

Struggle for **Workers' Alternative Now!**

Alliance of
Progressive
Labor **APL**

Filipino workers cannot advance their interests without making common cause with other oppressed Filipinos. Labor unions in the Philippines have to operate not only within a political environment that restricts organizing, it also operates within a labor surplus economic environment which makes it easy for management to find scabs.

Given this political and economic environment, the Alliance for Progressive Labor understands that the goals of Filipino workers can be achieved only within the context of a progressive political project that encompasses all oppressed Filipinos. The APL is active within the mass movement alliance Coalition Against Poverty 2000 (CAP 2000). It is entering the arena of electoral struggle by committing its support to Akbayan, a progressive political party giving expression to the interests and demands of Filipino workers, farmers, women, youth, indigenous peoples and other disadvantaged sectors of Philippine society.

Because Bonifacio the worker led the movement which launched the struggle for national liberation, it is only proper that APL advances not just its demands for workers but also for the country as a whole. Workers' demands can only be achieved if broader changes are made in the economic policies of the government. This APL economic agenda is respectfully submitted to Akbayan as our contribution to its economic platform.

1 Growth and Equity

We do not believe that growth and equity goals should be pitted against each other. On the contrary, growth without equity is not sustainable. Under current conditions, one of the quickest and most effective ways to lessen poverty is to promote more rapid growth. The experience of fast-growing Asian economies (Malaysia, Thailand, Indonesia, Taiwan, South Korea) is that poverty levels fall relatively fast under conditions of rapid growth. For labor, a key consideration is that more rapid growth of GNP should mean more rapid growth of sustainable employment. We do not agree to the Ramos' Administrations' "jobs at all cost" mentality where labor rights and minimum labor standards are usually disregarded. Growth should be sustained until labor surplus conditions are replaced by labor shortage, where wages will rise and the conditions for labor organizing will improve.

While we believe that economic growth and redistributive reform are the most important instruments against poverty, an anti-poverty program targeting the poorest of the poor - especially upland farmers, fisherfolks, women and children, and indigenous peoples - is necessary.

Given the class composition of the Philippine government, social justice goals are not going to be served without pressure from labor and other progressive forces. The government should fulfill its responsibilities to citizens to provide basic social services including health, education, housing and other services. These reforms should be accompanied by redistributive reforms including investment of these funds in real estate and stocks. In the Philippines, the problem is that the Ramos administration still has not admitted that its policies created Philippine vulnerability, insisting instead that the crisis is completely the result of regional forces.

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2 Fiscal and Monetary Policy

Although the ongoing financial crisis of the Philippines is partly the result of contagion from Thailand and other Asian economies, it is equally clear that the Southeast Asian countries affected had a common set of monetary policies that made them vulnerable to speculative attack. The most important are those policies that encouraged massive foreign currency borrowing often by weak banks and other financial institutions and the investment of these funds in real estate and stocks. These conclusions are generally accepted by everyone, including neo-liberal ideologues in the government. The problem however, is that the Ramos administration still has not admitted that its policies created Philippine vulnerability, insisting instead that the crisis is completely the result of regional forces.

We believe that it is necessary to maintain fiscal and monetary prudence and attract foreign investments. But the precise mix of fiscal and monetary policies should be different from those maintained by the Ramos administration in the last few years. These policies should encourage investment in infrastructure and productive capacity instead of real estate speculation. It should encourage domestic investors and promote worker-friendly entrepreneurship by keeping interest rates low instead of artificially high to attract foreign hot money. It should encourage higher-value-added exports. It should not sacrifice public investment in physical and social infrastructure to maintain budget surpluses.

3 Trade liberalization

We believe that international trade is a vital part of our national economy. We do not support protection for industries forever especially when those industries produce shoddy and expensive products. But we are opposed to the Ramos administration's policy of rapid, blanket liberalization while keeping workers' and trade union rights under straightjacket.

Instead, we propose selective trade liberalization with protected industries selected on the basis of a long term strategy for industrialization and protection limited to a specific number of years.

We support efforts to develop global competitiveness. But this cannot be at the expense of workers' and trade union rights.

This cannot be achieved without active government support. More importantly, international competition is not based only on price and quality. The ability of the government or individual firms to compete internationally is also determined by the size and purchasing power of the domestic market.

4 Agriculture

It is time the Philippine government's bias against agriculture is ended. Raising agricultural productivity is necessary because agriculture's share of GDP and employment remains high. With adequate government support, it should be possible to raise productivity in both high value crops and food crops. Without productivity increases in food crops, we will not be able to guarantee food security in a highly volatile international rice market. Under current conditions, the best way to raise productivity and, at the same time, social justice goals, is for government policy to be anchored on support for small holder farmers.

5 Industrial Policy

The government should formulate a long term strategy for industrialization based on our resource

endowments and comparative advantage. Policy instruments including trade, and fiscal and monetary policy should be mobilized in support of this strategy.

The import substitution industrialization strategy of the 1950s and 1960s failed because of the limited size and purchasing power of the domestic market. Building the domestic market requires long term economic growth and asset reform. No long term industrialization strategy can succeed without asset reform.

6 Asset Reform

Our domestic market cannot be built without asset reform, in particular, land reform, urban land reform, tax reform and industrial reforms. Land reform is necessary not just to provide land to small farmers. The modernization of Philippine agriculture cannot be undertaken without removing the unproductive system of tenancy. Urban land reform must be undertaken to provide urban poor with decent housing. Tax reform is necessary not just as a redistributive measure but to provide more revenue to government. Industrial reforms, such as revenue sharing, employees' stock option plans, co-ownership and other forms of social ownership, is necessary to enable the working people to break free from the "wage trap."

7 Sustainable Development

The elements of this program, growth and social justice, prudent and growth-oriented fiscal and monetary policy, selective liberalization, an industrial policy, and asset reform are required for balanced and sustained growth. Poverty alleviation and in particular, the generation of quality employment can only be secured with steady levels of GNP growth. Levels of growth, however, have to be calibrated to the carrying capacity of the Philippine environment. In the past two decades, low growth has been accompanied by massive environmental degradation because of the failure of government regulatory mechanisms.

Investing in environmental sustainability is investment in our country's future. Another investment in the future that needs to be made is investment in our youth, most importantly, through increased budgets for education at all levels.

8 Effective and Activist Government

This development framework can only be achieved by an effective and activist government. In turn, this kind of government cannot be achieved without political reform broadening participation outside of rent-seeking factions of the upper classes and developing new political institutions especially political parties. We are opposed to the authoritarian tendencies manifested by the Ramos administration in its attempt to develop a stronger, more effective government.

We believe that our country's economic future can only be secured by a government capable of fulfilling the following functions:

- (a) a more effective regulatory framework that can assure a transparent and predictable legal and administrative environment;
- (b) provide basic services to the people, in particular, education, health, and housing;
- (c) formulate and consistently implement a long term economic development plan;
- (d) negotiate with foreign governments and multinational agencies and corporations on the basis of its long term economic plan and for the interests of the broad majority of the people instead of only for a select few.