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# Bayan

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## Amplify the Filipino people's aspirations for nationalist and democratic economics

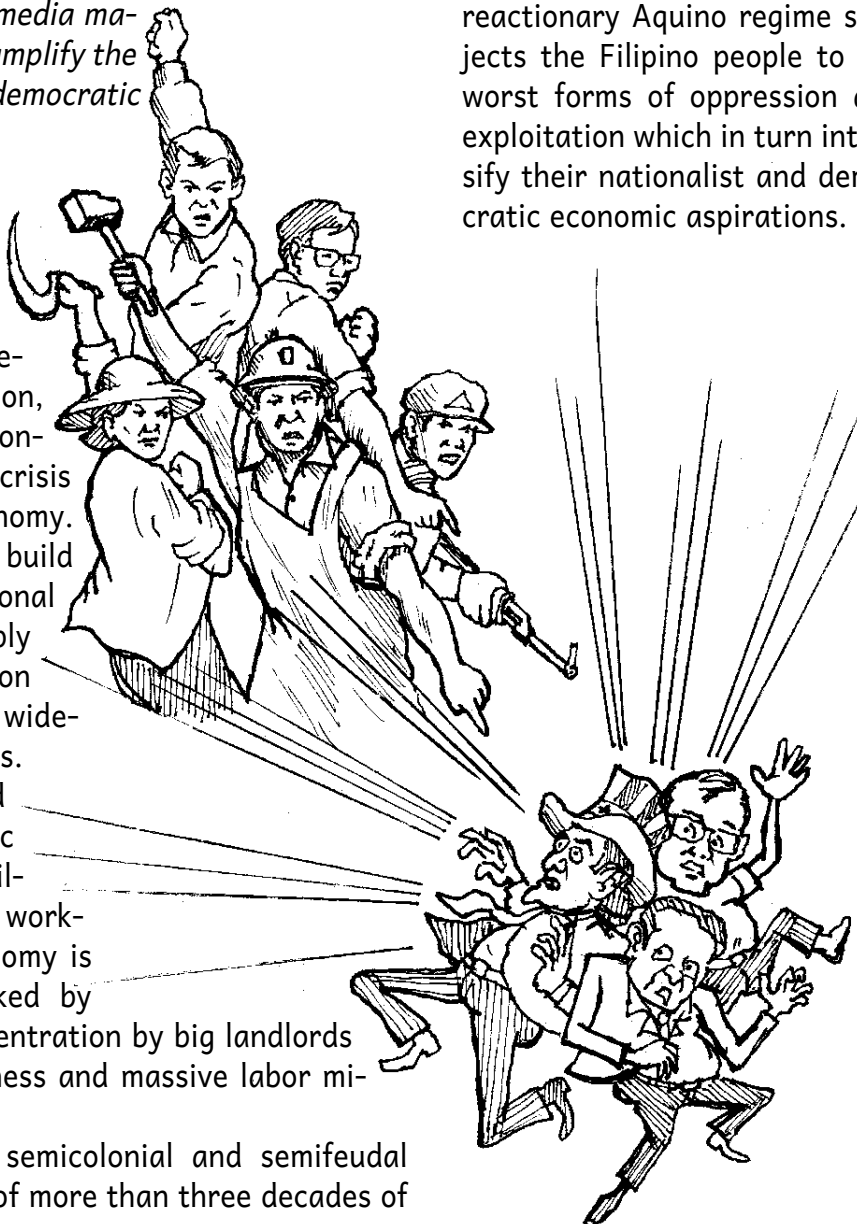
*In around two weeks' time, Benigno Aquino III will preside over the opening of the 16th session of the reactionary Philippine congress and deliver his state of nation address (SONA). Like his previous SONAs, the revolutionary forces anticipate Aquino to delve once again on the supposed economic achievements of his government in the economy and come up with the delusional tales of "inclusive growth." The people must vigorously expose the illusions being propagated by Aquino's media machinery and PR specialists. They must amplify the demand for a nationalist and truly democratic economy.*

**U**nder the direction of the US imperialists and the International Monetary Fund and World Bank (IMF-WB), the Aquino regime carries out policies of liberalization, privatization, deregulation and denationalization that perpetuate the chronic crisis of the semicolonial and semifeudal economy. Refusing to carry out basic reforms to build a self-reliant, modern and vibrant national economy, the Aquino regime is simply presiding over the further deterioration of the Philippine economy and the widespread destruction of productive forces.

Aquino's claims of so-called "rapid economic growth" are mere rhetoric that fail to strike a chord among the Filipino people. To the toiling masses of workers and peasants, the Philippine economy is incontrovertibly in deep crisis, marked by worsening landlessness and land concentration by big landlords and plantation owners, acute joblessness and massive labor migration.

The continued worsening of the semicolonial and semifeudal economy underscores the bankruptcy of more than three decades of

neoliberal theory and practice. Aquino stubbornly sticks to the neoliberal framework to serve the interests of foreign monopoly capital and the local ruling classes of big bourgeois compradors and big landlords. The reactionary Aquino regime subjects the Filipino people to the worst forms of oppression and exploitation which in turn intensify their nationalist and democratic economic aspirations.



# The socio-economic conditions of the people

Majority of the Filipino people continue to live in dire socio-economic conditions. They suffer daily from hunger, poverty and disease. The incomes of the toiling people are grossly inadequate as costs of food, clothing, transportation, education, medicine, health services and other basic needs continue to shoot up. The official wage rate of P456/day in the National Capital Region (NCR) covers less than half of the daily cost of living of more than P1,200 for a family of six. More than half of business firms in the NCR violate minimum wage laws, and up to more than 80% in the Southern Tagalog region. Violators include the much-vaunted call center companies.

The Aquino regime has adamantly refused to heed the long-standing demand for substantial wage increases. Instead, it has

pushed for the implementation of the two-tier wage system which further dismantles the national minimum wage system by pegging workers' compensation to so-called floor wages which are set arbitrarily on the basis of supposed local conditions. Capitalists are further given the prerogative to grant productivity wages according to whim and thus subject workers, rank-and-file and middle professionals to worse forms of exploitation and oppression through the employment of one flexible labor arrangement or another.

Rural incomes continue to drop as a result of growing landlessness, extremely low wages of farm workers and falling farm-gate prices of palay, copra, abaca and other agricultural products. Tillers suffer from excessive feudal land rent which runs as high as 70% of the total harvest, with the farmers shouldering the cost of production. There is widespread displacement of peasants and minority peoples due to the incursion of mining companies, big agribusiness plantations and commercial and tourism projects. Poor fisherfolk are displaced from their fishing grounds by large foreign commercial fishing companies.

The problem of unemployment is severe. The number of unemployed workers continues to rise as a result of the absence of industrial development and widespread landlessness. Government deceitfully places the unemployment rate at 7.5% for April 2013 (up from 6.9% in April 2012). The Aquino regime manipulates employment data by making more restrictive definitions of the labor force in order to bring down its base number;

and by making more liberal definitions of those considered to be employed and underemployed to bloat their figures. Recent independent surveys place unemployment at between 20-25%.

The Aquino regime continues to promote the export of Filipino workers in an attempt to further mask the actual extent of unemployment. The grave problem of labor migration is underscored by the fact that the total number of Filipinos working abroad already constitutes 10% of the total population. Migrant contract workers experience the worst forms of oppression and exploitation, including extremely low wages, racial discrimination and antimigrant sentiments heightened by the domestic crisis in the host countries. The Aquino regime has proven itself to be completely inutile in defending and advancing the rights and welfare of Filipino migrant workers. Unemployment in the Philippines is bound to worsen as migrant workers abroad are compelled to return home by crisis conditions in the host countries.

More and more Filipino middle class families are being pulled down by the pervasive socio-economic crisis. There are not enough employment opportunities for college graduates. Most of them can only find low-quality temporary employment in call centers or abroad. There are no opportunities to build up capital except in import-dependent, small retail or service-oriented enterprises.

The living conditions of the broad masses of the Filipino toiling people are constantly deteriorating. In towns and cities, they are concentrated in sprawling urban poor colonies that lack public services and are prone to fire and other disasters. An increasing number of people live in makeshift dwellings under bridg-



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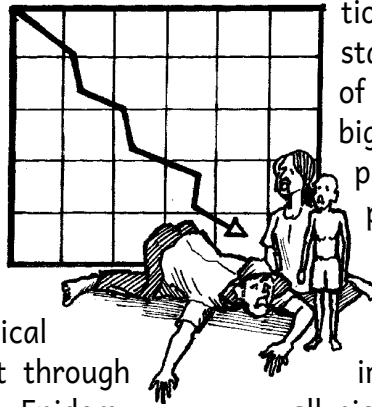
es and pedestrian overpasses, in public markets, plazas, parks and even in the streets. In the countryside, poor peasants live in rickety huts that are at the mercy of the elements. Entire communities are situated in areas prone to flooding and mudflows.

Public education infrastructure is crumbling rapidly with the continuous cuts of social spending. The Aquino regime's official estimates of teacher (46,000) and classroom (33,000) shortages are understated as public schools have resorted to double or triple shifting school hours to the detriment of the students' wellbeing and the quality of teaching. The reactionary government continues to encourage the commercialization of education. Tuition continues to rise by as much as 10-15% annually. The government has failed to address the injustice committed against hundreds of thousands of families who have been victimized by pre-need companies that have absconded with millions of pesos belonging to people who invested in their "education plans."

The Filipino people suffer from run-down public health services. Private medical facilities are largely inaccessible except through state-supported private health insurance. Epidemics of dengue, leptospirosis, cholera, respiratory and other diseases regularly break out due to lack of potable water and public sanitation systems and general urban blight. Beyond providing public notices and warnings, poorly funded government health services and public works are largely incapable of confronting and preventing such epidemics.

Yearly, tens of thousands fall victim to one natural or man-made calamity after another brought about by the grave destruction of the environment. They suffer from increasingly severe and frequent

flooding, landslides and mudflows that not only directly endanger their lives, but also destroy or hamper their livelihoods and bring about hunger and disease. They are ultimately victims of the distorted economic priorities of the reactionary government which actively endorses logging, mining and plantation operations as well as the wanton construction of malls and other commercial establishments in complete disregard of their impact on the environment and the people's welfare. Calamity victims further suffer from the reactionary government's inutility in providing substantial relief and rehabilitation. The Aquino regime has cut spending for disaster preparedness and has a social welfare department mired in bureaucratic corruption.



The wretched socio-economic conditions of the Filipino people stand in stark contrast to the high-living lifestyle of the Aquinos and the ruling classes of big landlords and big bourgeois compradors. While the people wallow in poverty and suffer from skyrocketing prices and rapidly falling incomes, the ruling classes drive their gas-guzzling sportscars and SUVs, don imported signature clothes, engage in all-night parties at ritzy hotels and drown themselves in pricey wine and liquor.

While poverty and hunger spread among the toiling masses, profit and wealth are accumulated by the ruling classes of big landlords and big bourgeois compradors. The biggest companies in the Philippines saw their profits increased to P780 billion from the P421 billion annual average during the first two years of the Aquino regime. In 2012, profits of companies listed in the stock market increased by 18%—from P320 billion in 2011 to P377 billion in 2012.

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## Aquino's PR-economics

**A**quino and his landlord regime are the epitome of anti-progress. Over the past three years, Aquino and his IMF-trained technocrats have engaged in nothing but PR-economics involving media and publicity campaigns to misrepresent the grave socio-economic crisis as "rapid economic growth." His spinmeisters are busy hyping up selected and manipulated statistics to conjure up the illusion of economic growth. Aquino's PR-economics aims to divert the people's attention from their dire economic situation to promises of so-called "inclusive growth," which is no different from the "trickle down" economics propaganda of the previous Arroyo regime.

With the support of the US, the ruling Aquino clique employs the yellow media machinery that is managed by the Aquino sisters and

close friends of the Aquino-Cojuangco clan and which include opinion writers, publishers, journalists, news websites, survey firms, the election IT network, blogs and social media account holders. They make false claims of high popularity ratings and support for Aquino and manage and troubleshoot the Aquino regime's public standing on a daily basis.

They cover up bureaucrat capitalist corruption by perenni-

ally harping on Aquino's "good governance." They even take advantage of the pervasive public perception of Aquino's dimwittedness by circulating the line "di baleng tanga, hindi naman korap." They continue to hurl anti-corruption propaganda directed at the previous Arroyo regime. The calculated aim is to draw attention away from the large-scale corruption and anomalies of the Aquino regime which involve Aquino's use of bureaucratic prerogative in bribe-taking, awarding big infrastructure contracts to his closest relatives, supporters and friends. The government bureaucracy continues to be plagued by widespread corruption, most significantly the Department of Education, the Department of Public Works and Highways, the Bureau of Customs, the Bureau of Internal Revenue and the Department of Social Welfare and Development.

Aquino's PR managers boast of the 7.9% growth in the first quarter of 2013 and claim that such is the result of "good governance." The obvious fact is that "Asia's fastest growth rate" was achieved through an artificial and one-time infusion of government funds in public construction that resulted in a 45.6% growth after several years of slowdown. The growth in government spending was carried out as part of the Aquino regime's election strategy and in partnership with private construction which grew by 30.7%. The so-called growth in the first quarter of 2013 was further fueled by massive election spending.

Following the dogma of "repeating a big lie often enough until people accept it as truth," Aquino has made endless claims of poverty reduction achieved through cash transfer programs, while ignoring the bigger prob-

lems of landlessness, low wages, soaring prices, lack of jobs and so on. The real extent of poverty is obscured via an endless stream of press releases. The World Bank-funded program initiated under the Arroyo regime is widely projected as Aquino's solution to poverty. The cash doleout program has been used as a counter-insurgency tool with recipients prohibited from participating in organizations espousing progressive and democratic aspirations. Funds for the program have also lined the pockets of corrupt government and military officials. World Bank funding for the P30-40 billion program will end by 2015.

To cast doubt on the extent of joblessness in the Philippines, Aquino's spin doctors have taken a page from the media managers of the US government by hyping up the so-called "skills mismatch problem." This is a twisted attempt to blame the workers for the grave problem of unemployment and cover up the fact that the Philippine economy continues to deteriorate. Furthermore, this seeks to justify the implementation of the K to 12 program that seeks to transform the educational system into one vast training camp producing the cheap, docile and low-skilled workforce required by foreign investors.

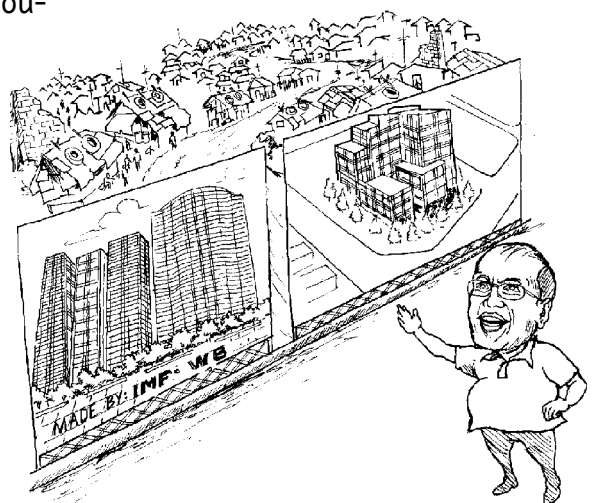
Aquino's officials regularly go to the press to announce the availability of tens of thousands of "job opportunities" in government-sponsored "job fairs" even though there is actually no hiring drive by companies. Of close to 9,000 who sought work in the "job fair" last June 12, only 500 found employment. If there were actually a great demand for la-

bor, these companies would have scrambled to offer higher pay to a supposedly scarce labor pool. On the contrary, however, companies have been coming up with one flexible labor scheme after another to pull down wages while riding on the continually rising tide of unemployed workers.

Aquino is obsessed with earning positive credit ratings in order to project the Philippines as a haven for foreign investors. The Aquino regime went to the extent of cutting back on government spending from 2010 to early 2012 at the cost of an economic slowdown just to reduce the public deficit and portray the country as a credit-worthy client. In 2011, it went to the extent of propagating the lie that the Philippines is already a creditor country after misrepresenting the obligatory \$1 billion contribution to the IMF as a loan.

In reality, the Aquino government has been on a borrowing spree. It sold 10- and 25-year government bonds in September 2010 (\$1 billion), January 2011 (\$1.25 billion) and November 2012 (\$500 million). It is set to borrow at least \$1 billion this year to service debt requirements. By the end of 2013, total Philippine government debt will hit an estimated P5.78 trillion.

Ruling class technocrats and politicians have been making



noise about attracting foreign direct investments to address the acute problem of unemployment. They seek greater liberalization policies, further pulling down workers' wages as an incentive for foreign capitalists. As it is, wages of Filipino workers are already among the lowest in the world, surpassing only Pakistan and Tajikistan. There is persistent talk about amending the 1987 constitution in order to remove the restrictions against foreign ownership of land and 100% ownership of domestic enterprises.

They describe the nationalist demand for national industrialization as "outmoded." In fact, it is Aquino's foreign investment- and foreign debt-dependent and export-oriented economic paradigm that is outmoded and flawed. It is basically the same economic framework of the past ten governments since the 1940s which has failed to develop a self-reliant and progressive economy. Export-oriented production (semiconductor and electronic parts, wiring sets, car parts assembly) of so-called foreign direct investments is completely divorced

from the rest of the economy.

Still, a large part of foreign investments in the Philippines comes in the form of hot money or portfolio investments that seek quick profit. Since early this year, Aquino and his PR-specialists have been making a big story out of the record high trading at the Philippine Stock Exchange (PSE). In January 2013 alone, new foreign portfolio investments increased by 120%. However, after pushing the PSE to a new peak of nearly 7,400 points last May, foreign capital managers went on a selling spree to withdraw their money and bring home profits, pulling down the PSE back to around 5,700 points by end-June and causing the sharp devaluation of the peso due to increased demand by homebound hot money that needs to be converted back to dollars.

As expected, Aquino's spokesperson downplayed the massive withdrawal of foreign hot money and made claims that such are only temporary setbacks and that "the economic fundamentals remain strong."

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## The people's aspirations for nationalist and democratic economics

**A**mid the grave economic crisis, the Filipino people must amplify their demands for nationalist and democratic economic policies. They must vigorously expose and condemn the backward and counter-progressive dogma of the IMF-trained technocrats of the ruling reactionary state which serves as framework for the antipeople, antinational and anti-democratic economic policies. They must wage democratic mass struggles and armed resistance in the countryside to oppose the Aquino regime's liberalization, privatization, deregulation and denationalization policies and measures.

The clamor for genuine land reform is the main democratic socio-economic demand of the Filipino people. The demand seeks to achieve the social liberation of the majority of the Filipino people comprised of land-

less peasants and farm workers from the worst forms of feudal and semifeudal exploitation. It involves primarily the breaking up of land monopolies and the democratic distribution of land to the tillers. It seeks to unleash rural productivity and economic energy by giving the mass of agricultural producers control over the means of production. Raising productivity will be further achieved through work cooperation, providing irrigation and other production infrastructure and the application of mechanization as initial steps towards the socialist transformation of agriculture.

Under a genuinely democratic regime, land reform in the Philippines can be basically completed within a year or two. Under the landlord-dominated state, bogus land reform programs in the Philippines have been carried out one after an-

other since the 1930s up to the most recent Comprehensive Agrarian Reform Program (1988) and its extension since 2009. More than half a century later, however, the big landlord class remains dominant together with the big bourgeois compradors and their foreign monopoly capitalist partners. Since assuming power in 2010, the landlord government of Benigno Aquino III has prevented the distribution of the 6,500-hectare Hacienda Luisita of the Cojuangco-Aquino clan.

Contrary to the demand for land reform, the Aquino regime as well as all the previous regimes have allowed big landlords, real estate companies, foreign mining companies, plantations and big agribusiness corporations and their local partners to dominate and take control of vast tracts of land. So-called farmer beneficiaries of agrarian reform ultimately lose control of their land either as a result of failure to maintain the burdensome amortization pay-

ments or widespread land-use conversion to real estate and commercial projects. Big landlords and plantation owners continue to retain or seize monopoly control of huge estates, compelling peasants to join government-organized pseudo-cooperatives which are used to organize production of crops for exports.

The Filipino people demand an end to the undemocratic austerity measures and cutbacks implemented by the Aquino regime in accordance with IMF-WB dictates. They demand greater state subsidies for public education up to the tertiary level. They demand higher spending for public health and a stop to the policy of commercialization and privatization of public hospitals and the program of medical tourism. They demand an end to the demolition of urban poor communities that aims to clear valuable real estate for the benefit of the Ayalas and other big business companies.

The demand for national industrialization is the main nationalist economic demand of the Filipino people. The Filipino people demand a self-reliant economy primarily geared towards the betterment of the material living conditions of the people. Agriculture and industry must be able to provide the Filipino people with affordable food, clothing and other basic consumer items. They clamor for an end to the policy of serving the demands of foreign companies for cheap labor, raw materials and semi-manufactures.

The sustained modernization of a self-reliant economy can be achieved by taking agriculture as the base with heavy industry as the leading factor and light industries as the bridge between the two. This is the key principle set forth in the socialist con-

struction of China since the early 1950s which resulted in two decades of rapid and well-balanced growth.

The Filipino people demand the building of a steel industry for the production of basic steel and steel alloys. They demand the building of chemical, petroleum, pharmaceutical, power, telecommunications and other basic industries. They aspire to build a powerful economy with machine-building, ship-building and other heavy industries. The Filipino people demand the nationalization of the oil industry which involves centralized state procurement of crude oil, setting up state refineries and retail outlets and government control of pricing.

They demand the building of light industries for the production of food, textile and other clothing, paper products, shoes and footwear, appliances, furniture, hand tools, agricultural machinery and other commodities for individual and productive consumption. They demand the modernization of agricultural production in consonance with land reform through large-scale mechanization.

For over six decades, the ruling reactionary classes have refused to develop even basic industries. Philippine manufacturing has failed to go beyond assembly plants dependent on imported components and where production is oriented towards the demands of the export market. Similarly, large-scale agricultural production and fishing are controlled by foreign big agribusiness and geared towards the export market. There is no processing of mineral resources beyond the extractive phase.



Food processing is small-scale and very rudimentary.

Instead of heeding the people's demands for nationalist economic policies, the Aquino regime is going full-throttle in efforts to attract foreign monopoly capitalists and financiers by further liberalizing investment and trade policies and opening up more and more areas of the economy to foreign exploitation. Aquino is set to surpass all previous regimes in pushing down wages and further liberalizing trade and investment in the remaining areas of the economy. Over the past three decades, the successive puppet regimes have liberalized almost all aspects of the local economy, from banking to water and other public utilities, mining, financial markets, transportation, small retail, agriculture and so on.

Heightened liberalization policies of the past three decades have resulted in the near complete decimation of local business and the domination of foreign big capital in all aspects of the economy. Furthermore, more than two decades after the dismantling of the national minimum wage system, the difference between workers' daily wages and their daily cost of living has reached unprecedented levels. Agricultural production has virtually remained stagnant without significant mechanization since the 1970s.

The Filipino people demand an end to foreign economic domination that has stunted the local economy to semi-manufacturing and raw material extraction. They demand support for local capital formation and an end to complete dependence on foreign debt and foreign investments. They demand equal footing with trade partners.

# Victory of the people's war as condition for economic reform

The grave crisis of the semi-colonial and semifeudal system has Aquino further sidling up to his imperialist masters for financial and military support. Aquino has terminated peace negotiations with the National Democratic Front of the Philippines which are supposed to enter the phase of discussing the crucial questions of socio-economic reforms. In doing so, he has avoided public debate and discourse over the IMF-designed policies being implemented by his regime.

Aquino has resorted to a ruthless campaign of suppression which is set to be more brutal in the face of worsening poverty, economic desperation and the rising tide of defiance. There have been increasing attacks and human rights violations against workers, peasants and other sectors that have been raising nationalist and democratic demands.

Clearly, the Filipino people's demands for nationalist and democratic economic policies cannot be achieved under the reactionary puppet state of big landlords and big bourgeois compradors. The more the crisis of the semicolonial and semifeudal system worsens, the more the reactionaries defend it.

Only upon the nationwide victory of the people's democratic revolution will the conditions exist for carrying out nationalist and democratic economic reforms in the Philippines. Such sweeping fundamental socio-economic reforms can only be carried out by a people's democratic government. Under the leadership of the Communist Party of the Philippines (CPP,) the people's war has made big

strides over the past few years and setting sights on complete victory in the not so distant future.

In the course of waging people's war, the revolutionary land reform movement continues to advance nationwide. It has already benefited hundreds of thousands of peasants. Before achieving nationwide victory, the revolutionary forces carry out the minimum land reform program comprised primarily of reducing land rent by collectively confronting the power of the landlords. Under the minimum land reform program, efforts are carried out to raise farm workers' wages, build work collectives and other forms of cooperation and increase income through side occupations.

By organizing the revolutionary Pambansang Katipunan ng mga Magbubukid (PKM), other mass organizations of youth, women and children and cultural workers and revolutionary committees for land reform, security and self-defense, arbitration and others, the people are able to exercise political power in their villages and towns. Elements of the maximum program of land distribution are already being carried out in areas under advanced revolutionary conditions.

In the urban and town centers, workers are rising up despite all-out suppression of their rights to organize. In the past couple of years, workers have succeeded more and more in

building unions and other types of associations and waging strikes and other forms of collective action. They demand wage increases and oppose contractualization and other unfair labor practices. Urban poor communities have been vigorously opposing the government's demolition of their homes. Mass struggles are being launched against increases in education costs, oil prices, electricity and water rates. In all these, the revolutionary forces gain strength by carrying out propaganda and education, recruiting the most advanced activists and building and expanding the CPP.

The toiling masses of workers and peasants and middle class are increasingly aware that they are bound to be pulled down deeper into crisis over the puppet Aquino regime's remaining three years in power. In view of the policies of the Aquino regime that serve the interests of foreign and local big business and big landlords, it is becoming crystal clear that the Filipino people have no other recourse but to wage democratic mass struggles and armed resistance in order to assert their nationalist and democratic demands.

The aspirations for national and democratic economic reforms to end the chronic economic crisis and social injustice are among the Filipino people's biggest motives for vigorously advancing the people's war. **AB**

