

## PMSC STATEMENT ON THE 2011 STATE-OF-THE NATION ADDRESS OF PRESIDENT NOYNOY AQUINO

On July 24, 2011 President NoyNoy Aquino proudly spoke about the achievements of his government in the past year. These so-called achievements, however, are not even close to what needs to be done to solve the fundamental problems that push many Filipinos to find jobs in other countries.

In 2010, over 4,000 Filipinos left the country each day swelling the ranks of overseas Filipinos now estimated at 12 million. By the end of that year, migrant Filipinos have sent home over US\$18 billion in remittances. We are indeed the 'modern heroes' of our country. But what do Filipino migrants get in return? What is being done to change the conditions that push us to leave our families behind?

In this year's budget, a meagre amount has been allocated to direct services to overseas Filipino workers (OFWs): less than 1% of the P1.8 trillion budget is set aside to directly serve the OFWs who now represent over 10% of the country's population. No funds are allocated to assist nationals for repatriation and medical care. There is little money for the Legal Assistance Fund to help OFWs in distress - P30 million falls far short of the P100 million required by law. Yet we know that OFWs continue to send money to keep their families and the flagging economy afloat, and at the same time provide badly needed foreign exchange to pay the foreign debt. Overseas Filipinos continue to pay to the costs of services they need through the Overseas Workers Welfare Administration (OWWA) fund, POEA fees, passport fees and other paper requirements for migration. But why do we get so little?

For an ailing economy that has been a root cause of Filipino migration, the answer of President Aquino is Public-Private Partnerships (PPP). In reality, what this means is more opportunities for private companies, many of them foreign-owned, and a handful of rich families to reap huge profits from construction, power, energy and transport projects. The jobs in these sectors disappear once these companies close down their operations, and force even more of us to seek work abroad. Private control of our water,

electricity, transport and energy sectors has meant rising prices that cause more hardship to the majority. Privatization has gone hand in hand with the designation of special economic zones all over the country that offer a tax-free haven where the rights and profits of foreign investors are guaranteed. Meanwhile, workers get less than the minimum wage, face hazardous working conditions and get fired when they assert their rights.

For Aquino's government, reducing poverty and improving the lives of Filipinos is about giving cash to roughly 2 million families to improve the health and education of their children, or providing housing to soldiers and the police force, while ignoring the rest of the population. It is about changing the poverty cut-off line so less people can be considered poor. Reducing unemployment is about manipulating the definition of employment so less people can be counted as unemployed. It is about dealing with corruption and human rights violations of political rivals, but not his own.

Is this the solution? We say NO! We have to stop putting our public services and economy up for sale to foreign and big business at the expense of Filipinos. We have to stop skyrocketing prices in jeepney fares, gasoline, rice, water and electricity that lead to more hardship and poverty. We say no to low-wage jobs, bad working conditions and insecure employment produced by low-wage electronics, assembly, business outsourcing/call centres and agri-business industries. We say no to opening up our lands to foreign-controlled mining operations that destroy the livelihoods of farmers and the environment. We say no to the use of our rich agricultural land mainly for export while Filipinos starve. We say no to imperialist foreign control!

What we need is national industries and public services that create secure jobs with decent wages and benefit our economy! What we need is genuine land reform so peasants/farmers can own the land they till! What we need is democracy that serves the interests of the majority!

	2010 PROMISES	2011: SONA vs. REALITY	
		STATE-OF-NATION ADDRESS	REALITY
<b>Economic growth</b>	<ul style="list-style-type: none"> <li>Public-private partnerships (PPPs) where private companies build infrastructure projects and other services                             <ul style="list-style-type: none"> <li>Expressway, railways and road networks</li> <li>Tourism facilities</li> <li>Naval facilities</li> <li>Grain terminals, refrigeration and post-harvest facilities</li> <li>Rice production</li> </ul> </li> <li>Procurement Law and Anti-Trust Law to improve efficiency of support to big business (e.g., registration, paperwork) and increase competition</li> <li>Fiscal Responsibility Bill: No legislation to be passed without identified source of funds</li> <li>Improve tax collection</li> <li>Reduce over-importation of rice</li> </ul>	<ul style="list-style-type: none"> <li>All-time high in stock market.</li> <li>Increase in credit rating that makes borrowing cheaper.</li> <li>Many companies (140) interested in oil and gas sector; only 35 in 2006; new contract for power plant in Luzon.</li> <li>Good roads built.</li> <li>Monorail system being studied.</li> <li>Zero-based budgeting implemented.</li> <li>Better rice productivity through improved irrigation</li> </ul>	<p>Foreign corporations and elite families benefit from public-private partnerships (PPPs) in power, transport, water, telecommunications, highways, construction, ports: Aboitiz, Ayala, Cojuangco, Consunji, Gokongwei, Lopez, Pangilinan, Razon, Ty. Once these projects are finished, the jobs are gone.</p> <p>The Philippine Development Plan focuses on sectors that do not generate sustainable high-paying jobs. It targets foreign tourism, cheap business outsourcing, low valued-added electronics for export, extractive mining, export-oriented agribusiness and forestry, and foreign dominated ship-building.</p> <p>Roughly 2,000 foreign companies now operate in 240 special economic zones that offer contractual jobs in textiles, electronics, food processing, tourism and other sectors. Jobs are often filled through agencies, pay less than minimum wage, and characterized by difficult working conditions and widespread trampling of workers' rights.</p> <p>Budget has been reduced to increase creditworthiness at the expense of public education, health and other services.</p> <p>Debt service continues to rise. An amount of P634 billion has already been paid to cover interest payments between July 2010 and April 2011 – P8 billion more than what was paid under GMA from July 2009 to April 2010.</p> <p>Underlying causes of import-dependence on rice still not addressed.</p>

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<b>Jobs</b>	Job creation a priority through industrial development	<ul style="list-style-type: none"> <li>Based on new employment definition, unemployment rate dropped from 8% in April 2010 to 7.2% in April 2011.</li> <li>50,000 jobs not filled due to mismatch; now there is choice</li> </ul>	<p>Based on previous definition, unemployment rate is 10.9%; and underemployment rose from 17.8% to 19.4%.</p> <p>Total of unemployed, underemployed, unpaid family workers and 'own-account' workers account for 52% of labour force.</p> <p>Jobs created are in the lowest earning sectors in agriculture (P155/day) and trade (P272/day)</p>
<b>Wages</b>	-	-	<p>Government increased Cost of Living Allowance (COLA ) by P22. Organizations and unions are calling for P125 wage hike.</p> <p>Gap still widening between the mandated minimum wage and the actual living wage. The current minimum wage is only 43% of what is required for a family of six (P998).</p>
<b>Prices</b>	-	-	<p>Rising prices as a result of privatization and de-regulation over the past year:</p> <ul style="list-style-type: none"> <li>- <u>Inflation</u>: from 3.7% to 5.2%</li> <li>- <u>Diesel</u>: from P32.50 to P44.50 per liter</li> <li>- <u>Jeepney fare</u>: from P7 to P8 minimum</li> <li>- <u>Water</u>: from P29.98 to P33.57 per cubic meter in Manila</li> <li>- <u>Power</u>: from P9.32 to P9.60 per kilowatt hour</li> <li>- <u>Rice</u>: from P25.00 to P27.00 per kilo</li> <li>- <u>Galunggong</u>: from P100 to P120 per kilo</li> </ul>

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<b>Poverty and hunger</b>	-	<ul style="list-style-type: none"> <li>Number of people who reported that they suffer from hunger went down from 20.5% in March 2011 to 15.1% in June 2011.</li> <li><i>Pantawid Pamilyang Pilipino Program</i> – 1,900,000 have already benefited</li> </ul>	<p>Reduction in poverty mostly attained through lowering the poverty line. Three separate estimates over the last decade and a half.</p> <p>Current official poverty line is P46/person/day to cover all expenses: food, education, clothing, footwear, medical care, transportation, communication, fuel, light, water, housing, and personal care.</p> <p>With a more realistic poverty line of P104 per day, 70% of Filipinos (65 million) were poor in 2009.</p>
<b>Education, Health, Social Programs</b>	<p>Basic education to go to global standards (Grade 12) and more classrooms</p> <p>Improve education and health through Conditional Cash Transfers to families</p> <p>National Household Targeting System to identify PhilHealth poorest families</p>	<ul style="list-style-type: none"> <li>Housing for police and military; plan to have better pensions for soldiers.</li> <li>Conditional cash transfers: Millions going to health centre for check-ups, child vaccination and less children out of schools.</li> <li>National Household Targeting System for Poverty Reduction increased PhilHealth beneficiaries.</li> </ul>	<p>Conditional cash transfers very limited in its impact (target is 2.1 m beneficiaries). Creates an illusion of poverty reduction, while underlying causes of poverty remain unaddressed. Funded by grant from US Millennium Challenge Corporation (US434 million).</p> <p>In some areas, cash transfers going to non-poor or non-existent beneficiaries. Reports of inappropriate use of funds (e.g., beneficiaries required to follow directives of government officials, eligibility tied to non-participation in activist organizations, military distributing transfer payments where insurgents are).</p>
<b>Crime and Security</b>	<p>Witness Protection Program</p> <p>National Defense Act</p>	<ul style="list-style-type: none"> <li>Less stolen cars and motorcycles</li> <li>No longer on the watch list for human trafficking</li> <li>Purchased military equipment.</li> </ul>	<p>Under 1998 Visiting Forces Agreement (VFA) and 2002 Mutual Logistics Support Agreement (MLSA), the US continues to deploy troops who are in effect staying permanently.</p>

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<b>Landlessness</b>	-	-	<p>Land distributed under the Comprehensive Agrarian Reform Program with Extension and Reforms (CARP-ER) is slightly higher than Gloria Macapagal-Arroyo (GMA) but lower than previous governments: 19,901 hectares/month distributed under NoyNoy Aquino is much lower compared to 38,229 hectares/month under Fidel Ramos and 28,711/month under Corazon Aquino.</p> <p>Farmers (including beneficiaries of Certificate of Land Ownership Agreements or CLOAs) are losing their lands to big business through land re-classification or fraudulent land titles.</p> <p>Still no land distribution in Hacienda Luisita, even though the Supreme Court ruled that stock distribution options are illegal.</p>
<b>Corruption</b>	<p>End corrupt practices under the Arroyo government</p> <p>Whistleblower's Bill</p> <p>Set up Truth Commission</p>	<ul style="list-style-type: none"> <li>• Revealed cases of corruption or '<i>wang wang</i>' practices.</li> <li>• Scrapped unproductive and corrupt programs (e.g., dredging, food-for-school program).</li> <li>• Set up transparent bidding process for companies.</li> <li>• Synchronized elections in Autonomous Region of Muslim Mindanao (ARMM) with national elections.</li> <li>• Appointed new ombudsman.</li> </ul>	<p>Many corruption cases revealed but not a single case has been filed against GMA. Cases mostly filed by people's organizations.</p> <p>Illegal transfer of P500 million from OWWA to PhilHealth from March 2003 to February 2004 still not resolved. This appeared to be a source of funds for the GMA electoral campaign.</p> <p>Truth Commission not set up as it was ruled unconstitutional by the Supreme Court.</p> <p>NoyNoy Aquino is becoming known for KKK – appointing his <i>kabarkada</i>, <i>kaklase</i> and <i>kabarilan</i> (i.e., friends, classmates and shooting buddies).</p>

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<b>Peace</b>	Peace talks with Mindanao Islamic Liberation Front (MILF) and the National Democratic Front of the Philippines (NDFP)	-	<p>Peace talks began with MILF in February 2011, which has had many delays. No government response to the comprehensive pact presented by MILF.</p> <p>Peace talks re-started with NDFP in February 2011, but 17 representatives and consultants who were given immunity under the Joint Agreement on Safety and Immunity Guarantees (JASIG) are now in jail; meetings on social, economic and political reforms were postponed by the NDFP due to this.</p> <p>Commitment to release more than 300 political detainees in accordance with 1998 Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law (CARHRIHL) still not honoured.</p>
<b>Human rights</b>	Extra-judicial killings: 50% on their way to be resolved and the rest will be dealt with.	<ul style="list-style-type: none"> <li>Plan to compensation to victims of martial law</li> </ul>	<p>Perpetrators of victims of HR violations under Arroyo regime still not brought to justice.</p> <p>Under Aquino, 48 cases of extrajudicial killings, five cases of enforced disappearances and 354 political detainees. Also 218 cases of civil, political and socio-economic rights violations, including demolitions, destruction of property, forced evacuation, indiscriminate firing and other trade union rights violations.</p> <p>OPLAN Bantay Laya of GMA replaced by OPLAN Bayanihan based on a US counterinsurgency manual. This combines socio-economic initiatives and extra-judicial military force to quell insurgency.</p>

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<b>Protection and welfare of overseas workers</b>	-	No mention of the need to protect overseas Filipino workers (OFWs) in the 2010 inauguration speech and the 2011 State of the Nation Address (SONA).	<p>Number of OFWs still increasing - 4,030 Filipinos left the country everyday in 2010, compared to 3,897 in 2009. Latest official estimates record 8.6 million overseas: 4.5 million temporary or irregular workers and 4.1 million permanent residents. Other estimates are as high as 12 million OFWs worldwide.</p> <p>Allocation for direct services to OFWs only 0.17% of P1.8 trillion budget for 2012 (3.14 B), despite over \$18 B in remittances received in 2010. This amounts to only .43% of debt service payments, 3% of the military budget, 14% of PPP funds and 1.9% of presidential 'unprogrammed' funds.</p> <ul style="list-style-type: none"> <li>- DOLE and POEA: Budget for direct services has decreased, while funds for marketing and job placement have increased.</li> <li>- Department of Foreign Affairs: Allocation to Legal Assistance Fund (LAF) for OFWs in distress is only P30 million (legislation requires P100 million); and amount for Assistance to Nationals (ATN), mainly repatriation and medical assistance, is not stated in budget.</li> <li>- Increase in DFA budget of P90.5 million mainly for payment of debts to OWWA for emergency repatriation (e.g., Libya, Japan).</li> </ul>

SOURCES:

- 2010 State of the Nation Address.
- 2011 State of the Nation Address.
- Migrante International, News Release. August 15, 2011.
- IBON Foundation Inc., Mid-Year 2011: Failing Economy, Growing Disenchantment. July 2011.