

# **PHILIPPINE GOVERNMENT POLICIES and its IMPACT on the CORDILLERA PEOPLE<sup>1</sup>**

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The Philippines population is composed largely of the peasantry, who are around 75% of the population, followed by the workers, urban middle class of professionals and government employees, small business, big landlords and comprador capitalists. A similar social stratification exists in the Cordillera.

The Philippines is rich in natural and agricultural resources, yet majority of the Filipinos are poor. The economy remains predominantly agricultural, pre-industrial, export-oriented and import-dependent, debt-ridden, which is kept afloat by the billions of dollar remittances from its almost seven million migrants in more than 160 countries.

The economic and political system in the Philippines is very much controlled by US imperialism, through its instrumentalities such as the World Bank, International Monetary Fund, World Trade Organization and the Asia-Pacific Economic Cooperation. It controls Philippine capital, market and trade, Philippine currency, and some industries in the country. The Philippines is one of the sources of cheap raw materials and labor and market for foreign capitalists. This system resulted in the continuing deepening economic crisis in the Philippines as shown by unemployment, poverty, low production and lack of capital. The Philippine government implements the globalization program of the imperialists through the policy of deregulation, privatization and liberalization.

## **I. Deregulation.**

### **The major deregulation issue in the country is the unending oil price increase.**

The unending oil price increases provide super-profits to the oil cartel, at the expense of the Filipino people, who continue to suffer from meager wages, limited livelihood and employment opportunities amid the steady decline of the purchasing power of the peso. The net effect is an added burden to the already limited capacity of the steadily growing number of impoverished and marginalized people in the Cordillera and the rest of the country. Studies made by Ibon Foundation, Inc. prove what the people knew all along - that the three oil giants are not losing and are instead steadily raking in greater profits day by day. Last year, an Ibon Foundation case study showed that there was an overpricing by an average of P0.30 per liter, enabling the oil cartel to rake in P1.3 billion for the last six months in 2001. Other independent researchers estimated that the oil cartel earned P19 billion in the last three years from its operations in the Philippines. The increase in oil price triggered increase in prices of basic commodities and transportation, greatly reducing family income for education and health.

Notwithstanding their huge super profits, the oil cartel continues to insist they are losing.

That the U.S.-supported GMA regime allows this to happen is a statement in itself. While it undertakes all-out war against the Moro peoples and other belligerent groups, it continues to defend the interests of the oil cartel by not heeding the people's clamor to scrap the oil deregulation law. Instead, it becomes the oil cartel's mouthpiece by echoing the threat that should their demand for an oil price increase not be met, the country will be plunged into an economic crisis - as if this is not yet happening.

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## **II. Privatization**

The US-GMA regime is continuing with the privatization program of social services like education, health, energy (electricity), and water services.

### **A. Privatization of the Health System.**

The deteriorating health problem is a big issue both in the urban centers and in the countryside. But the irony is, the Department of Health has the lowest budget appropriation. The health problem is becoming acute with the privatization of government hospitals and health services.

In essence, health services of the government is already privatized. Public hospitals and rural health clinics are housing private health services. Patients in public hospitals and clinics have to pay for medicines and other materials like plaster and cotton, otherwise they are left unattended. It is a reality that many medical workers committed to save lives of people feel frustrated because they lack the support system from the government.

### **B. Privatization of the Education System.**

Another important basic service that has started to be privatized is the formal education services. Education cost is one of the major expense of every Filipino family, including children enrolled in government schools. Many families are sacrificing their resources, time, and family relations and leave their families for overseas work to pay the high cost of education for their children. Many have leased or sold their land, animals, and agricultural products to meet the increasing educational cost. This situation is not getting any better but it is getting worst. The government started implementing the privatization of government schools and/or state universities like the Benguet State University, Mountain Province State Polytechnic College and many others. Tuition fee has been increasing every semester in the private schools. Announcements have been made that the board of directors of these schools will have to look for ways and means on how they could sustain their schools.

### **C. Privatization of Water and Energy Services is also a Growing Issue in the Philippines and in the Cordillera.**

In the Cordillera, even before government announced the privatization of NAPOCOR (National Power Corporation or NPC), Binga Dam has already started its privatization as early as the middle of the 1990s. On the said period, the rehabilitation program of Binga Dam was contracted by NPC to a private firm, the China Chang Jiang Energy Corp. (CCJEC), through a Rehabilitate-Operate-Lease (ROL) scheme in 15 years. This move is under the Electric Power Crisis Act of 1993 enacted during the US-supported Ramos regime. The contract stated that the NPC employees of Binga Dam be under the responsibility of the private contractor (CCJEC) which became the Binga Hydro Electric Plant Inc. (BHEP) with Catalino Tan as the president. Mr. Tan was a crony of then Pres. Ramos, providing military supplies to the Department of Defense and one of the financial supporters of the former president's electoral campaign. Before Pres. Estrada took over as president in 1998, NPC paid BHEP \$33.42 M (out of taxpayers and consumers money) while BHEP spent only \$3.3M for its rehabilitation works or a whopping difference of \$30.12M or P1.5 billion. Aside from these payments from NPC, the dam employees were not given their benefits and many did not receive their salaries.

No wonder, privatization has become the favorite game of the powerful, since it will be the taxpayers and consumers who will shoulder all the cost of this big time source of corruption.

What message do we get from this privatization program?

1. Privatization of power energy services was taken advantaged of by top government officials to engage in big-time corruption;
2. Private firms could “milk” a government agency like NPC only with the collusion of its top management officials;
3. Ordinary workers are the first to suffer the impact of privatization of government assets and
4. It is the general public who will eventually shoulder the cost of the corrupt practices of top elected and appointive officials all the way to Malacanang.

#### **D. Privatization of Water Resources**

This is also very much alarming in the Philippines especially in the Cordillera where water is considered a gift from God, Kabunian, and should be shared by his people both for domestic and agricultural use.

In Baguio, La Trinidad, Itogon, Sablan, Tuba (BLIST) area, there is a plan of BCI (Benguet Consolidated Inc.) to apply for water rights on the major sources of water of the BLIST area, including its mined-out communities in Itogon. If this pushes through, domestic water will be monopolized by BCI. At present, water service is still under the Baguio Water District and La Trinidad Water District. While water from its neighboring communities is still government-owned, people are already having difficulty in paying their water services. How much more if this will be under BCI as its private property?

The Lepanto Mining Co. applied for water rights in seven water sources within the municipality of Mankayan, Benguet. There are still to be verified reports that four out of the seven were approved by the DENR. This would deprive the people of Mankayan water for their vegetable farms and ricefields. This is already an additional problem to the people, whose land is being grabbed, eroded and polluted because of Lepanto Mines’s wastes.

The diversion tunnel of Bakun, Benguet is another form of water privatization. Affected are the vegetable farmers of Bakun and the rice farmers of Comelias, Cervantes, Ilocos Sur.

In the interior Cordillera, water privatization will surely create not only economic problems but also social problems within and between communities and tribes. Water is an important resource among the indigenous peoples especially those with strong indigenous socio-political system. History has shown that use of water can cause clan and/or tribal conflicts. The government’s insensitivity to the indigenous socio-political system and concept of sharing of resources and insistence on applying its policy on water privatization, will surely contribute to conflicts among the people.

Why is the Macapagal–Arroyo administration still hell-bent on its program of privatization? The experience of the privatization of Binga Hydroelectric Dam provides the answer. Top government bureaucrats amassed millions from privatization programs together with their collaborators in the private sector.

### **III. The Liberalization Policy**

This policy is not new because the sell-out of Philippine resources to foreign corporations, which are mostly US and Japanese-owned, has been the policy of the government. The Cordillera is affected very much by the liberalization policy of the government especially on the issue of mines, mega-dams, and agricultural resources.

#### **A. AFMA - Agriculture and Fisheries Modernization Act**

The Cordillera population is composed mainly of peasants. The peasantry in the Cordillera and the entire country are affected by the liberalization of agriculture and fisheries through the AFMA. The alleged objectives of AFMA are: to increase agricultural productivity, increase wages of workers, decrease poverty, increase employment and to ensure food security. On paper, its objectives are commendable. But like any other so-called poverty alleviation program, the AFMA goes against the interests of the peasantry. The AFMA opens our country to import and export of our agriculture produce. This will make our country dependent on other countries in the area of agriculture, block the peasant sector from developing self-reliance and achieve genuine agrarian reform. It will not help the peasantry to modernize their national agricultural production but will instead worsen the backwardness of agricultural system. Why? The AFMA would allow the unregulated tariff-free entry into the Philippines market of meat, grain, and mid-latitude vegetables and fruits from other countries. The market is now swamped by large volume of these commodities, sold very cheaply, driving down market prices, impoverishing further the peasantry. This policy is eroding the capacity of Cordillera peasant households to earn money from their participation in the market. The Philippine government is implementing programs that will make Cordillera agricultural production less oriented towards the fulfillment of domestic needs and more oriented towards the market. Its Central Cordillera Agricultural Program (CECAP) and Cordillera Highland Agricultural Resources Management program (CHARMP) are both geared at training the peasantry to embrace the production of so-called high-value crops for market, at the expense of food production for domestic use.

Peasant households, which have succumbed to the temptation offered by the promoters of CECAP and CHARMP as well as by private entrepreneurs, soon become heavily dependent on seed and agrochemical inputs produced by transnational corporations. They acquire these from suppliers who double as produce dealers and creditors. Like all traders, these middlemen always sell high and buy low. And like usurers, they charge high interest rates for any credit they extend. Unable to get good prices for their produce, the peasants usually find themselves deeply indebted to these middlemen. They cannot go back easily to subsistence production because they have to pay their debts. Second, their intense use of agrochemical inputs has significantly altered the structure of the soil as well as the character of the farm's environs, such that these can no longer support chemical-free crop production. Lastly, they have already lost the seeds and other planting materials they once used for subsistence production.

As a result, some indigenous crop varieties are gradually being lost, other varieties which have survived are now in the hands of agencies like IRRI (International Rice Research Institute), a pioneer in bio-piracy and genetic engineering.

Genetically Modified Organisms (GMOs) are among the inputs now being promoted by government and private entrepreneurs. These pose hazards to the health of both crop producers and consumers.

Furthermore, there is the continuing process of land–use conversion projects and crop conversion programs. All these threaten food security in the entire Cordillera region.

### **B. Allowing destructive mining operations by big foreign mining corporations is a part of the liberalization policy of the government.**

The search for gold and other mineral resources since the Spanish and American colonization continues up to the present. Strong resistance took place in several parts of the region. Some were successful struggles and some were not. Mining has been a means of livelihood for the indigenous peoples through a system, which is controlled by the people, and balanced with agricultural production that is environmentally friendly. However, the mining transnational corporations brought about destructive mining operations, which displaced many Cordillera peoples, especially in the province of Benguet. Destructive mining by big mining corporations has always been protested by affected communities with the support of the Cordillera Peoples Alliance (CPA). However, the Ramos administration approved the Mining Act of 1995 which is a total sellout of the mineral resources, most of which are located in areas populated by indigenous peoples. The applications of New Mont and New Crest on Financial Technical Assistance Agreement (FTAA) in different parts of the Cordillera has not been cancelled despite people's protest.

While communities from different parts of the region are vigilant in monitoring the opening of new mining operations, the people of Mankayan, Benguet are continuing their struggle against the ongoing operations of the Lepanto Mines and its expansion plan. Since 1936, Lepanto Mines has been earning millions of pesos yearly (like PP450 million last year). But what is left for the people of Mankayan? The mines caused the sinking of Mankayan Poblacion and the community of Colalo, Mankayan. At least two schools from each community sank and were totally destroyed. Many animals were also poisoned from its chemical waste. In addition, hundreds of hectares of rice farm were destroyed due to siltation in five municipalities (Cervantes and Quirino in Ilocos Sur, Tadian and Besao in Mountain Province, and Tubo in Abra). Seven hundred fifty hectares of rice farm have been washed out while 50 hectares more are in danger of being washed-out. The remaining ricefields' productivity decreased to almost 80% due to sedimentation and effect of mining waste. The irrigation system could not be used anymore due to contaminated water. Fruit trees could hardly bear fruit due to pollution. Aggregates within the Abra river, which is the source for the municipalities within the boundary area of four provinces, could not be used anymore because of corrosive elements. Abra River as a source of food is no longer possible.

The mining corporation ignored all these negative effects on the people of the four provinces. Rather, it is planning to expand to the municipalities of Tadian and Bauko, Mountain Province and to upper Mankayan, together with its subsidiaries, the Diamond Drilling Co. and Shipside Mining Co. This would surely bring more disaster to the said municipalities, which produce temperate vegetables, fruits, rice, and livestock. These have been their major source of income to meet basic needs and education. This will surely be an economic dislocation for the affected communities when the mining operation will push through.

### **C. The liberalization of the Energy Industry.**

The **San Roque Dam Project (SRDP)** is a flagship project of Philippine government, which involves the construction of a mega-dam on the Agno River, Benguet and San Roque, San Manuel, Pangasinan. This is funded by the Japan Bank for International Cooperation (JBIC).

If completed, it will measure 200 meters high and 1.3 kilometers across making it the largest earthcore rockfill dam in Asia. This is the third dam to be constructed on the Agno river. The first was Ambuclao Dam built in 1956 and second was Binga Dam built in 1960. Both dams have ceased to be operational because of the heavy siltation of the reservoirs.

The people of Itogon and San Manuel Pangasinan have been opposing the San Roque Dam project for the following reasons:

1. It will cause the displacement of 741 households or 4,400 individuals in San Roque, San Manuel, Pangasinan, aside from those who will be displaced in Dalupirip, Benguet.
2. Alteration of the environment within the project site. In 1999, flashfloods, which occurred as a direct result of rock excavation, swept through San Manuel and San Nicolas, Pangasinan. In San Manuel, the floods devastated the crops of 162 peasant households. These crops would have yielded more than 11,119 cavans of rice and 11,000 kilos of vegetables.
3. Upstream siltation. In Itogon, the dam project has not yet physically impacted on any community. Gold panning and fishing sites, pastures, orchards, and ricefields will be inundated in the waters of dam reservoirs. Properties and livelihood resources of about a hundred peasant households will be buried when sediment-control check dams are built at seven points along the Agno River and its tributaries.
4. Regulation of livelihood activities in the dam's watershed area. The watershed plan only proposes to control the sedimentation that is caused by erosion from the denuded mountain slopes of Itogon, Tuba, and Baguio City. This would affect five barangays populated by around 22,000.
5. Reservoir siltation and downstream flooding. Once the San Roque Dam starts to fill up more siltation than water, its gates will have to be opened every time torrential rains occur. Probable maximum flood rates is placed at 12,800 cubic meters per second. At least 1,250 square kilometers of land in Central Luzon will be inundated. More than a million people would suffer.
6. Other hazards are:
  - a. The trapping of riverborne soil nutrients behind the dam. This would induce farmers to increase use of synthetic agrochemical inputs, which would have an adverse environmental and economic impact on floodplains agriculture.
  - b. The impoundment of toxic concentrations of metals and chemical compounds in the reservoir.

Despite these expected negative effects, how did the government. manage to get the dam project off the ground?

1. By passing environmental regulations.  
An Environmental Impact Assessment and Environmental Feasibility Study was done for the SRDP but was not subjected to rigorous cross-checking by the DENR. The DENR cited the project's flagship status as its reason for allowing the NPC to bypass this important feature of the EIA -Environmental Compliance Certificate process.

2. Circumventing several laws.  
Consent to the project was not solicited beforehand from the affected indigenous communities as provided for in Republic Act 8371 - the Indigenous Peoples Right Act. Likewise, the prior approval by the local governments of the affected areas was not secured (Republic Act 7160 - Local Government Code).
3. Strong arm-twisting and bribing of local officials such as the governor of Pangasinan and Benguet, municipal mayors of San Manuel, Pangasinan and mayor and vice-mayor of Itogon, Benguet, none of whom carry the legal mandate to make project endorsement, which is the domain of local councils.
4. Making false promises to affected citizens such as:
  - a. Fair compensations for lost and/or damaged properties and livelihood resources;
  - b. Resettlement for those displaced from the project site;
  - c. Restoration or even improvement of livelihood conditions and
  - d. Social and economic development of communities.

### **The Cordillera People's Resistance and Affirmation of Life**

The implementation of the neo-liberal policies of deregulation, privatization, and liberalization benefit the multinational corporations and big business at the expense of the Filipino people, including the indigenous peoples in the Cordillera. Today, more and more people are becoming critical of the anti-people and anti-national policies of the government by waging a struggle for national sovereignty and genuine democracy in various forms.

In their struggle for land, life and self-determination, the Cordillera people contribute to the Filipino people's struggle for land and life, peace based on justice, food and freedom. They carry on the legacy of their ancestors who resisted for centuries, attempts of the colonizers to control their resources. Today, this struggle is uniting the people of the Cordillera. Their movement is gaining the respect and recognition of various democratic forces around the world and more recently, the overseas Cordillera people, most of whom are migrants and contract workers.

The multinational corporations and government officials are doing all they can to defeat the people's resistance by employing deception, coercion and bribery and when these fail, the use of the state instrumentalities of control and violence. The Cordillera is now heavily militarized. Notwithstanding the loss of life and property due to militarization, the Cordillera people are determined, more than ever, to fight for land, life and self-determination. The martyrdom of the Kalinga tribal leader Macli-ing Dulag and many more is a source of inspiration. The Cordillera people need international solidarity to sustain their struggle for genuine self-determination and genuine development.

I am indeed encouraged by your coming together in this ACPE to assert your identity, uphold your rights and welfare as migrants and to relate with our Cordillera people's movement. Let us continue to educate ourselves, organize and act. Let us be good at drawing lessons from the past, understand our present so we can move on a brighter future. The justness of our cause, our collective strength and support from foreign friends assure us of victory.

Stop the deregulation, privatization and liberalization policy!

Long live the Cordillera people!

Long live the martyrs of the Cordillera people's struggle!

Long live the solidarity of our friends and advocates in Europe!

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