a strike, the President may certify the dispute for compulsory arbitration and his certification prevents or ends the strike. Finally, once a notice of strike has been filed, the Minister of Labor may intervene and resolve the issue and his decision will be final, thus banning the strike. In effect, despite the change in the wording of the decree, workers are deprived of the right to strike.

The only real change in the decree was that of lifting the ban on Filipinos giving material aid to labor unions and union members, but this again is hardly significant since the original ban would have been for all practical purposes unenforceable.

Labor legislation under martial law makes it quite clear that the government would like to control all union activity, allow labor no bargaining power of its own, and substitute the administrative for the judicial process in settling labor disputes. Furthermore, it would like to upgrade labor skills through manpower training services and to facilitate the recruitment



and placement of workers through a system of public employment offices. Government labor policies have been adopted not with the interest of labor in mind, but rather in the interest of an economic development policy, which among other things, emphasizes exports. The competitive differential Philippine exports would enjoy by keeping labor costs low is a prime factor in this development policy. The martial law government's policy toward labor can be summed up thus: make it competent and keep it cheap and compliant. Within three months of the issuance of P.D. 823, twenty-six known strikes were called in the Greater Manila area alone. To date, there have been hundreds of strikes. Informed sources close to the labor movement say that the high incidence of strikes is due to the worsening economic situation, unjust company policies, and repressive labor legislation which leave workers no alternative. Government reaction to the strikes has been to arrest known labor leaders. Initially, this had an effect since without leadership, the rank and file were lost. However, many unions got wise and took measures to protect their leaders and at the same time train other leaders who could fill in when the need arose. The military then began to infiltrate the labor movement and with some success. A measure of how much workers are suffering at present is the fact that despite this harassment and the ever present threat of arrest and of physical harm, strikes are continuing. Initially, notice of strikes was given to the Ministry of Labor as required by P.D. 823, but this practice has become less frequent as workers do not see the Ministry of Labor as acting in their interests.

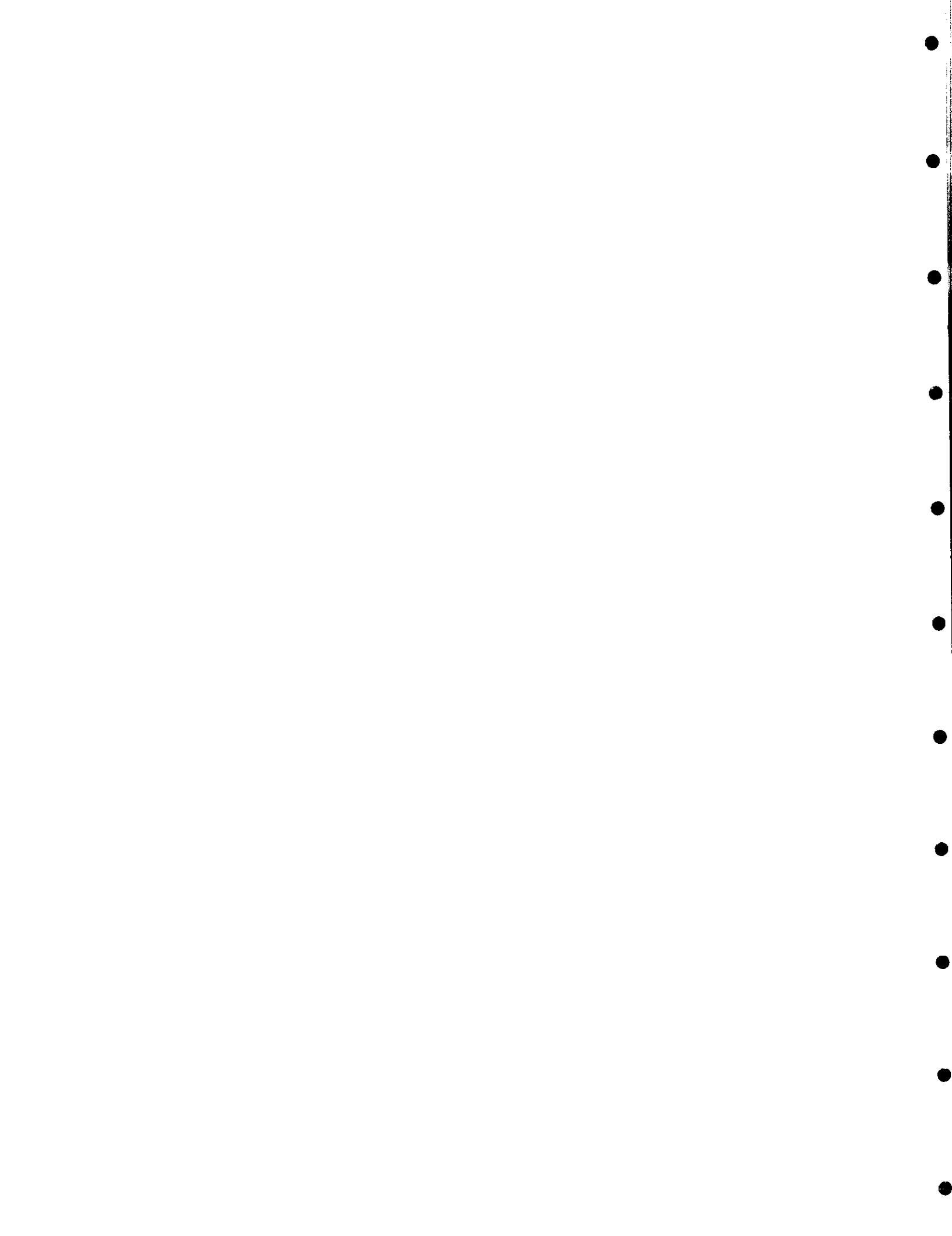


With the passage of B.P. 227 in 1983, all strikes were banned. Subsequently, thirty-five union leaders were arrested in the Greater Manila area. Among them was Felix Olalia, Sr. a man in his eighties, long active in the labor movement, who has since died.

A sure sign of the weakness of government policy in dealing with Labor is the fact that in the most recent strikes and pickets, the government has resorted to violence. On March 16, 1984 and again on April 6, 1984 in two separate incidents in the Metro Manila area, armed police opened fire on workers picketing the Interpolymer Corporation and Foamtex Industries. At Interpolymer, thirty-four workers were wounded while at Foamtex, two workers were killed and many injured. On June 4, 1984 at the Holland Milk Products Company in Marikina, Metro Manila, another worker was shot. On July 9, 1984, several workers were wounded when the military and police attacked pickets at the ARTEX plant in Metro Manila. In all of the above incidents, workers were unarmed and picketing peacefully.⁵³ The fact that workers are continuing to strike and picket despite violent repression is an indication of how badly they are suffering in the severe economic crisis confronting the country at present.

Wages

Two recent studies amply document the reasons for the hardships urban workers are currently facing as a result of the development policies being pursued by the government. The first study by Gonzalo Jurado, a University of the Philippines Economics professor, pointed out that skilled workers in Metro Manila earned only about 55% — slightly more than one-half of what it took



to support a family of six right at the poverty line in 1978. To enable him to maintain a family of six right at the poverty threshold in Metro Manila in 1978, the skilled worker needed to have a wage of P26.18 a day or 69% more than his actual wage which was P15.40 a day. In 1978, 68% of Filipino households were below the poverty line.⁵⁴

Jurado defines the poverty line as the line below which

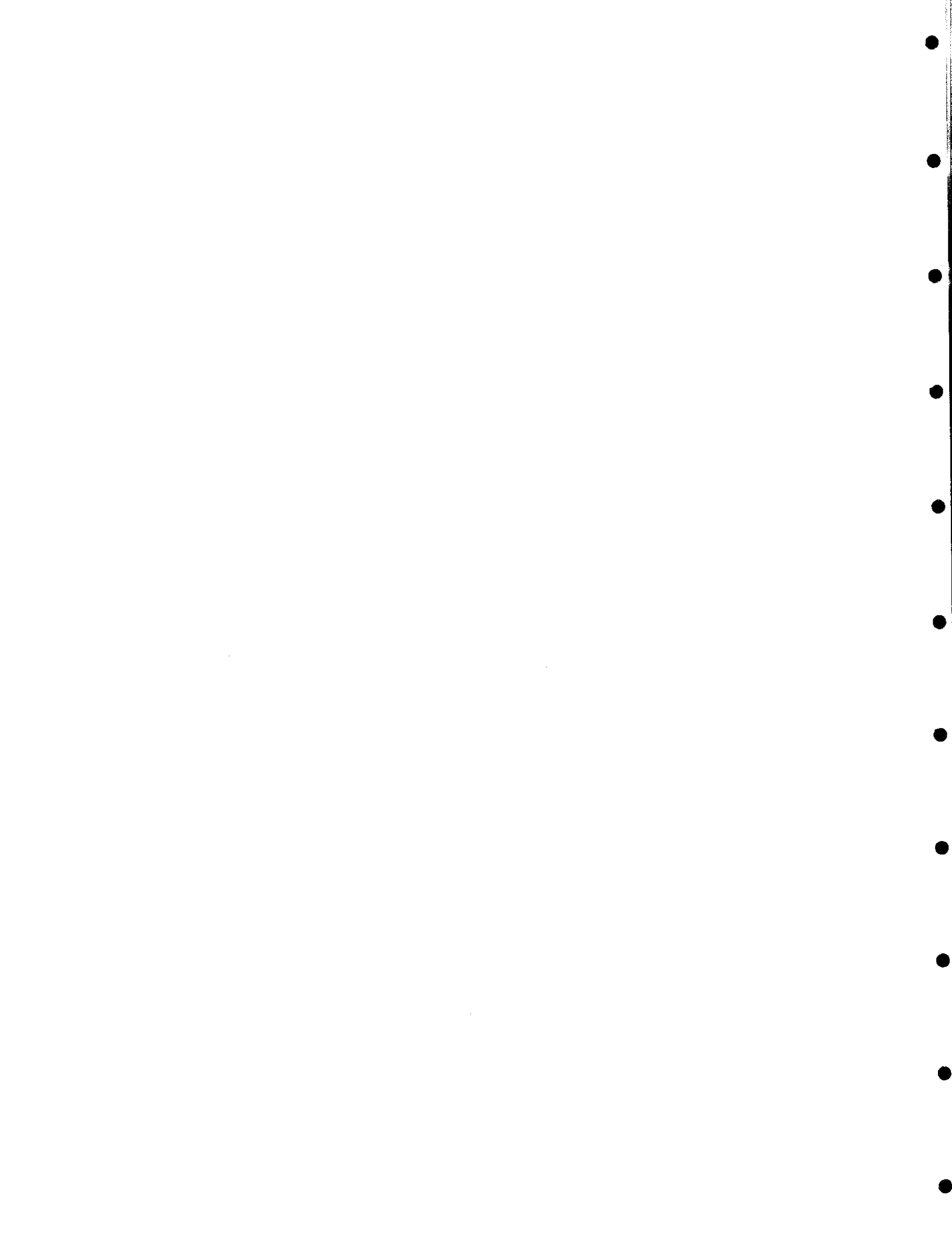
incomes cannot buy for the family its recommended nutrient requirements, cannot permit two changes in garments for each member of the family, cannot afford grade 6 schooling for the children, cannot cover the minimal cost of medical care assumed to be equal to that amount spent by families whose incomes can just satisfy the minimum requirement and cannot afford to pay a roughly imputed rent or the fuel costs equal to that of families who meet the food standard.

In money terms the wage of skilled laborers in Metro Manila

increased from P7.30 to P15.40 in 1978 but the real value of this wage fell from P7.30 to P4.70, a decline of more than 35% because of price increases. The wage of P15.40 for 1978 already included the increase in the minimum wage from P10 to P11 and beginning in 1977, the grant of a P60 a month living allowance for workers receiving P600 a month or less, a 13th month bonus, the payment of 12 legal holidays and, in order to avoid a possible understatement, our own addition for another 16 assorted days.⁵⁵

Moreover, Jurado points out, a worker earning P15.40 a day may end up paying an income tax despite the fact that his real wage is only 65% of what his real wage was in 1966. He adds:

This double squeeze applied by the government on all income classes can be justified if the taxes collected are spent judiciously and on socially beneficial and necessary projects and activities. From what I see with my own eyes, not to mention inferences made from newspapers, identified with

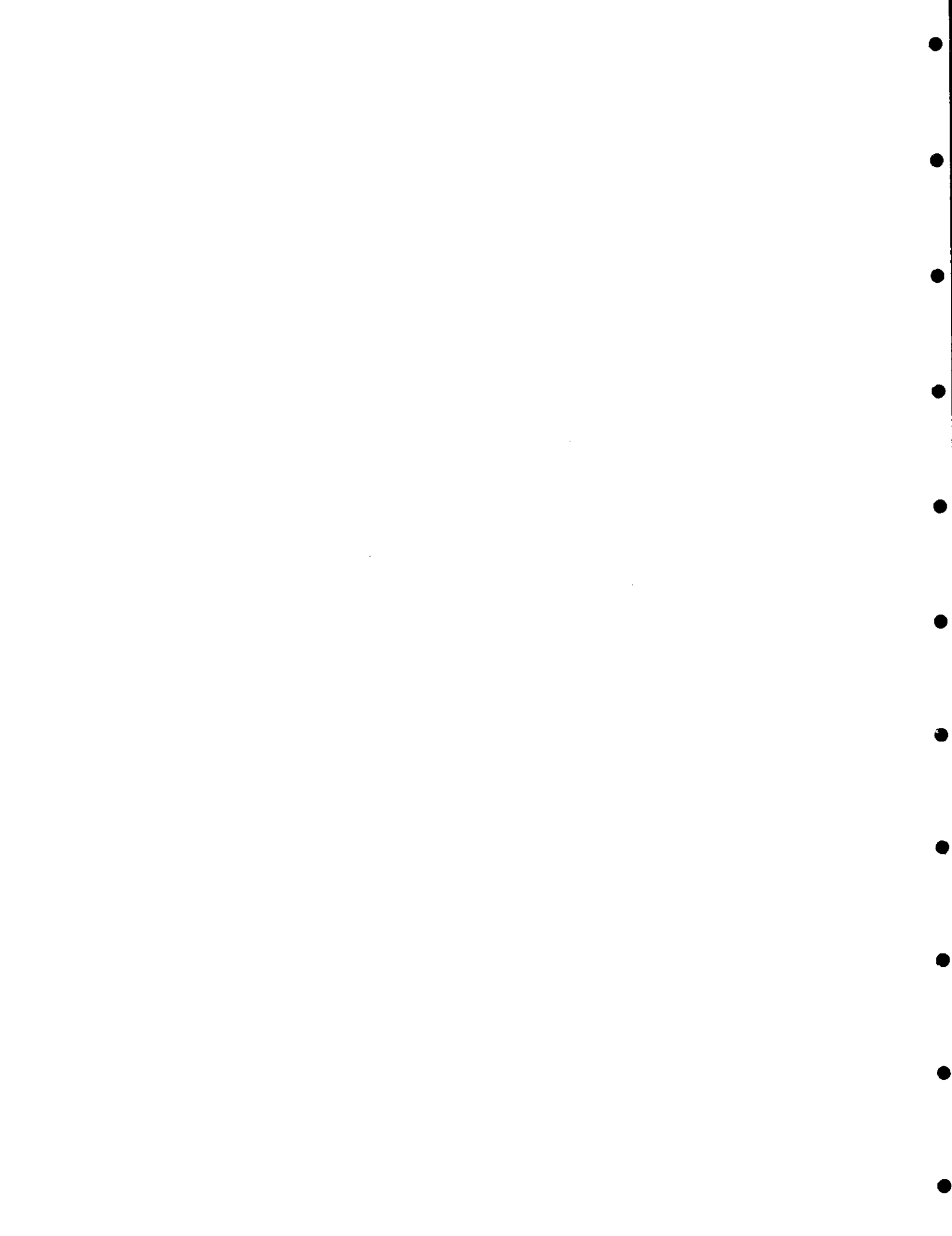


the government, taxes are dissipated on projects and activities of an inflationary character — and I am not referring to roads, schoolhouses and hospitals which even if inflationary are socially important. By cutting out these projects and activities we can reduce inflation.⁵⁶

Jurado then discusses present government policies with regard to labor. He points out that since 1972, government labor policies have come more and more to resemble those of South Korea, Taiwan, and Singapore. The President indicated as much in the speech cited above on the twenty-fifth anniversary of the Central Bank.⁵⁷

The ten-year development plan 1978-1987 reflects this prejudice although in a manner so well concealed that it can be missed by a trusting population. The plan called for a labor productivity to increase over the ten-year period from 4% per year in 1978-82 to 4.6% per year in 1982-87 but elsewhere the plan declares "workers will be accorded just compensation that will ensure the maintenance of a minimum standard of living without prejudice to the efforts to promote a high employment level in the economy."⁵⁸ (Underscoring supplied.)

This in a few words is the essence of the government's labor policy at present. Labor will exert itself to the full to increase output, but it is not expected to share in that increased output. Capital's share, however, will not be diminished because it is necessary to enable capital to promote a high level of employment. Under this scheme a worker can never hope to improve his lot. Whatever he earns disappears for survival while capital is expected to grow to such an extent that it becomes the sole source of savings and investment. A very one-sided policy to say the least. Government policies to date, Jurado concludes, have "not only failed to improve income distribution, they have in fact contributed to its deterioration."⁵⁹ There is



good reason to believe that more and more households will fall beneath the poverty threshold as government continues to pursue its clearly arbitrary policies.

The second study by the Economic Development Foundation (EDF) confirms Jurado's findings. Studying wage trends according to sectors of the economy, the author found that

labor's share of income has declined in all sectors except the mining and financial sectors. Labor has been losing its share by an annual average of 10.5% for wholesale and retail; 10.35% for agriculture, and 8.02% for services. In the more unionized sector of manufacturing, the rate of loss is relatively low at 2.09%.⁶⁰

The study also showed that "increases in output prices did not result in a redistribution of income that at least maintained labor's share. The paper also points out that to maintain the 1972 labor's share in each output sector, wages in wholesale and retail trade in 1978 would have to be increased by 96%; 13% for manufacturing; 47% for construction workers; 92% for agricultural workers, and 65% for the service sector. Only mining could be decreased by 26%.⁶¹ Furthermore, the study found that such labor cost increases would not result in a "staggering increase of output prices" nor would they in any way jeopardize current government development goals.⁶² Finally, the study concludes that "increasing money wages would not lessen the competitiveness of the country's exports in the international market, even considering that the country's exports are more of the labor intensive variety."⁶³



More recent data on the real wages of industrial workers in the Greater Manila area are based on Central Bank figures. They indicate that the cost of living for a family of 6 in 1982 was P48.10 (\$4.80) a day while a worker's actual take-home pay including allowances and 13th month bonus was only P29.84 (\$2.98).⁶⁴ The situation is even worse at present. In October 1984, inflation reached its peak of 63.8%. For all of 1984, the inflation rate was estimated at 50%. The growth rate on the other hand was only 1.5%. Yet the severe economic measures imposed by the World Bank to deal with the Philippine economic crisis will be most felt by the poor who as the data above indicated are in the least favorable position to sustain any further reductions in income.⁶⁵

The data on wages presented above should be seen in relation to the data on health presented earlier in this article. Taken together, both sets of data indicate that government policy experts who speak of increasing labor productivity will not long be able to evade the question of how that productivity will be achieved in a labor force lacking the energy to be even minimally efficient.

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III. SMALL FISHERMEN

The third group of urban poor to be discussed in this article consists of small fishermen.

The Philippines is a group of more than 7,107 islands. The country has an irregular coastline of 18,411 kilometers and 61 natural bays and harbors. The Western Pacific Ocean and the South China Sea, which border the country to the east and west respectively, provide an abundant variety of fish and marine resources which are the main source of protein for the country's 53 million people. The seas also provide a livelihood for over 2,500,000 people, many of whom are small fishermen. Some of these small fishermen live in the cities, close to the sea, and are therefore classified among the urban poor.

President's Assessment of How He Has Benefited the Small Fishermen

The President lists two important projects undertaken as part of the project of the New Society to benefit fishermen. The first is the "Bakawan Project," or swampland utilization to improve the economic life of shoreline inhabitants. The second is the establishment of the headquarters of the Southeast Asian Fisheries Development Center (SEAFDEC) at Tigbauan, Iloilo. SEAFDEC, with an international research community, hatcheries, laboratories, training programs and other facilities, is conducting sea farming experiments. Most of the experiments to date have been on shrimp and prawn culture. Hopefully, according to the President, these experiments will in time "increase not only the domestic income of the local fishpond owners five to ten times but also substantially contribute to the export earnings of the country, since prawns are one of the highly marketable sea products."⁶⁶



In addition to these experiments, the Philippines in cooperation with Japan is surveying tuna routes. The private local sector "is also organizing a joint venture with foreign interests" to engage in deep sea fishing in the Philippines.⁶⁷

Locally, the Bureau of Fisheries and Aquaculture Resources has twelve on-going experimental projects.⁶⁸ Also with the help of a \$5.5 million loan from the Asian Development Bank, the Philippine government has built the Navotas Fish Market complex on a 67-hectare reclaimed area in the municipality of Navotas, Metro Manila. Linked to this is a network of 18 ice plant/cold storage units throughout the country, ranging in capacity from five to forty tons.⁶⁹ The World Bank has also provided loans of \$11.6 million in 1973 and of \$12 million in 1976 for the development of the fishing industry in the country.⁷⁰

Critical Analysis of President's Assessment

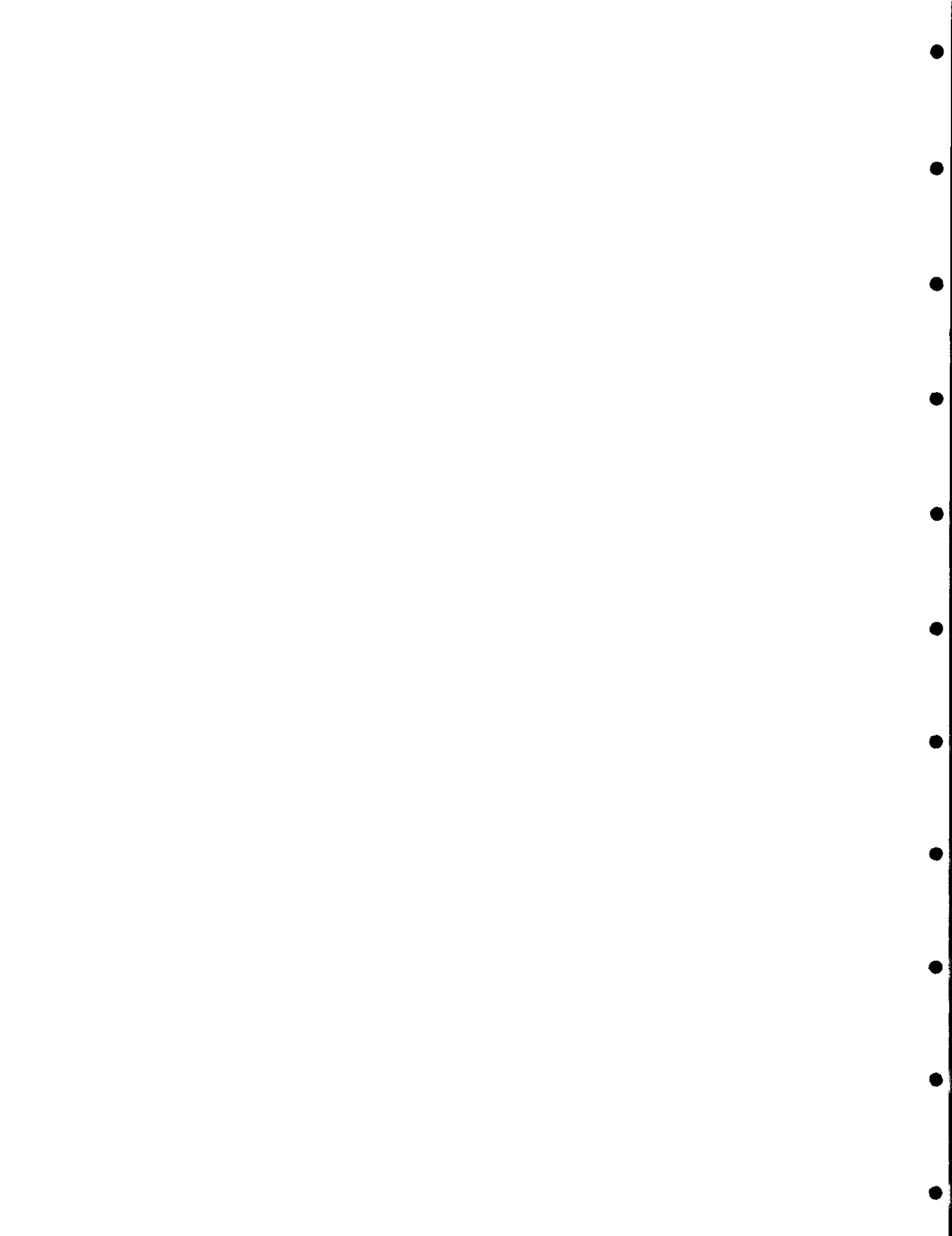
First of all, the projects listed by the President as benefiting fishermen are all projects to strengthen commercial fishing. Small fishermen, not to mention the main source of protein for the majority of people, are now being threatened by the increase of large-scale fishing in Philippine waters. From 1971-76 the value of fish and fishing exports to Japan from the Philippines increased by almost 500 % from P24,385,426 to P124,639,680.⁷¹ From 1971 to 1976, the number of fishing vessels increased by 787, from a 1971 figure of 1,784 to 2,571 in 1976. The capacity of all fishing vessels grew by 200,000 tons.⁷²



This growth has been in large part spurred on by P.D. 704, which "encouraged the exportation of fish and fishing/aquatic products to enable the fishing industry to contribute positively to the development and growth of the national economy."

This decree, issued in 1975, followed less than a year the signing of the Philippine-Japanese Treaty of Amity, Commerce and Navigation, which opened the way to Japanese participation on the local fishing industry. Since 1975 Japanese loans to the fishing industry in the Philippines have totalled P386,586,664 (\$48,323,333).⁷³ These loans have been for fishing vessels, the development of the Navotas Fish Port and technical assistance on net trap fishing methods. In addition, there are 32 local fishing companies with Japanese equity participation, up from 7 companies in 1973.⁷⁴ Since 1976 when it was first set up, the Aquaculture Department of SEAFDEC has received more than \$1 billion from the Asian Development Bank. SEAFDEC is completely dominated by Japan which in 1974 alone supplied 97% of all foreign contributions and 40% of the total funds of the Center.⁷⁵ Its primary objective seems to be to ensure what the Japanese need. Whereas, Republic Act 3512, the old law governing fishing, limited the development of local fishing resources to Philippine citizens and corporations, P.D. 704 now allows foreign corporations to take part in the Philippine fishing industry and to fish in Philippine waters.

Citizens of the Philippines and qualified corporations or associations engaged in commercial fishing may, subject to the approval of the Secretary, enter into sharter contracts, lease or lease purchasing agreements with any foreign person, corporation or entity for the production, storage, marketing, and processing of fishing and fishery/aquatic products.



The only conditions imposed are that foreign members of foreign fishing boats "shall not exceed seventy-five percent (75%) of the complement of the boat and that Filipino seamen and fishermen shall be given instructions and training by foreign crew members in the fishing boat in the use of the fishing gear and after two years shall replace all foreign crew members." Decree 704 also prohibits trawl fishing in waters seven fathoms deep or less.

The encouragement given by P.D. 704 to large-scale commercial fishing is seriously affecting the livelihood of small fishermen. Though they still account for 55% of the production in the fishing industry, little is being done to protect them.

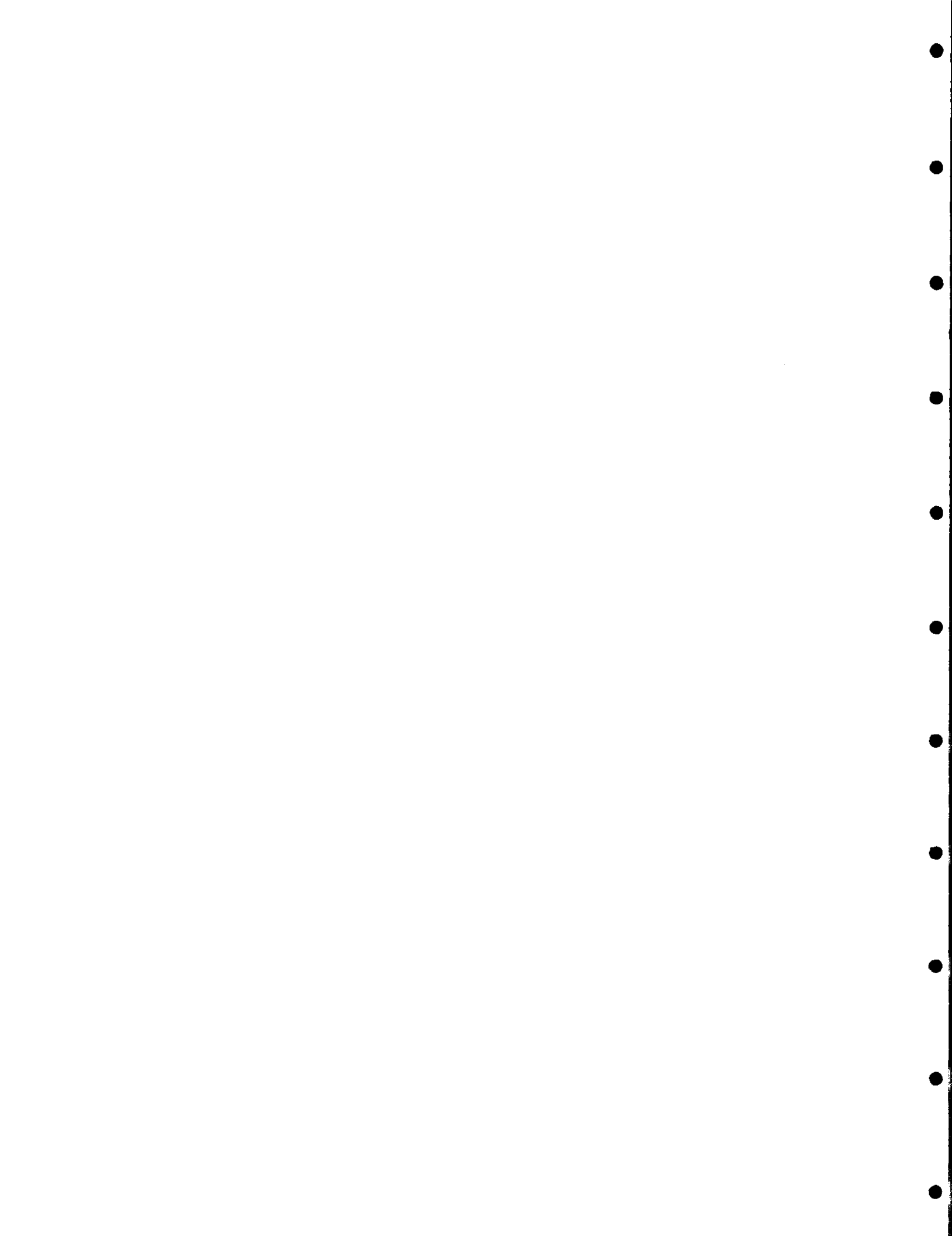
First of all, trawlers do not observe the seven fathoms prohibition. Reports from many areas of the country testify to the fact that commercial vessels trawl in, very close to the shoreline. The result is, the bottom of the fishing banks in the shallow coastal waters in which the small fisherman depend, are scraped empty of fish. Often, the supply of fish is permanently depleted in the shallow coastal areas. As a result of trawl fishing, small fishermen are being pushed out of fishing and are being forced to become hired workers on the commercial trawlers to survive.

Even if the small fishermen can find fish, they are finding it increasingly difficult to market their catch. The marketing of fish has now become a big business aimed no longer at domestic consumption but at export. With their meager resources, the small fisherman cannot compete with the tons of fish brought to the market by the large commercial fishing vessels. The best they can hope to do is to sell their catch to a commercial fishing boat at sea, but here again, they have to take whatever price they get regardless of the price the consumer pays for fish.



In Samar, a very rich source of shrimp, middlemen are gaining control of the shrimp industry for the export of the product to Japan. The middlemen furnish the small fishermen with new fishing gear such as nets, ropes, rubber to float nets, and wire. If the fisherman has a motorized banca, the middleman may supply gasoline. The cost of the materials he must buy from the middleman is higher than if bought at local stores. The cost for the fisherman is deducted from the catch over time. Usually, it comes to P250. If the fisherman does not have a motorized boat, he is towed to the fishing site by a motor boat owned by the middleman. Transportation charges are P1.00 per kilo. It is estimated, the middleman makes P10 in every kilo of shrimp bought from the fisherman and sold to shrimp dealers. This does not include his income from the sale of equipment or towing charges. A fisherman may also borrow at interest for other necessities from the middleman. Many small fishermen are paying as much as 60% a month interest to middlemen. The only way they can hope to pay off their debt is by catching more shrimp but given the growing presence of trawlers in the area, this is not easy.⁷⁶

A final effect of P.D. 704 is the high price of fish on the local market. It is increasingly difficult to get the better varieties of fish, and when they are available, they are beyond the means of the ordinary customer. All of this is due to heavy emphasis on exports. Small dried fish, a traditional staple in the diet of the poor used to cost P2 per kilo. It now costs P23 a kilo. Supplanting fish of dried fish in the Philippine market is canned mackerel imported from Japan. In 1976, imports of canned fish cost the Philippines nearly P300 million (\$37,500,000). The Free Trade Board also found that several brands of Japanese canned fish contained galunggong, a low-



quality fish found in the Philippines. When in 1975, the Philippine government tried to restrict the importation of canned fish from Japan, the Japanese government complained that the restriction of imports would hurt the Japanese canned fish industry. The following year in 1976, to show their concern for the Japanese canned fish industry, the Philippines imported close to P10 million more of canned fish from Japan than in the previous year.⁷⁷ Again, we find that government policy adversely affecting the livelihood of over 2 million people and at the same time jeopardizing the most plentiful and cheapest resource of protein for the entire population. An this is happening while 85% of the schoolchildren suffer from protein-calorie malnutrition.



CONCLUSION

As long as the Marcos regime continues to emphasize exports, tourism and impact projects to the exclusion of 85% of the population, the basic moral claims people have to just wages, basic health care and decent housing will not be met. People's basic human rights are neither created nor abolished by presidential decrees or court decisions. The experience in the Philippines since martial law has been that basic human rights are acknowledged in words but constantly violated in practice.

The Philippines is today a National Security State. When President Marcos speaks of nationalism, he is not speaking merely of consciousness of membership in or attachment to a nation. The nationalism he has in mind is an integral nationalism which sees the individual as existing to serve the state. His nationalism is founded on the myth that supreme loyalty is due to the nation state and that national interests and national survival are the supreme goals. He states as much:

Nationalism and national consciousness transcend individualism. The individual becomes subsumed to a national society mobilized in harmony to advance national interests and for national survival...Basic to this concept is the central political authority which can focus and mobilize collective strengths and capabilities of all individuals and all groups on the common aspirations and goals of the entire national community.⁷⁸

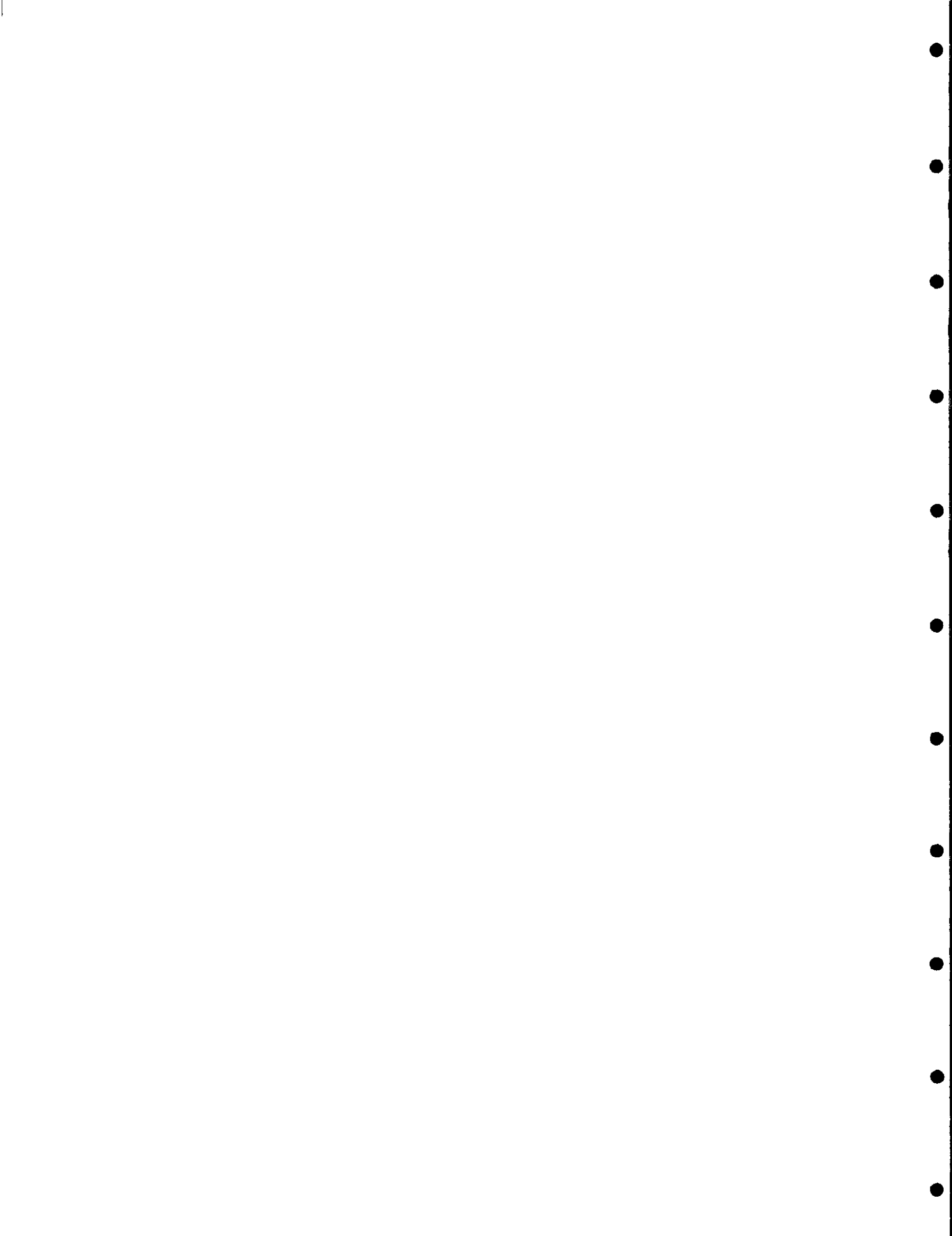
For Marcos and his martial law regime then, people are secondary, but it is apparently better not to tell this to the people. In the President's national security view of human society, human rights mean very little. If



the individual exists to serve the state, then human rights — individual and social — are totally subordinate to the state. Those who cannot accept the responsibility of serving the state, no matter what the demands, are subversive of national security and should be treated as such. There is no reason then, to be surprised by reports of squatter demolitions, arbitrary arrests of labor leaders, disappearances, torture, liquidations and imprisonment without trial for long periods of time. The fact that many within and outside the Philippines do not accept the National Security ideology and protest the way people's rights are trampled on explains the necessity to either deny violations of human rights or fabricate evidence to give semblance of legality and to maintain paramilitary forces and intelligence units outside regular chains of command to which torture and liquidation can be delegated. Though these forces have clear links with the military, military can disown their actions.

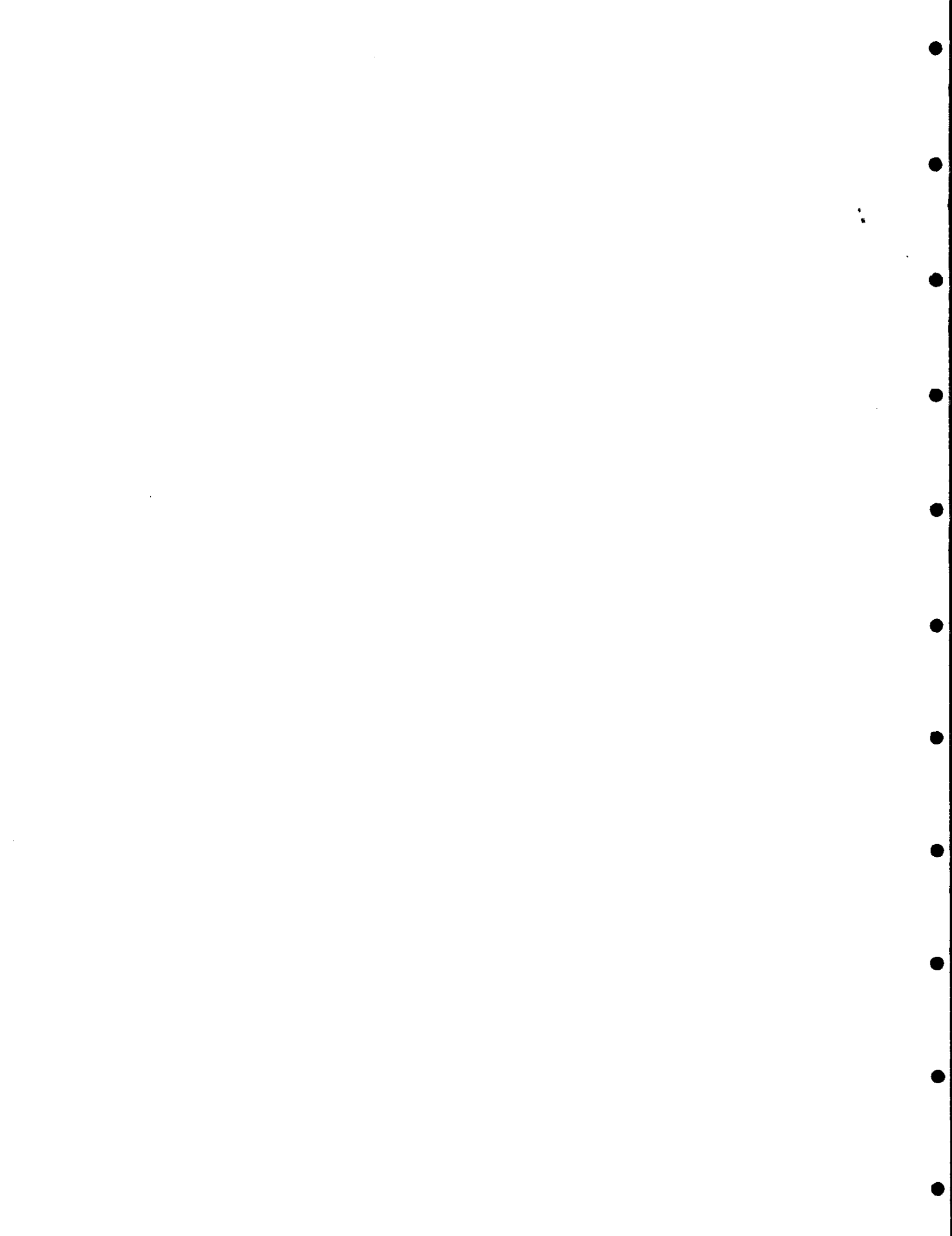
Terms like "Compassionate Society" or "City of Man" are meaningless in Marcos' New Society. They are nothing more than "confidence mechanisms" aimed at deceiving the poor to think that, the President and the First Lady are concerned about them.

After thirteen years of martial law, the senseless suffering of millions of people continues. These millions include not only the urban poor but also the tribal Filipinos and agricultural workers and tenants. The relative and absolute numbers of the poor continue to grow. The tragic effects of such a situation may not come dramatically but slowly and in a thousand different ways, as when the constantly falling rain slowly washes away the hills.

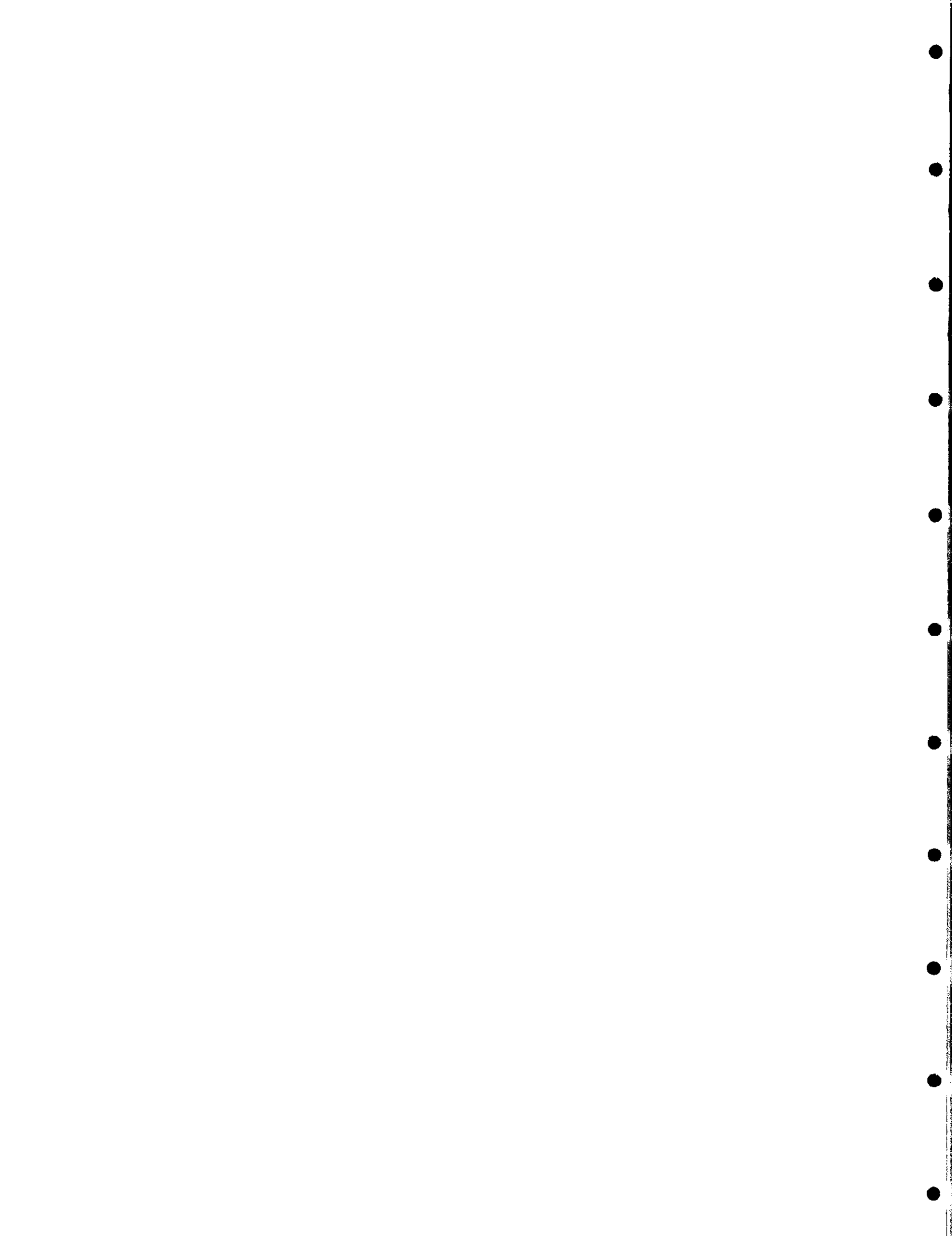


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6. Ibid. 129-130.
7. Ibid. p.130.
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