4

Health: a life or debt question

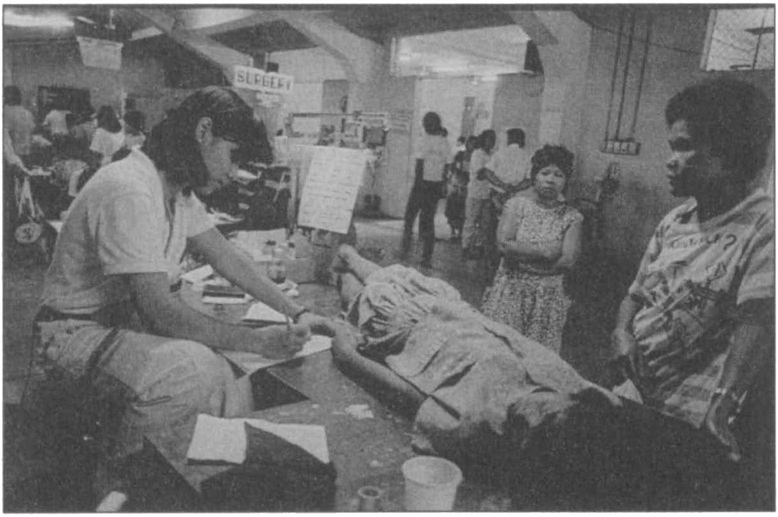
According to a leading national newspaper, not repaying the debt could save the life of one Filipino child every hour. This could be achieved by limiting the debt service to 20 per cent of export earnings, and allotting health its rightful share from the savings realised in the national budget.[1] This is indeed an emotionally powerful argument for a ceiling on debt servicing. But the Philippine Congress has not approved a bill seeking to limit debt service, despite strenuous lobbying efforts by the Freedom From Debt Coalition and other concerned groups.

Recent years have seen an inverse relationship between debt service and health spending in total national government expenditures. As debt service sharply increased (from 6.4 per cent in 1965-72, to 17.1 per cent in 1980-85, and finally to 42 per cent in 1986-89), health expenditure steadily declined (from 5.2 per cent in 1965-72 to 3.2 per cent in 1986-89).[2] Health was allocated 3.3 per cent in the 1990 budget, compared with the 37 per cent allocated to debt service. On a per capita basis, this budget for health is P120 (£2.50) for the year, or 30 centavos per day.[3]

As a result of the IMF conditions acknowledged in the Letter of Intent, the Department of Health even expects a sizeable reduction in its beneficiaries. This reduction means 'leaving 399,120 children denied milk and vitamins, 27,565 lepers deprived of treatment, 103,262 TB [tuberculosis] patients untreated, and 16,100 schistosomiasis cases denied medicines'.[4]

Health Secretary Alfredo Bengzon is himself quite candid about the budgetary limitations to health care. For example, when he was asked (in 1989) how much the Department of Health needed in order to provide basic medicines for fever, diarrhoea and other ordinary ailments, he estimated 900 million to one billion pesos. But the figure finally allocated in the budget was P300 million (£6.25 million).[5]

Government spending accounts for only 25 per cent of total health expenditures in the country.[6] Most of the hospitals are privately owned and cater to the relatively better off in the urban areas. Of the public hospitals, some 80 per cent are considered substandard by health experts and workers.



Gil Nartea

Government hospitals are over-crowded, under-staffed, and poorly equipped.

The Alliance of Health Workers provides some first-hand observations. It claims that almost all government hospitals are overcrowded because most people, even the middle class, can no longer afford the services of private hospitals. During peak periods, there are two to three patients in one bed in the paediatrics and the obstetrics/gynaecological sections. There are sometimes four in a crib. In the provincial hospitals, wooden beds are added to the regular beds; sometimes, the patients bring their own. Even corridors are full of patients in bed. The overcrowding is aggravated by the increasing shortage of health personnel, especially of nurses. The average ratio of nurses to patients in government hospitals is 1:60, and in the worst cases it can go as high as 1:120.

Because every government hospital has a set budget, which is woefully inadequate, medicines, supplies and services which are supposed to be given free of charge now have to be paid for even before the patient receives treatment. Examples are drug samples, bandages, sutures, plaster, intravenous fluid, steam inhalation and sponge baths. Funds which used to be enough for one quarter are now used up in three weeks, because budgetary allocations do not change despite inflation. Money which could buy five rolls for making cotton balls years ago may buy only one roll now. And there are even more patients than before.

The plight of the health workers

With the monthly minimum wage for workers in the public sector pegged at P2,000 (about £41) – when the cost of living for a family of five totals P6,600 (about £137) a month – many health workers, desperate and demoralised, are opting out by going abroad. Many others have become vendors on the side, selling such items as food, clothes, and cosmetics. Estimates of the number of Filipino physicians trained in the Philippines who have left for employment overseas range from nearly half to more than two-thirds.[7]

Roughly six out of ten Filipinos live and die without seeing a doctor. The rural areas, where 60 per cent of the population live, are notoriously underserved. There are more than 40,000 villages, but only 1,155 rural health officers. A majority of the doctors work in the cities, primarily in Metro Manila, where almost half of all hospital beds are concentrated.

Nationally, there is one doctor for every 3,000 Filipinos, way below the global standard of 1:1000.[8] Fewer than a third of registered physicians work in the government health service. Because salaries are so low, the vacancy rate in government health posts is as high as 15 per cent for physicians, and 11 per cent for nurses. Dr Orville Solon, a health economist connected with the University of the Philippines, points out the danger that 'cheap doctors' of uncertain qualification are being taken in; there is no way to monitor their performance and possible malpractice, because monitoring costs money.[9]

In the period 1985-87, a total of 65,940 Filipino nurses were deployed abroad.[10] A World Health Organization study in 1980 cited the Philippines as the biggest supplier of nurses to other countries. Then, there were 13,500 Filipino nurses abroad, or about 88 per cent of all those trained in the Philippines. The reason for the continuing exodus is easy to understand. The minimum monthly salary for a nurse in the Philippines is P3,102 (less than $150). The going rate in the Middle East is $600 per month, and in the United States it is $2,000-3,000.

The brain drain, or 'reverse transfer of technology', deprives the nation not only of the services of doctors and nurses but also of the resources that were devoted to their training. Government policy is to encourage this export of labour. Medical and nursing schools, responding to the higher demand for their graduates abroad, continue to gear the training they offer to Western practice.

The deadliest plague: poverty

While the health care system deteriorates, the people fall victim to disease and neglect. Most are already vulnerable because of their poverty.

Only 15 per cent of the population have a sanitary sewerage system, and about 40 per cent have no access to potable water – this while at least 31 out of 100,000 Filipinos die of water-borne and water-connected diseases every year.[11] Most people cannot afford such 'modern' installations and the government, desperate for funds, cannot provide them.

Food is getting scarcer and more expensive. A full 70 per cent of the population is said to be malnourished, 22 per cent to a serious degree. Food shortage is evident in the daily calorie availability of 2214 per capita (compared to the 2500 standard set by the World Health Organization) and in the daily protein availability of 60 grammes per capita (compared to the 70-gramme standard).[12]

Poor nutrition, bad housing, and insanitary conditions for the poor make them susceptible to the diseases of poverty, particularly tuberculosis, which, according to Health Minister Alfredo R.A. Bengzon, afflicted 18 million Filipinos in 1986.[13] TB is the fourth highest cause of mortality; the first is pneumonia. Other leading causes of death – diarrhoea, measles, and nutritional deficiencies – are preventable and would have been easy to control, if only the health care system were more effective.

Children and women are especially vulnerable. About 25 per cent of Filipinos, mostly infants and pregnant and lactating mothers, are afflicted by anaemia. The current infant mortality rate (IMR) is placed at 56.8 per 1000 live births. (The IMR rose from 56.9 in 1980 to 62.8 per 1,000 in 1984, which 'was not unexpected, given the increased economic difficulties and cutbacks in government health expenditures and other social services that characterized this period' – also a period of intense debt crisis.[14]) If the babies survive, many fall victim to malnutrition, said to afflict 70 to 80 per cent of all children below the age of six. Mental retardation is often the fate of the severely malnourished.

Maternal mortality rate, on the other hand, is almost one (0.9) per 1,000 live births, meaning that five Filipino mothers a day, or about 2,000 a year, die from pregnancy-related causes. A Filipino pregnant woman risks death a hundred times more than her counterpart in a developed country. Causes of maternal mortality – haemorrhage, hypertension and other complications (including infection) – are preventable if prospective mothers are well-fed and have good prenatal care.[15] Haemorrhage is frequently caused by anaemia, which afflicts 48.7 per cent of pregnant women.[16] The vulnerability of women is heightened by the estimated

Belinda Coote/Oxfam

Negros: A 31 year-old sugar worker, suffering from tuberculosis for ten years without treatment, mounts his own protest to demand access to a properly equipped clinic with a doctor.

number of induced abortions performed yearly – 155,000-750,000 – under illegal conditions.[17] The risk of dying from illegal abortion is 1,000 to 2,000 times higher than from legal abortion.

Children of the poor, like their mothers, cannot be given as much attention as they need. Government-run day-care centres, which number only 13,003, double as supplementary feeding stations for malnourished children. They provide services for only two to three hours a day on average. This means that children of working mothers cannot be looked after by the centres for the whole time that their mothers are at work.

In short, debt keeps people in a vicious cycle of poverty and ill health, and renders government services helpless to do anything about it.

Campaigning for 'sane' drugs

SANE is the acronym that the Health Action Information Network (HAIN) has coined to popularise rational drug use among the people. It stands for Safe, Affordable, Needed, and Effective, to contrast with the dangerous, expensive, unnecessary and impotent medicines which still command a large share of the market dominated by transnational drug companies based mainly in the United States and Western Europe.

According to Michael L. Tan of HAIN, 'We estimate that Filipinos spend one billion pesos a year on cough and cold remedies which are completely useless actually.'[18] Needless to say, if people can be persuaded to buy and use only SANE drugs, a lot of money can be saved for other needs. More dollars can be conserved, rather than spent on importing the raw materials for unnecessary medicines, thus easing the pressure on scarce supplies of foreign exchange. On the part of government, reducing purchases to a list of essential drugs can help to maximise already scarce financial resources.

Michael Tan is the first to admit that the SANE campaign cannot hope to close the ever-widening gap between what is needed and what is available, given the budgetary cuts suffered as a consequence of IMF conditionalities. 'The budget of the Department of Health has already been slashed by five per cent by the House of Representatives. Given 15 per cent inflation, it is really 20 per cent lower,' he reports.

The problem is magnified by the fact that the Department of Health has a budget of only P400 million (around £8 million) for medicines, when DoH officials themselves admit that if they were to meet the needs of the poor, they would need P10 billion (around £208 million).

Nevertheless, HAIN is still pursuing its SANE campaign, conscious of the need to promote rational drug use within the broader goal of eventually fostering self-sufficiency in the currently import-dependent and foreign-controlled drug industry. OXFAM supports its efforts by giving full financial support for a pharmaceuticals coordinator and a researcher, and partial support for three other members of the HAIN staff. In addition, OXFAM funds a regular HAIN publication called *Drug Monitor*, as well as other educational materials.

Michael Tan admits the limitations of relying on printed materials. As he says, 'Let's face it – the Philippines is not a reading public.' Thus, HAIN places more emphasis on symposia, workshops and other face-to-face encounters where issues are explained directly and with a lot of visual aids. 'The participatory element is assured when we require the participants to do a little survey on the most popular drugs in their community or in their particular organisation,' Michael explains. 'You'd be amazed at the amount of unnecessary spending going on. All kinds of useless drugs are being bought even by progressive non-governmental organisations, causing needless expenditures that can be put to better use.'

'But the bigger problem which we are only now beginning to address is the fact that the people still cannot afford the medicines they need,' Michael emphasises. 'And given the debt crisis which affects government spending, too, their only possible source of affordable drugs is also drying up.'

So, in the interests of promoting rational drug use, the HAIN group is also supporting the Generics Act. With the use of generic drug names, people are now able to choose the most inexpensive drug from the many in the market which have the same chemical effectiveness but bear different brand names. HAIN is conscious of the need to develop the technological base for a self-sufficient drug industry. Michael Tan even entertains the idea of going into manufacturing. But the first stage of entering the business, he feels, should be mass procurement or wholesaling.

HAIN came into being in 1985. In its short span of life, the group has published valuable research which has helped to shape and maintain the national drug policy.

5

Education: down from number one

'Make education number one.' This is the rallying cry of Filipino teachers as they continue to protest against conditions imposed on the economy by the International Monetary Fund and campaign for a higher allocation for education in the national budget. In this they are actually adhering to the spirit and letter of the fundamental law of the land.

The 1987 Constitution of the Republic of the Philippines states in Article XIV, Section 5. (5): 'The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction and fulfillment.' This constitutional provision reflects the Filipino people's traditionally high regard for education as a means for personal as well as national development. In fact, in many of the post-war years, education actually took the biggest slice of the national budget.

But in 1990 debt-service allocation ate up P86.8 billion, or 37 per cent of the national budget, in contrast to education's P33.2 billion, or 14 per cent. The low budget for education means less money for teachers' salaries, school facilities, supplies and textbooks, and generally a deterioration in the quality of instruction. Free secondary education, also provided for by the 1987 Constitution, will be even more difficult to sustain.

The shortfalls are striking. When, in 1989, the Department of Education, Culture and Sports (DECS) was asked how many more classrooms were needed for inclusion in the budget, DECS said 18,000. But only 8,000 could be provided. Thus, teachers even in Quezon City, Metro Manila can be seen holding classes under mango trees and in double shifts, morning and afternoon.[1]

Another effect of the financial crisis is overcrowding. According to Benjamin Balbuena, a teacher at the F.G. Calderon Integrated School and vice-president of the Manila Public School Teachers' Association, class size can go up to 60 students from the usual 40 students. This, he says, is no longer conducive to learning. He cites as proof the sudden drop from 50 to 25 per cent in the number of students who passed the National College Entrance Examination (NCEE) in 1990. 'This,' he insists, 'is not an isolated case. What is true in our school is also true in other schools in Manila.'[2]

The lack of equipment and teaching aids has reached the level of absurdity. According to Mr Balbuena, the institution where he teaches is already called the 'school of assumption': in the science class, the teacher tells the students, 'Let us assume that this is a microscope', because there is no microscope; in his case as an electronics instructor, Balbuena repeats the same formula: 'Let us assume that this is a multi-tester', because there is no multi-tester. The school does not even have hammers or pliers. He tried requisitioning for such essential equipment, but it is always 'subject to the availability of funds', and the final decision, taken several rungs up the educational bureaucracy, is: 'no funds available'.

Educational standards suffer. Many high schools no longer offer mathematics and basic sciences because of lack of resources, says Ed Escultura, professor of mathematics in the University of the Philippines.[3] Desperate school officials and teachers are often reduced to soliciting donations and other fund-raising activities. Parents and students often end up donating laboratory equipment and other school needs which otherwise cannot be obtained. In government high schools, where students are supposed to be charged only a token sum of P42.50 (because secondary education is free according to law), fees over and above this legal limit are often collected, according to Benjamin Balbuena. Schools are passing on the financial burden to students because the government can no longer shoulder it.

But perhaps the most worrying trend is the worsening lack of teachers, and the consequent overloading of those who remain in the service. DECS statistics showed that at least 44,207 teachers more were needed for government elementary and high schools for the school year 1989-90. This number included the backlog of unoccupied positions numbering 13,305 from the previous school year. The DECS explains this shortfall first in terms of unattractive salary rates, and then in terms of the lucrative rewards from overseas employment: many teachers would rather work as domestic help or chambermaids abroad, than live a life of deprivation and sacrifice at home.[4]

What happens to those who choose to serve and suffer? They suffer even more. In places like Cebu, where no new teaching positions can be created due to DECS' budgetary constraints, acting provincial school superintendent Marcelo Bacalso says teachers already in the service will be asked to handle bigger classes of 60 to 70 students each.[5]

Another measure is to increase the teaching load or double the number of classes previously handled by teachers. Because the hiring of substitute teachers is no longer allowed, again due to cost-cutting, teachers in active service have to take on the load of their colleagues who go on leave.

Teachers speak out

Teachers who remain in the service are overworked (because they have to teach more classes and more students per class) and underpaid: the minimum salary is P3,102 (£64.62), which is equivalent to only P648.93 (£13.51) by 1978 standards. Merlinda Anonuevo, an English teacher at the M. Hizon Elementary School in Tondo, Manila, asks 'How can you maintain your dignity if all you can afford for housing is a one-room affair for P800 where you are forced to stay with your husband and five children? How can you send your children to college, when the tuition fees are going up all the time? No wonder so many teachers become insurance or real estate agents, or start selling jewellery and sweets, or give up teaching altogether to be domestic helpers abroad.'[6]

Vangie Ricasio, a high school teacher in F.G. Calderon Integrated School, lives as a squatter on a squalid government lot. She describes the fate of a colleague to show how desperate the situation can become.[7] This colleague – her name was Mrs Remy Apora – was murdered by an unidentified assailant, together with her adopted daughter and son, inside their shanty. The place was so small, it could accommodate only a double bed, a rusty refrigerator, a stove and a few other belongings. According to neighbours, they did not realise that Mrs Apora was a teacher from the way she looked and lived. Her husband was in Saudi Arabia, where he was maltreated by his employer and was unable to send money regularly. She was always in debt, and more so lately when she was trying to produce P30,000 to prevent a piece of land she was paying for from being repossessed due to arrears which had piled up. Her only possible sources were her co-teachers but they too, were hard up. Their common plight as teachers became the focus of protest rallies, which Mrs Apora attended with her small children in tow – until they were murdered.

Merlinda Anonuevo and Vangie Ricasio are just two out of thousands of teachers who are already used to walkouts, marches and other street actions to press for higher salaries.[8] The minimum salary of P3,102 is a result of their struggle, although it still falls far short of their target of P4,500.

At first, the demands of the teachers' associations were purely economic, but recently their concerns have reached the political plane,

Gil Nartea

Teachers' hunger strike, November 1990.

and are more readily connected to wider issues like the foreign debt. Teachers like Merlinda and Vangie support moves to staunch the debt haemorrhage. 'We are for limiting debt service to 15 per cent of export earnings,' they comment. 'We hope that the money thus released from debt payments can go to education, health and other social services.'

6

Debt, labour, and employment

In October 1989 official figures on unemployment conservatively estimated the proportion of jobless people at 8.4 per cent of the estimated 23.8 million total labour force, and estimated the rate of underemployment at 32.4 per cent of the estimated 21.8 million actually in employment.[1] These figures mean there are at least two million Filipinos openly unemployed, and more than seven million have no full-time jobs, or are working fewer than 40 hours a week. These statistics do not reflect the 'invisibly underemployed': those who have 'full-time' jobs and are still seeking additional work because their present occupations give them very limited returns. Moreover, some of the unemployed may not have been reflected in the statistics, because the labour force participation rate is only 64.6 out of every 100 people. This means that some of the unemployed may have been lumped together with those classified 'not in the labour force', mostly women who are 'housewives' (who number 13 million out of the 36.9 million population of working age).

Debt creates unemployment

The debt problem contributes to unemployment directly by preventing the government from performing to the optimum one of its vital functions: that of a creator of jobs and a pump primer of the economy whenever the latter is weakening or stagnant. The national debt service would be equivalent to paying three million people a minimum wage of P2,500 per month (thereby wiping out the official unemployment figure of two million), or it could be invested in job-creation schemes such as improving infrastructure, building schools and hospitals, and accelerating agrarian reform.

To create jobs, the Philippines needs capital. Hence the endless campaign of the government to attract foreign investment. And yet, because of the debt problem, the Philippines is now a major exporter of capital. An official source claims that in the period 1986-88, the country in effect exported $6.1 billion to outside creditors in the form of interest payments.[2]

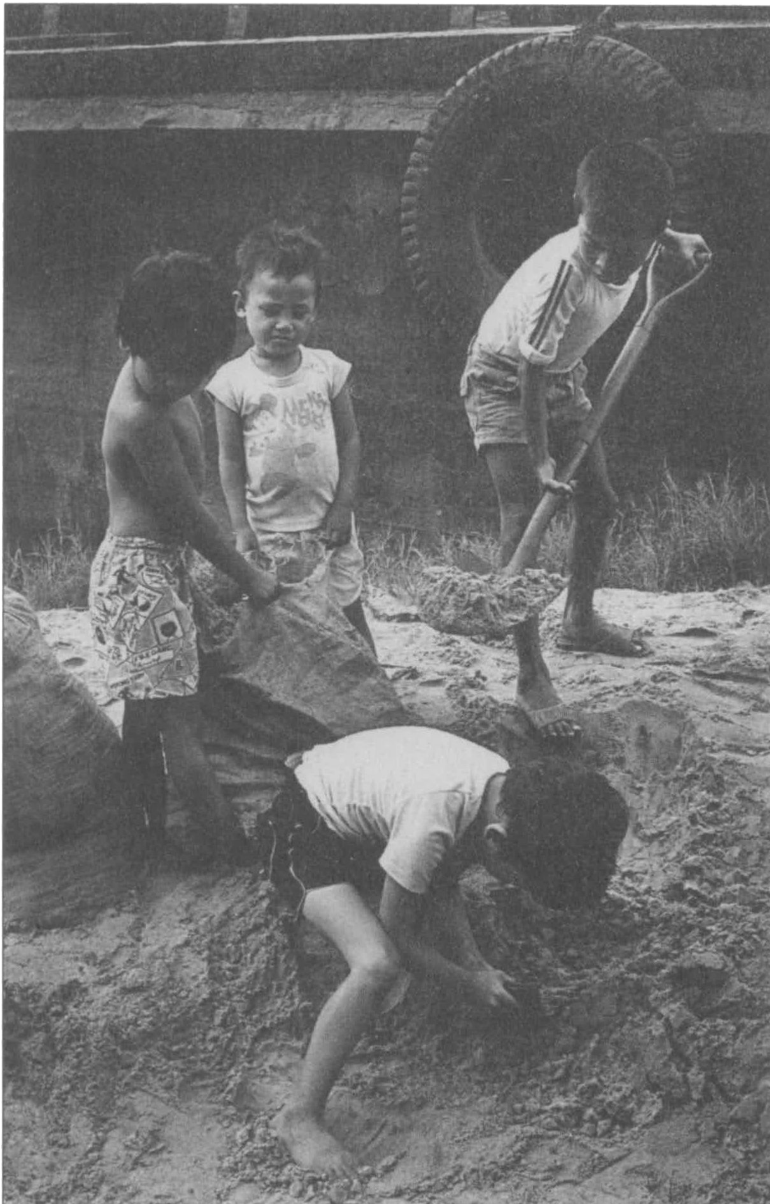
In addition, certain conditionalities imposed by the IMF and World Bank in exchange for new loans or loan agreements directly aggravate the problem of unemployment. This is especially true in the case of IMF austerity measures such as new taxes, which reduce the purchasing power of the population and the overall demand for production. Restrictive monetary targets drive interest rates up and discourage new investments. And reduced government spending on social services and infrastructure depresses national consumption. For instance, the economy slowed down in the first half of 1990, and not necessarily because of the after-effects of a coup attempt against the Aquino administration in December 1989. As pointed out by the Director-General of the National Economic and Development Authority, Cayetano Paderanga, the slowdown was due more to economic factors such as the rise of interest rates to over 20 per cent, as a result of the government's compliance with the IMF's monetary and deficit targets.[3]

The underground economy

In the 1960s and 1970s, industry was contributing 15-16 per cent of total employment, with manufacturing accounting for 10-11 per cent. However, in the 1980s, when the debt crisis worsened, industrial employment went down to 13-14 per cent of total employment; manufacturing decreased to 9-10 per cent, a clear sign of de-industrialisation.[4]

The decline, instead of the expected advance, of industrial employment led to increased employment in the service sector and the so-called underground or 'black' economy, where jobs are precarious and labour standards mandated by law are rarely respected. The growth of the underground economy has been hailed, even romanticised, by some economists as a reflection of the entrepreneurial talents of the people. The truth is that its growth is more of a forced response by many people, especially those laid off or those earning very little from their present jobs, to the crisis. Although some talents do stand out, for most people employment in the informal sector is merely a coping or survival mechanism.

The most vivid and tragic proof that the growth of the underground economy is indeed a survival response is the high incidence of child labour and prostitution in the country. The Bureau of Women and Young Workers estimates the total number of child workers at somewhere between five and seven million.[5] Children from five to 14 years old are forced to work because of extreme poverty. They accept all kinds of odd jobs, some of which are physically very hazardous. A number even sell their bodies to paedophiles from the West. As to prostitution, it is already an established fact that Manila is now one of the 'flesh capitals' of Asia.



Robert Gumpert/Oxfam

On the waterfront in Manila: children filling sacks with cement sand, to sell on building sites for a few pesos.

The total number of prostitutes in the country may be anything from 300,000 to one million.

The general weakness of the economy can also be seen in the increasing number of workers who are only casually employed. Subcontracting of jobs to small shops and even home-based workers is now an established pattern in industries making garments, toys, parts, shoes, leatherware, and furniture, and other light and labour-intensive industries, especially those oriented to the export market. This type of employment consigns the workers to piece-rate levels and allows the employers to save on factory overhead costs. With the enactment of the Law of Twenty, which gives fiscal incentives to firms with fewer than 20 employees, job subcontracting is likely to spread even further.

Parallel with the growth of job subcontracting is the rise in the hiring by employers of the so-called 'agency workers', or workers who are technically on the payroll of job-placement agencies and yet are under the supervision of the final employers. Employers resort to this arrangement because they are able to keep their workers perpetually 'casual', thus avoiding the need to pay for benefits enjoyed by regular workers, especially the unionised ones.[6]

Attacks on the trade unions

The development strategy inspired by the IMF and World Bank is inherently anti-union. This is so because the maintenance of a pool of cheap, productive and docile labour is necessary for the strategy to work. The strategy relies on the cheapness of Philippine labour as the country's 'comparative advantage' in the world market; hence, the production of labour-based manufactures for export. This is the reason why President Marcos, using martial law powers, tried to control organised labour and curb some of the rights of workers, especially their rights to organise and engage in concerted activities such as peaceful assembly, picketing and strikes. Some of the repressive laws enacted during the Marcos administration are still in force today. One example is the controversial 'free ingress and egress' provision of the Labour Code, which allows management representatives and materials free movement into and out of company premises, thereby undermining the effectiveness of many strikes. In effect, these labour-control measures enforced by the government decrease the bargaining power of the workers, whose position is already weakened by the existence of massive unemployment and underemployment arising from the limited expansion of the economy.

The weakening of the workers' bargaining power is best seen in the steady decline of real wages throughout the 1970s and 1980s, made possible by runaway inflation and limited wage adjustments granted by both the Marcos and Aquino administrations. The P106 daily minimum wage is about half the P195-P210 (£4.06-£4.37) level estimated to ensure a decent life for workers' households.[7]

The crisis of the economy has generally weakened organised labour, especially with the efforts of employers to resort increasingly to the employment of casual labour through the subcontracting of jobs and services.

Debt and the overseas contract workers

Finally, it should be pointed out that workers are not only the victims but also the real payers of the debt – through the taxes (mainly indirect) they contribute, through the export industries they work in to generate more dollars for the country, and through the remittances they send home as Filipino overseas contract workers.

Because of the job shortage and meagre incomes in the Philippines, many workers are obliged to go abroad and endure long and lonely separations from their families, just to be able to support their dependants. In the early 1970s, the Marcos administration encouraged the export of labour as a 'temporary' measure to help solve the problem of unemployment and underemployment. With the failure of the economy to take off, the export of labour has not only become permanent, but has also become the country's leading export industry. The Philippine Overseas Employment Administration (POEA) is now processing close to half a million contract workers a year. There are now more than two million land-based and sea-based Filipino contract workers all over the world, performing varied jobs, from entertainment to hospital management. Roughly, at least one-fifth of the population of 62 million are directly dependent on their remittances. Overseas contract employment, in effect, is the safety valve of the economy.

Filipino migrant workers are also the leading dollar earners. Close to a billion dollars a year are remitted by contract workers through the formal banking system. However, officials estimate that remittances sent through informal channels are higher than those going through the banking system. Hence the efforts of the Central Bank to catch all remittances through the banking system in order to enlarge its dollar holdings, which are vital to debt management.

Rosalinda Pineda-Ofreneo

Desa Canoy: mother, trade unionist, and sander in the rattan furniture industry.

Desa Canoy: homeworker, Cebu rattan furniture industry

Melquiadesa 'Desa' Canoy is a small woman with the lithe figure and wide-eyed countenance of a teenager. It is hard to believe that her fragile frame can carry a whole bookcase, sometimes together with her one-year old son, from the neighbouring subcontractor's house to her own, and back again after sanding.

Desa is a home-based worker in Mandaue City, the centre of rattan furniture manufacturing on Cebu island. She and her husband were laid off by the rattan factory. As a sander who smooths out the rough rattan surface with hand and sandpaper before painting or varnishing, Desa now earns a maximum of P20 (41 pence) a day for her labours. With these meagre earnings (supplemented by a hundred pesos or so a week from the allowance her husband receives from the trade union where he now works), the Canoys eke out a hard and frugal life, supported by a network of relatives, as is the case for many Filipinos.

Milk for the baby alone costs them P89 (£1.85) a week. Fortunately, they have their own one-room house built on land belonging to Desa's family with their hard-earned savings during better times. They get water from a common artesian well, while electricity is paid for by Desa's mother. They are surviving on their borrowings of about a hundred pesos a month from a small credit cooperative set up by Desa's aunts and other relatives working for a common subcontractor (also an aunt). This relatively better-off aunt, from whom Desa and other home-based workers get the pieces of rattan furniture to sand at a fixed rate, also helps her repay her debts by paying her a fee to mind a small store.

Relatives help in other ways: 'It is good that when our kin arrive from the provinces, they bring vegetables which they distribute among us. This way, we are able to save money which would have gone on buying food.'

Desa is no stranger to hard times. Born to a mother who sold fish in the market, and to a father who for a time engaged in the buying and selling of coconuts and then went unemployed, Desa began her days as a child worker in a rattan manufacturing corporation, straight after leaving elementary school. It was then 1976, and she earned four pesos a day, which she gave to her mother to help buy food for their family of seven. In 1979 she found a better job in another corporation, where she got P24 a day, and was able to attend high school extension classes at night. But after a year, the management said she could no longer continue her studies. Undaunted, she took a qualifying exam set by the Department of Education, as a result of which she became eligible to enrol in college.

Desa did manage to finish one term at the University of Visayas in 1983. By then, she had transferred to still another firm, as the company she used to work for had closed shop due to lack of orders. Desa could not fulfil her ambition to finish her education, because she had to support her two younger siblings through high school. From sander, she was promoted to recorder/receiver. In 1986, when she married a co-worker, their combined income was about P3,000 monthly. With their bonuses, they were able to save enough to build a one-room dwelling, to buy a television set and a cassette recorder, and to afford a baby (plus household help to take care of him at P200 or £4.10 a month). When asked where she gave birth, Desa says she delivered her baby at a private hospital at a cost of P2,000 (£41). She would have preferred to go to the public city hospital, but it was 'overloaded with patients'.

Life had not been too troubled until the second half of 1989, when the company she and her husband were working for put its workers on rotation and finally laid them off in December. The reasons given, says Desa, were standard: 'No more orders, no more raw materials.' In 1989 alone, some 11 factories closed shop, citing more or less the same reasons. This, however, does not mean that rattan furniture production is grinding to a halt. What is happening, according to Desa, is that jobs are being taken out of the factories through community-based subcontractors, for homeworkers to do them at half or even less than half of the prevailing wage rates in the so-called formal sector.

Even the men are doing homework. Desa's neighbours are busy making furniture frames, for which they earn P300-P400 (£6-£8) a month. When asked if women could do the framing and get higher rates compared to the P80-P100 (£1.60-£2.00) a week they receive as sanders, Desa answers, 'Sure, why not? But what will the men do?'

The gender division of labour in rattan furniture making and the resultant wage disparities are so marked that male factory workers have been known to take jobs out for their wives and children to sand for very low pay.

Ups and downs in the rattan industry

Desa is old enough to have observed the ups and downs of the rattan industry in Cebu island. In the early 1970s, concentration was on the export of rattan poles to other countries, because this was an easy way for the traders to earn dollars. With the ban on rattan exports in 1976, the traders began to shift to rattan furniture manufacturing. The industry grew rapidly. Exports rose from an insignificant half a million US dollars in 1969 to $66 million in 1987. Data obtained from the provincial office of the Department of Trade and Industry show 'approximately 125 Cebu-based rattan furniture firms exporting from Cebu with a sub-contractor base of not less than 450 enterprises' in 1987. Then, the conservative estimate for the entire number of workers in the Cebu rattan industry was 40,000. Cebu-based rattan furniture exporters accounted for almost 80 per cent of the value of total exports nationwide.

From the mid-1980s, two trends have become apparent in the industry. One is the increasing unionisation of factory workers, resulting in an appreciable increase in wage rates, even if these still fall far below the official minimum. The second trend, which is in a sense in response to the first, is the rapid rise in the incidence of 'job-out', whereby work is transferred from the factories to home-based workers. The companies' desire to avoid paying higher wages is compounded by the worsening lack of rattan, the most important raw material of the industry.

Rattan is a climbing palm found only in forested areas. It is hard to collect, and its rapid depletion without replanting in the 1970s and early 1980s has forced the Philippines to import rattan from neighbouring countries. But Indonesia stopped exporting rattan in 1987; it is trying to build itself up to replace the Philippines as the major exporter of rattan furniture by inviting Cebu-based manufacturers and workers to transfer there.

The result is closure of many rattan factories. Workers remaining in the formal sector make do with substandard wages and face an increasingly uncertain future.

Facing the future

The days of the rattan industry are numbered, given the crisis in raw materials and the competition posed by Indonesia and other neighbouring countries. The foreign hold on the international market and, to a certain extent, even on local manufacturing (where instances of foreign takeover of ailing firms have been recorded) will probably increase. There has been a shift to more lucrative lines such as stonecraft, which is fast spreading in Cebu. The bargaining power of rattan factory workers will weaken even further, as more and more companies resort to 'job-out' as a survival mechanism.

Desa, who is used to coping with crises, sees hope in a more collective approach to financial problems. While still a factory worker, she was always involved in union work. She is married to a full-time trade unionist who receives a meagre allowance in exchange for his services, but she does not complain or pressure him into getting a regular job with better earning possibilities. She herself has been active in a women's organisation called the KaBaPa (Association of the New Filipina), presently occupied with organising home-based workers with the support of the International Labour Organisation (ILO), and of governmental and non-governmental organisations, including OXFAM. She has done participatory research, translation work, and trainers' training for women, and is looking forward to a time when the home-based workers of Cebu are organised into cooperatives and other forms of self-organisation for their own empowerment. If such associations are in place, home-based workers will be able to shift to other employment as the rattan industry continues to lose its viability.

7

Debt and the agrarian crisis

The Philippines enters the decade of the 1990s with a major agrarian crisis. Agrarian reform, the cornerstone of Marcos' 'New Society' and now the centrepiece of Aquino's democratic restoration, is in disarray. In rice production, the Philippines – once hailed as the success story of Asia – is once again a major importer. The drought that started in the last quarter of 1989 and sizzled throughout the first half of 1990 was aggravated by the sorry state of irrigation infrastructures, thus causing widespread crop losses and consternation among farmers. The rural-based insurgency led by the New People's Army, which began in the early 1970s and was expected to disappear with the change in government in 1986, remains as endemic as before in the more depressed parts of the Philippine countryside, as rural poverty continues to deepen.

These are just some of the manifestations of the agrarian crisis brought about in part by the foreign debt.

Debt and rural development in the 1970s

Rural development was one of the official reasons why the Marcos administration engaged in heavy borrowing, especially during the martial-law years 1972-86. In fact, the Marcos budget ministry declared the 1970s the decade of countryside development, as it borrowed and poured funds into new irrigation projects, supervised rural credit programmes, farm input subsidies, construction of farm-to-market roads, and the expansion of the field-based staff of the Ministry of Agriculture.

The World Bank, Asian Development Bank, and other developmental and commercial lending institutions readily gave financial support to the various rural-based projects of the Marcos regime, whose rural modernisation programme was compatible with the World Bank's vision of rural development. The major vehicle for this came in the form of the Green Revolution, which doubled, even trebled, output – so long as modern machinery and the right amounts of fertiliser, chemicals, water and other inputs were used. In the absence of the required near-perfect conditions, however, the technology could result in soil exhaustion and other adverse effects on the environment.

To make the Green Revolution work, therefore, the World Bank and other lending institutions supported the national rice programme of the Philippines which called for subsidies for fertiliser, irrigation water, and other inputs; the launching of a massive supervised credit programme with subsidised lending rates; the creation of a National Grains Authority to stabilise grains prices; and the establishment of a range of rural infrastructures, including huge dams and a network of irrigation canals.[1]

Agribusiness expansion

While the government was contracting one foreign loan after the other in the 1970s in the name of rural modernisation, foreign agribusiness corporations were expanding in the countryside. The massive implementation of the Green Revolution opened new markets for transnational firms producing fertiliser, pesticides, herbicides, irrigation pumps, and tractors.

The agricultural modernisation programme was directed mainly at the subsistence and tribal areas, whose main economic activity was food production. In addition, commercial or agribusiness undertakings such as corporate farms, ranches and plantations, especially those producing for export, were encouraged. Not surprisingly, the decade of the 1970s saw a tremendous expansion of plantation agriculture in areas like Mindanao island. There, the production of new export crops like pineapple and rubber spread rapidly; tens of thousands of hectares were converted into plantations or corporate farms, usually at the expense of small farmers and tribal peoples. The same phenomenon occurred in the fishery sector, where the rise of new commercial fishery outfits edged out the small coastal and lakeside fisherfolk.

Deregulation, land reform, and the agrarian crisis

In the early 1980s, the small rice farmers faced a crisis in production, brought about by the rising prices of farm inputs and decreasing support prices for their produce. The sugar and coconut farmers shared their misery, as they were hit by a prolonged crisis in the world market prices for their products, aggravated by the special levies undemocratically introduced for the benefit of a few Marcos allies who monopolised the coconut and sugar industries.

It was against this background that the World Bank pushed for a new development formula for the Philippine countryside: deregulation. Briefly, deregulation calls for phasing out government price controls for farm inputs and outputs; withdrawal of government subsidies for rural

Belinda Coote/Oxfam

Sugar-cane plantation, Negros: Crisanto, aged 10, is the sole wage-earner in his family of six.

credit and for usage of rural infrastructures and farm inputs; removal of government support for monopoly blocs in the sugar, coconut and meat industries; and enhancement of incentives for agribusiness investments.[2] This formula exposes the small farmers to the market on the assumption that they will respond rationally to price signals and optimise their production plans by, for instance, shifting to more profitable crops when the old crops are no longer financially rewarding. To force the debt-addicted and bankrupt Marcos regime to accede to the new deregulation formula, the World Bank offered two structural adjustment loans (SALs) in 1980 and 1982, and a $150 million loan for farm inputs in 1984.

Thus, the government abandoned or drastically reduced its support services for the small farmers. In 1983-85, the Marcos administration had no choice but to accede to every demand of the IMF and World Bank. After the change in government, officials of the Aquino administration simply continued with the deregulation programme, on the assumption that this would be the best for the country.

In 1989-90 the rice crisis burst into the national consciousness as a result of massive imports of rice, a surge in the price of rice, and a fall in rice production. Legislators and farmers' organisations started calling for a review of the deregulation programme. Senator Wigberto Tanada called the decade of the 1980s, which was the decade of deregulation, 'a decade of neglect for the rice farmers'. In his speech before the Senate in early 1990, he warned that without sustained government intervention, the market would be dominated by a Manila-based rice cartel. Heavily indebted rice farmers would not be able to perform well in a market situation, because they lacked not only resources but also technological expertise.

Deregulation also hinders the implementation of the Aquino government's agrarian reform programme. It prevents government from intervening in support of farmer beneficiaries whose lack of capital and market expertise makes them extremely vulnerable to stronger competition. In fact, Marcos' agrarian reform in the late 1970s and first half of the 1980s suffered when the government reduced its support for various programmes, partly as a result of the debt-related budget crisis, and partly in compliance with the World Bank-directed programme of deregulation. The 1980s began to see the phenomenon of 'reverse land reform': the beneficiaries of land reform selling their land rights to old and new rural elites, because of their heavy indebtedness and failure to make farming a viable occupation.

Debt and rural poverty

To sum up, the foreign debt is a major factor in the increase in mass poverty in the countryside. Because of the huge budgetary deficits arising from its gargantuan debt-servicing burden, the government cannot provide for the rehabilitation and expansion of vital infrastructure, the maintenance of price stabilisation programmes needed by small farmers, and the extension of cheaper credit and inputs. This inability to provide timely support to the small farmers is being justified in the name of deregulation.

Industrial and agricultural policies inspired by the IMF and World Bank have also failed to generate the jobs needed by the growing rural population. The rural modernisation programme and the expansion of export-led agriculture have led not only to the growth of big agribusiness but also to the marginalisation and even eviction of small farmers and tribal peoples from their lands.

The small farmers of Nueva Ecija: caught in an ever-tightening squeeze

In the town of Cabiao, Nueva Ecija province, a small group of farmers talk about their daily lives – how much they spend on farming, how much they earn, and why they are almost desperate.[3] Their stories confirm what has been known since the Green Revolution in rice technology was introduced in the early 1970s: the price of farm inputs, mostly of foreign origin, is increasing all the time. The final price of output, in contrast, is not rising fast enough, which leaves rice producers with less and less net income. To continue producing, they have to borrow more and more in order to afford the farm inputs. It sounds very much like a vicious circle.

Ka Berting Manalus, chairman of the Sta. Rita farmers' cooperative, claims that most farmers have to content themselves with harvesting 80 sacks (4,000 kg), one-fifth less than the optimum 100, so they do not have to spend as much on farm inputs. For this modest harvest target, he calculates the total cost of agricultural inputs and services at P10,710 (£223.12), to pay for certified seeds, land preparation, removal of seedlings, planting, removal of weeds, weedkillers, pesticides, fertiliser, harvesting, hauling, land rent, irrigation, thresher, and a contribution to the cooperative's development fund.

Ka Berting says a farmer must invest P4,700 (about £98) for preliminary or pre-harvest expenses in order to remain in rice production. But where does someone like him, who lives a hand-to-mouth existence, get such an amount? Certainly not from the banks, which, for a P3,000 (£62.50) loan at

Belinda Coote/Oxfam

Negros: the poor, excluded from the good land by sugar-cane plantations, have to grow their food crops on the most marginal land — by the roadside, in this case.

12-18 per cent interest, insist on so much red tape (like certifications from the Department of Agrarian Reform, the Department of Agriculture and other government agencies) that it is not worth the time and effort. According to Ka Berting, out of the 270 farmers in Sta. Rita village, only 35 get loans from banks.

The moneylenders, therefore, are having a heyday. Some charge 20 per cent a month, or 250 per cent a year, but want to be paid on a daily basis. Most farmers cannot afford this, since they do not earn anything till harvest. They prefer the more costly 'takipan' form of credit, in which the loan and interest are repaid after the four-month cropping season. The interest typically works out at 25-40 per cent a month.

Assuming that there is no drought or infestation, how much can the farmers expect to net from their harvest? Ka Berting says that most farmers harvest around 80 sacks (4,000 kg), worth P16,000 (£330). If the P10,710 (£223) spent on inputs and services, as well as the P5,000 (£104) paid in interest on a P5,000 (£104) takipan loan are subtracted, net income per hectare is only P290 (£6). Assuming that the size of the farm totals the average three hectares, a farming family earns P870 (£18) per cropping season, certainly a paltry sum, given the current cost of living.

The net result is that many farmers are already giving up their land. 'Most of the farmers during the time of Marcos are no longer the farmers now,' says Ka Berting. 'Right now, the government wants us to produce the needs of the nation, while we cannot even meet our own needs. This means most of us cannot pay our loans, can no longer get loans, and are consequently forced to sell our right to cultivate the land.' So the effects of the national debt problem are felt in a credit squeeze at the grassroots level.

Ka Ambo Santos adds, 'Our families have to eat and live during the planting season. And there's an average of seven people in each family! There's a saying round here: "We've already eaten the harvest – and it's not even harvest time yet". Yet, as Cory Aquino says, "We have to keep our word of honour".' (There is a hint of sarcasm in Ka Ambo's voice here.) 'We have to pay our debts. We have to pay direct taxes, and indirect taxes too, when we buy the goods of other producers. We are then forced to sell our land to people who convert it to a fishpond or some other business, while we become workers in the cities.'

The drought takes its toll

These indeed are the worst of times. Aside from financial woes, farmers are experiencing the effects of a protracted drought, made worse by environmental degradation and government neglect. The dams are getting drier as a result of massive deforestation and siltation, while the massively inefficient irrigation systems supply water to only one-quarter of the total irrigable areas in the country. There is a link here with the national debt: the scramble for foreign exchange encourages the export of forestry resources, and the resulting denudation of the land destroys watersheds. Furthermore, the huge debt-service burden prevents the government from improving and expanding irrigation services.

'This April we could only gather one-third of what we used to harvest,' Ka Cora Manalus, one of three women in the small farmers' group, interjects. This means an income of only P3,600 (£75). Ka Cora, unmarried and now in her 40s, practically manages the family farm since her brother, a full-time community worker who gets P300 a month as village councillor, is too busy to do it. The land, however, is in the name of her brother, as the male head of household. Ka Cora also takes care of their ailing 80-year-old mother, whose recent kidney operation and medical expenses for the next half-year or so are projected at P2,000 (£40).

So how does Ka Cora stretch the income from such a lean harvest? She scrimps on food, coffee, sugar, soap and shampoo. She saves on electricity (she no longer watches television) and yet she complains that her bill for ten kilowatt hours still amounts to P20 or 40 pence (compared to P7.50 per 15 kilowatt hours in the early 1980s, before the debt crisis exploded and triggered sharp increases in public utility rates). She gets extra income from the chickens, pigs and vegetables that she raises, income she reserves to pay for the farm inputs for the next planting season.

The discussion then shifts to problems in the community, which the farmers also connect to the burden of the foreign debt. Ka Ambo, for example, observes that while a doctor, nurse and dentist visit them once a week, they no longer receive free medicines, as they used to during the Marcos era. 'One of the reasons for this, as I understand, is that as much as 44 per cent of the national budget automatically goes to debt payment. Consequently,' he explains, 'we usually don't go to see the doctor. Instead, we go to the *herbolario* (herb doctor) or to the faith healer; they prescribe medicinal plants which we can easily find around here.'

Ka Miling Dizon shifts the discussion to the water problem. 'Most farmers believe that the drought during the dry season and the floods during the rainy season are the work of God,' he observes. 'I explain to them that our irrigation system is not well-planned and organised. The dikes of the fish ponds hinder the flow of water during the rainy season. There is not enough water during the dry season, because the government can't afford to maintain and improve irrigation facilities.'

Ka Ambo interjects: 'We have drought and flood because the government allows loggers to cut trees and shave the mountains clean.'

Hope in a cooperative

In the face of such grave problems, how do the farmers respond? They have just formed a cooperative, in order to get access to credit and other facilities, especially from government agencies, which prefer to deal with just a few people. As a result of their initial efforts, they were able to acquire a thresher andsmall rice mill through the National Food Authority. Through the cooperative, too, says Ka Berting, 'We hope to find a lawyer to help us in our land case.' He explains that under the land reform programme of the Marcos regime, they paid their landlord P5,697.50 (£120) per hectare, but under the Comprehensive Agricultural Reform Law (CARL)[4] of the Aquino administration, their former landlord has reopened the compensation issue in accordance with CARL's principle of 'fair market value'. The price per hectare they had paid the landlord as a result of Marcos' land reform is now deemed insufficient and even insignificant, compared to the P65,000 (£1,300) per hectare that the same landlord is charging them under CARL.

The future holds many trials, but Ka Berting believes that if small farmers unite through their cooperatives, they stand a better chance of survival.

The reponse of farmers' organisations to the debt crisis

How do farmers' and rural workers' organisations see the foreign debt problem? How do they connect their other concerns – agrarian reform, environmental degradation, the need for a comprehensive national rice policy – to the foreign debt? What do they want done, and what forms of action have they taken to move forward? In a roundtable discussion with leaders of member-organisations of the largest farmers' network called the Peasants' Forum, some of the answers crystallise.[5]

— *The debt is connected with the rising cost of farm inputs, because of creeping devaluation and therefore rising inflation and higher costs of imports.* (Devaluation is one of the standard prescriptions of creditor institutions, principally the IMF.)

Ka Trining Domingo, vice-president of the women's organisation KaBaPa, says rice seeds now cost P18 (37 pence) per kilo compared to P8.00 (16 pence) last year. The price of each bag of fertiliser rose by about P50 (£1); it was the same with every bottle of pesticide. The cost of renting a tractor also went up, because spare parts for machines have also gone up. The cost of diesel oil for farm use has increased by 70 per cent in twelve months.

Ka Paeng Mariano of the peasants' movement Kilusang Magbubukid ng Pilipinas (KMP) relates these escalating prices to the floating exchange rate and floating interest rate.

— *The debt is responsible for the rising cost of living and lower living standards, especially for agricultural workers; and it means more work for rural women.*

Ka Loring Ayupan, chairperson of the peasant women's federation Amihan, explains that the problems of rural communities can be traced to the conditions contained in the Letter of Intent. As a result, she says, 'We have to bear the higher cost of electricity and water; we also have to pay more taxes. Prices of goods and services are skyrocketing. Women have to budget, even if there is nothing to budget; women have to work more, at home and in the fields, to make both ends meet.'

Ka Trining adds that women have to do more unpaid work on the farms, so that the family can save on labour expenses. They prepare the meals and drinks of the farm hands and take them to the fields. They keep watch when the harvest is being hauled from farm to road. They also do the weeding. Most of the agricultural workers who do the planting and harvesting are women, Ka Trining continues. Each one earns between P30 and P35 (62-70 pence) a day for planting in Nueva Ecija, and this does not go very far. The planting season lasts only for about 20 days in one area, giving maximum earnings of P600 (£12), and there is no work afterwards. During harvest time, the harvester gets one-ninth of the harvest (one sack out of every nine). She can earn the equivalent of one sack (P250 or £5) in three days, but the longest she can work is about 15 days. The most she can earn therefore during the whole harvest season is about P1,250 (£26).

Agricultural workers belong to landless or marginalised farming families. Ka Trining observes, 'Many are reduced to eating rice and vegetables, with salt or bagoong [fermented shrimp].' The really desperate give up their land, abandon farm work, and seek work somewhere else – as domestic helpers, for example.

— *Policies imposed by foreign creditors have adversely affected Filipino farmers, while benefiting foreign interests.* 'Almost all the government subsidies for farmers have disappeared,' says Ka Vic Fabe of the peasant group PAKISAMA. 'The entry of foreign products into the Philippine market became easy,' he adds. 'For example, in Metro Manila, imported apples are everywhere. If you put the imported apple beside the local mango, the mango is more expensive. The local Filipino product is left unbought and allowed to decay, which is one reason behind our current economic difficulties.' Imported fruit dumped on the local market can be sold more cheaply.

Ka Paeng maintains that the priorities of the government favour the needs of foreign interests, rather than the needs of the people. For example, he explains, 'It gives priority to the production of export crops for foreign markets, while neglecting local agriculture, health, education, and other social services that can respond to the needs of our people.'

Ka Rudy Sambajon of the fisherfolk's federation PAMALAKAYA claims that 'Development programmes for farming and fishing communities, infrastructure for electricity and potable water, as well as social services cannot reach the countryside, because the great bulk of the people's money is used to pay for the debt.'

— *The debt worsens environmental problems like the protracted drought.*

'The connection is quite simple,' Ka Rudy explains. 'Aquino merely continued the Marcos policies on foreign borrowing, as a result of which our natural resources became open to foreign exploitation. Foreigners used Filipino loggers to cut down our forests and export the logs.'

The result of forest denudation, according to Ka Rudy, is that rivers silt up and watersheds are destroyed. Little water can be stored in the dams, aggravating the effects of the long drought which Agriculture Secretary Senen Bacani says damaged crops worth P315 million (£6 million) and caused opportunity losses of up to P1.75 billion (£36 million).[6]

The food blockade: farmers fight back

Ka Louie Paterno, general secretary of the farmers' coalition SANDUGUAN, says the food blockade they spearheaded in the third quarter of 1989 was the most dramatic action so far launched by farmers to prove that they have the will to defend their livelihood, even if it means placing the country's food security in jeopardy. Their concerted action highlighted the problems of rice farmers, which were worsening as a result of the price of unmilled rice (stagnant since 1984) and the price of farm inputs and other commodities (rising rapidly because of inflation). The situation, Ka Louie adds, was aggravated by foreign-imposed policies such as privatisation and deregulation, even more underscored by the contents of the Letter of Intent issued in March 1989. Farmers were neglected and sacrificed, while foreign and local businessmen, especially the traders, benefited.

'We saw that whatever we did, the government merely ignored us; so

L. Freeby/Oxfam

Rice farmers in a paddy field near Mercedes.

we thought of launching the food blockade,' explains Ka Louie. 'Then we realised that the country's food security was really very shaky, because if we persisted with our blockade for at least a week, there would have been panic in Metro Manila. That much, the military, too, had to acknowledge.'

The demands of the food blockade, says Ka Kikoy Baltazar of the federation of agricultural workers AMA, were summarised in the protest symbol: a hand with five fingers, the fingers standing for a support price of P5.00 (10 pence) per kilo of unhusked rice; a P5,000 (£104) loan for every hectare to be cultivated; a P5 billion (£104 million) fund for the National Food Authority to enable it to buy rice from farmers at the official price; P5 billion (£104 million) for rural development; and the abolition of the five-cavan (250-kilo) irrigation fee.

The blockade lasted for several days. According to Ka Trining, many women joined the mass action in Sta. Rita, Bulacan, and actually positioned themselves in the front lines. 'The military hesitate to use violence if they see women in front of the barricades,' she explains. 'Agriculture Secretary Sonny Dominguez was forced to go there himself because the blockade, which positioned itself on the superhighway north of Metro Manila, really prevented middlemen's trucks loaded with rice from passing through and reaching the metropolitan area,' she continues.

Even in the follow-up mass actions in front of the Department of Agriculture, women formed part of the picket lines. The growing militancy and unity of farmers' groups forced no less than President Aquino to meet with them and grant their demand for a P5.00 minimum price for unmilled rice.

In the process of lobbying, rallying and picketing for a comprehensive national rice policy, farmers' organisations of various political persuasions grew closer together. Three major groups which did not cooperate before have begun talking to each other and making common positions. These are the SANDUGUAN, the Federation of Free Farmers (FFF) and the Congress for a People's Agrarian Reform (CPAR).

Ka Tino Bancug of the farmers' coalition LAKAS firmly believes that the peasants, if they organise themselves, can exercise considerable influence on government policy. They could exert pressure on the government not to pay the debt, in the same way that they obliged it not only to sit up and listen, but also to grant some of the farmers' demands.