

**Submission by Philippine NGOs (Ibon Foundation and BAYAN*)
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RIGHT TO SELF-DETERMINATION

The 1987 Philippine Constitution declares “the paramount consideration” in the country’s foreign relations to be national sovereignty, territorial integrity, national interest, and the right to self-determination. However the progressive implementation of “free market” socioeconomic policies has increased the control of foreign and domestic elite economic interests of the nation, particularly its labor and natural resources, to the detriment of the national economy and the welfare of the majority of the Filipino people.

Significant international trade and investment liberalization over the last three decades has systematically undermined the realization of the economic, social and cultural rights of Filipinos. Agricultural tariffs are now one-fourth of their levels in the 1980s and manufacturing tariffs less than one-seventh¹ – causing trade to more than double as a percentage of gross domestic product (GDP) from 52% in 1980 to 105% in 2005.² Foreign investment liberalization since the 1990s has allowed 100% foreign ownership in all but a few sectors – causing foreign investment to nearly quadruple as a percentage of GDP from 4% in 1980 to 14% in 2005.³

Filipino producers have been denied the trade protections and investment support essential for their growth and development. The share of manufacturing in GDP has fallen from 27.6% of GDP in 1980 to 22.0% in 2006, and that of agriculture from 23.5% to 18.8%. The shrinking of the productive sectors deprives millions of Filipinos the opportunity for decent work, livelihoods and their means of subsistence. The average annual GDP per capita growth rate of 0.6% in the “globalization” era 1981-2005 is barely one-fourth of that in the previous period 1959-1980 (2.4%).⁴ The national economic potential has also suffered and rates of gross domestic savings and gross domestic capital formation have dropped from 28.6% and 32.9% of GDP, respectively, in 1976 to 20.1% and 15.7% in 2005.⁵

Meanwhile, transnational corporations (TNCs) have increased their domination of local industry and increased their share of total manufacturing sales of the country’s Top 1,000 corporations from 55.9% in 1999 to 75.0% in 2004.⁶ Also, among the 23 priority mining projects of the government, estimated to be worth up to US\$6.5 B, 18 are in identified ancestral lands of indigenous peoples: ten in Mindanao; one each in Mindoro and Palawan; and six in Cordillera and the rest of Northern Luzon.

Liberalization has eroded government revenues and the capacity of the state to meet the people’s social and economic needs and revenues are down from 20% of GDP in 1994 to 16% in 2006.⁷ Yet annual combined public and private foreign debt service over the period 2001-2005 is at a historic high, both in nominal terms (US\$9.6 B a year) and as a percentage of GDP (equivalent to 11.8%).⁸ Debt service accounts for the single largest share of the national government budget – crowding out social services – and interest payments alone increased their share from 16% in 1997 to 35% in 2006. Total public debt service payments in 2006 were nearly five times combined education, health and housing spending.

As in other Third World countries, these policies have been aggressively pushed by the IMF, WB and WTO, as well as upon the lobbying of governments and TNCs particularly of the US, EU and Japan. Civil society

* With contributions from Kalikasan-People’s Network for the Environment (Kalikasan-PNE)

1 Tariff Commission data.

2 IBON computations on data from the National Statistical Coordination Board (NSCB) and IMF International Finance Statistics (IFS).

3 IBON computations on data from the National Statistical Coordination Board (NSCB) and the UNCTAD on-line database.

4 IBON computations on data from Bangko Sentral ng Pilipinas (BSP) and IMF International Finance Statistics (IFS).

5 Ibid.

6 Business World Top 1000 Corporations in the Philippines, various years.

7 IBON computations on data from Department of Budget and Management (DBM).

8 Compared to the annual average in the previous 20 years of US\$3.9 billion and 7.7 percent, respectively. Ibid.

and the Filipino people are excluded from or have only token participation in the socioeconomic policy-making process.

RIGHT TO WORK

The economy's capacity to generate jobs has been undermined, resulting in a historic jobs crisis. There were 11.6 million Filipinos unemployed (4.1 million) or underemployed and still looking for more work (7.5 million) in 2006.⁹ The average annual unemployment rate of 11.3% and of underemployment of 18.7% from 2001-2006 is the worst six-year period of these in the country's history.¹⁰ The underemployment rate has increased by six percentage points in the last six years to a decade-high 23% – reflecting how jobs available are increasingly of low quality (i.e., non-wage or -salaried work, part-time work, low-paying and insecure informal work).¹¹

Instead of generating jobs at home the government actively promotes a labor-export policy. More than 3,000 Filipinos go abroad every day to look for work and there are over nine million overseas Filipino workers (OFWs) in 192 countries worldwide – equivalent to one-fourth of the country's labor force.¹² The US\$13 B or more they remit yearly is equivalent to 15% of GDP which is a five-fold increase from being equivalent to less than 3% in 1983.¹³ The Philippines is the most overseas remittance-dependent economy of any significant size in the world.

RIGHT TO JUST AND FAVORABLE WORK CONDITIONS

There is a system of daily minimum wages set at the regional level but wage standards are commonly violated; in 2005, some 20% of firms inspected were found to be violating wage laws.¹⁴ Firms also frequently skirt the law by hiring workers for only five months then terminating them before they legally become regular workers, denying them job security and mandated benefits.

In any case, prevailing real minimum wages are insufficient to maintain a minimum level of decent living. For example, the current daily minimum wage in the National Capital Region (Metro Manila) of P362 (US\$8.41 at P43:\$1) is just 40% of the government's own estimated daily living wage for an average family size of six of P792 (US\$18.42).¹⁵ Rather, the government sets the minimum wage based on a very low poverty threshold – most recent 2007 estimates are of just US\$0.95 a day to meet food and non-food needs, with an average family of five members needing just US\$4.74 to be considered not poor. As it is, labor's share in national income has fallen 15 percentage points between 1982 (78%) and 2000 (63%).¹⁶

The rural poor are mired in backward agricultural systems due to the persistence of feudal relations. About 52% of all farms in the country covering 51% of total farm area remain under tenancy, lease, and other forms of tenurial arrangement.¹⁷ Despite decades of successive agrarian reform programs, less than a third of landowners still own more than 80% of agricultural land. Some 2.4 million farms out of a total of 4.8 million still rely on hand tools, plows and carabaos (water buffalos); only 30% of the total farm area is irrigated.¹⁸

RIGHT TO UNIONIZE

The right to unionize is guaranteed under law yet workers continue to experience severe labor repression when they try to uphold their rights. In 2006 there were 130 monitored incidents of violations of workers' rights – e.g., physical assaults, illegal arrests, abduction and various forms of harassment, and assaults while

9 National Statistics Office (NSO), Labor Force Survey (LFS).

10 IBON computations on data from National Statistics Office (NSO), Labor Force Survey (LFS).

11 This jobs crisis is currently understated by a redefinition of unemployment in April 2005 that excludes from the labor force population those who had become discouraged from looking for work (resulting in some 1.5-2 million unemployed being removed from the statistics since April 2005). Unfortunately official government time series on labor data gloss over this and give the impression of improvement. IBON estimated data using old and new methodologies with data from the NSO.

12 Philippine Overseas Employment Administration (POEA) data.

13 IBON computations on data from Bangko Sentral ng Pilipinas (BSP).

14 Department of Labor and Employment (DOLE) data.

15 Minimum wage data from Department of Labor and Employment, deflated using inflation data from Bangko Sentral ng Pilipinas (BSP), and family living wage from National Wages and Productivity Council (NWPC).

16 Philippine Institute for Development Studies (2004), "Improving labor productivity: The cornerstone for better competitiveness and income distribution in the Philippines", Philippine Institute for Development Studies (PIDS) Development Research News, Vol. XXII No. 1, January-February 2004.

17 National Statistics Office (NSO), 2002 Census of Agriculture.

18 Ibid.

on the picket line – affecting 2,012 victims.¹⁹ There were 121 cases with 11,578 victims in 2004, and 109 cases with 5,269 victims in 2005. Union leaders have also been among the victims of the resurgence in political killings since 2001.

There is an accumulation of firm level evidence of increasing contractualization and agency-hiring which hinder the right to unionize. The direct and indirect attacks on unions have caused declines in union membership (from 27.0% of wage and salary workers in 1980 to 11.7% in 2005) and in collective bargaining agreements (773 filed covering 139,158 workers in 1980 to 459 covering 82,925 in 2005).²⁰ The amount of overtime work is also increasing and, in 2006, close to one-fourth of total employed were working an average of 66 hours a week (which is much more than the permitted 48 hours weekly).²¹

Women have a hard time finding decent jobs and account for only 38% of total employment in wage and salary jobs but 57% of unpaid family work.²² Meanwhile 72% of land-based overseas workers deployed in 2005 were women, mainly employed as domestic helpers, caregivers and entertainers.²³

RIGHT TO SOCIAL SECURITY

Social security and state health insurance is available mainly to salaried employees although self-employed individuals can voluntarily enroll. However millions of the country's poorest and most vulnerable are effectively beyond public social insurance or safety nets. Most Filipino workers are in the informal economy or, if they are in formal sector, hired as casual or contractual labor. Barely half of the employment is in wage and salary work (50.9% in 2006) with the rest are in own-account (36.8%) or unpaid family work (12.3%).²⁴ There are no unemployment benefits.

RIGHT OF FAMILIES TO PROTECTION/ASSISTANCE

Poverty and the backwardness of the economy continue to undermine family bonds. The most serious additional threat to the family in recent decades stems from the overseas worker phenomenon. Male and female heads of families are among the nine million Filipinos forced to go overseas to look for work which causes severe strains on family relations with unquantifiable social costs in terms of disruptions in child-rearing, broken families and strained family relationships.

Poverty also drives many children to leave school for work. In 2006, some 2.5 million children aged 5-17 were working either to augment family income or fend for themselves.²⁵ Over three-fourths of these children were employed as laborers and unskilled workers in psychologically and physically hazardous conditions. It has been estimated that there were some 1.5 million children living in the streets in 2004. Children and women are the worst affected by the country's dire economic situation and, in 2003, the biggest numbers of poor are found among women (11.6 million) and children (13.5 million).²⁶

RIGHT TO ADEQUATE STANDARD OF LIVING

Some 80% of Filipino families survived on daily incomes of P560 (US\$10.92 at then prevailing exchange rates) or less in 2006 – with the poorest 10% of families having incomes of just some P88 (US\$1.72).²⁷ This more or less translates into some 80% of the population, assuming an average family size of five, surviving on P112 (US\$2.18) per day.²⁸

19 Center for Trade Union and Human Rights (CTUHR) data.

20 Department of Labor and Employment-Bureau of Labor and Employment Statistics (DOLE-BLES) data.

21 Ibid.

22 National Statistics Office (NSO), Labor Force Survey (LFS).

23 Philippine Overseas Employment Administration (POEA) data.

24 National Statistics Office (NSO), Labor Force Survey (LFS).

25 Bureau of Labor and Employment Statistics (BLES).

26 National Statistical Coordination Board (NSCB) data.

27 IBON computations on data from the preliminary results of the Family Income and Expenditure Survey (FIES) 2006.

28 The government officially reports population poverty incidence of 30% in 2003 by using an unrealistically low poverty line of just P33.72 (US\$0.67 at current exchange rates). The official poverty figure is also understated by excluding those without "official and permanent residence" – i.e. those living in squatter areas, in the streets, ambulant rural poor, etc.

Income and social inequalities are severe and worsening. The poorest 50% of Filipino families accounted for just 19.1% of total income compared to the richest 20% who account for 52.8 percent; the income of the richest 10% of households is over 19 times that of the poorest 10% of households.²⁹ Between 1985 and 2006, the share in national income of the poorest 60% of families even fell by 1.3 percentage points to just 26.3 percent of total income; in contrast, that of the richest 20 percent increased by 0.7 percentage points.³⁰ The US\$15.6 B (P799 B) combined net worth of the country's 20 richest individuals in 2006 is equivalent to more than the combined annual income of the country's poorest 10.4 million households composed of some 52 million Filipinos (i.e. P785 B).

The poorest families have the least access to basic needs. The 2004 Annual Poverty Indicators Survey (APIS) found that in the poorest 30% of families, 35% do not have access to safe drinking water, 48% have no electricity and 30% do not have access to sanitary toilets.

RIGHT TO FOOD

Agricultural trade liberalization has combined with state neglect to increase food insecurity and insufficiency. Domestic food production has fallen 27% from 1,509 kilograms per person per year in the period 1979-1981 to 1,100 kilograms in the period 2000-2002.³¹ The country's dependence on foreign sources of food supply has worsened. Comparing the period 1991-1995 with the period 2001-2003, the annual volumes of imported rice, corn, vegetables, root crops, sugar, pork, poultry, beef and fish have increased from by some 50% to over ten-fold (916 %).³² The average annual agricultural trade surplus of US\$52.9 M in 1990-1994 turned into an annual deficit of US\$1,135 M in 2000-2004 and US\$1,284 M in 2005.³³ The country became the world's largest rice importer in 2005.

The average income of Filipinos is insufficient to meet the cost of their caloric and minimum nutrient requirements. Some 57% of total households (some 9.3 million) or around 46.3 million Filipinos do not meet the 100% daily dietary energy requirement.³⁴ Women and children are the worst affected by the lack of access to adequate and nutritious food supplies. Some 27% of children 0 to five years of age are underweight and 30% are short. There is a 66% prevalence of anemia among children six months to one year old. Some 27% of pregnant women and 12% of lactating women are underweight; anemia prevalence is at 44 percent.

Nearly half a million hectares of land have been approved for large scale mining operations since the implementation of the Mining Act of 1995 (RA 7942) and the Minerals Action Plan (MAP) of Executive Order 270 (2004). Fish kill, fish diseases, and declined fish catches due to mine tailings reaching inland waters and coastal areas are increasing. Environmental damage brought about by mining industries threatens food security in the long-term.

RIGHT TO HOUSING

Some 57% of the poorest 30% of families don't own a strong housing unit and 40% don't own a house and lot.³⁵ Housing and community development was allotted just 0.3% of the national budget in the period 2001-2006, or just a third of the allocation in the six-year period before this.³⁶ There are at least 11-13 million urban poor residents in the Philippines. Among the large dislocations in recent years include some 29,000 families from Metro Manila and nearby Bulacan province in 2005 due to the Philippine National Railways' North Rail-South Rail Linkage Project. While resettlement sites are provided for families, these often lack basic services and livelihood opportunities.

29 IBON computations on data from the preliminary results of the Family Income and Expenditure Survey (FIES) 2006.

30 Ibid.

31 Including cereals, fruits, vegetables, root crops, sugar, spices, dairy products, meat, fish and other aquatic products. IBON computations on FAOSTAT data.

32 IBON computations on FAOSTAT data.

33 Department of Agriculture-Bureau of Agricultural Statistics (DA-BAS).

34 This estimate is from 2005 Food and Nutrition Research Institute (FNRI) data and was cited in the United Nations Development Programme's (UNDP) Second Philippine Progress Report on the Millennium Development Goals. Using the official subsistence food threshold, the government reports 11 million Filipinos unable to meet food subsistence requirements. However, as with the official poverty threshold, the subsistence food threshold is extremely questionable for being set at an extremely low P22.33 (US\$0.45) a day, or P7.44 (US\$0.15) per meal.

35 2004 Annual Poverty Indicators Survey (APIS) data.

36 IBON computations on data from the Department of Budget and Management (DBM).

RIGHT TO HEALTH

Despite the poor state of Filipinos' health, there is decreasing government spending on health. National government spending on health has fallen from a peak of 0.74% of GDP in 1990 to 0.27% in 2006; real spending per capita on health of P159 (US\$3.18) in 2006 is 25% lower than in 2001.³⁷ The World Health Organization (WHO) ranks the country 174th out of 192 countries in terms of total expenditure on health as a percentage of GDP, and 156th in government's share on health as a percentage of total expenditure on health. Only 6.3% of general government spending goes to health. Total health expenditures amount to only 3.4% of the country's GDP. Meanwhile, private sources are almost double government spending posting a total of P97.5 million compared to government spending of P50.1 million in 2004.³⁸ Out-of-pocket expenses accounted for almost 80% of total private spending.³⁹

As of 2005 there were only two *barangay* (village) health stations for every 10,000 population.⁴⁰ In 2004 there were only 3.6 doctors per 100,000 population, 2.3 dentists, 5.3 nurses and 20.3 midwives.⁴¹ In 2002 only 37% of mothers received at least the minimum two doses of tetanus toxoid while pregnant. In urban areas only 54% of mothers delivered in a health facility; in rural areas just 22% delivered in a health facility, while 59% delivered unassisted by a doctor, nurse or midwife.⁴²

Mortality rates for the poorest are many times that of those at the highest income levels. The poorest 20% of the population had an infant mortality rate of 42 per 1,000 live births, child mortality rate of 25 per 1,000 live births, and under-five mortality of 66 per 1,000 live births versus equivalent figures for the top 20% of 19 (infant), 1 (child) and 21 (under-five).⁴³ Tuberculosis kills 75 Filipinos a day; the country's TB incidence is the 4th highest in the world. Improvements in the child mortality rate have come to a halt. In 1988-1992, there were 19 deaths among children aged 1-4 years old per 1,000 population; this improved to 12 deaths in 1993-1997 where it stayed per 1,000 population until the 1998-2003 period.⁴⁴ There are 6.1 million Filipino children underweight: 3.7 million below five years old and 2.4 million between 6 to 10 years old (25% of children in this age group).

RIGHT TO EDUCATION

The Philippines provides tuition-free education in the primary and secondary levels. Yet poverty denies millions of Filipino children the right to a decent education. Out of every 100 children who enter First Grade, only 66% will finish elementary school, 43% high school and 14% college.⁴⁵ The number of children in school is declining. In school year 2001-02, 90% of children aged 6-11 were enrolled in elementary school but this fell to 84% in 2005-06.⁴⁶ Drop-out rates have risen from 7.7% in 2000-01 to 10.6% in 2005-06 in the elementary level, and from 8.5% to 15.8% in the secondary levels.⁴⁷ Tuition rates are deregulated for private schools.

The Constitution mandates that education receive the highest budgetary priority from government but automatic debt appropriations makes debt service the biggest item in the national budget. National government spending on education has fallen from a peak of 4.0% of GDP in 1998 to 2.4% in 2006. In the period 2001-2006, education made up an average of 15.3% of the total budget while interest payments on debt accounted for 28.1 percent. Real spending per capita on education of P1,508 (US\$30.16) in 2006 is 22% lower than in 2001.⁴⁸

37 IBON computations on data from the Department of Budget and Management (DBM).

38 NSCB, Philippine National Health Accounts (PNHA) 2004.

39 Ibid.

40 Department of Health (DOH).

41 Ibid.

42 Ibid.

43 2003 National Demographic and Health Survey (NDHS) data.

44 Department of Health (DOH, 2003), National Demographic and Health Survey 2003.

45 Department of Education (DepEd), FY 2006 Budget Proposal, December, 2005.

46 Department of Education (DepEd).

47 Ibid.

48 IBON computations on data from the Department of Budget and Management (DBM).