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AFTER THE MAY ELECTIONS:  
**DISCONTENT  
& INSTABILITY**

**HUMAN SECURITY ACT:  
'DRACONIAN', 'FASCIST'**

**GONE  
OFFSHORE**

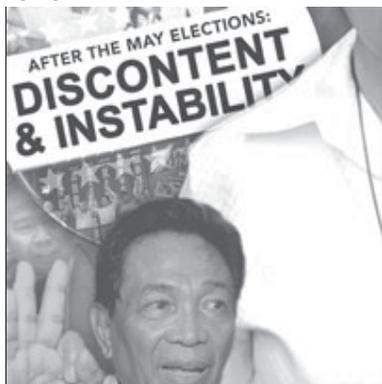
**VISION FOR A  
GLOBAL AGRICULTURE**

# EDM

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# After the May 2007 Elections: Discontent and Instability

By IBON Foundation Inc.

The dust from the May 2007 elections is settling and the broad contours of the coming post-election period can already be made out. The country is entering another period of political in-fighting and instability, with the possibility of major upheavals in a few years' time especially as the economic situation of the people worsens. At the same time, the unimpeded repressive trend of the governing elite augurs even worse prospects for Philippine democracy.

**T**he May 2007 elections have come to pass, and the outcome in terms of nominal administration-opposition balance in the country's elected positions are more or less already clear.

At the national level, the opposition's virtually assured eight winning senatorial candidates gives it nearly two-thirds control of the Senate (half of whose members were up for election). On the other hand, administration and allied candidates took over 90

percent of 219 district seats in the House of Representatives, of 81 governorships, and of 118 city mayoralties, respectively.

The administration puts forward a brave face. It has dismissed its rout by the Genuine Opposition in the Senate elections and exaggerated its House and local electoral “successes” as overall political consolidation for it. However it is certainly well aware that the reality is very different.

For one, the Senate results unambiguously affirmed the widespread public dissatisfaction with Pres. Gloria Macapagal-Arroyo in a way that the House and local results cannot refute. The battle for senatorial seats was a genuine proxy battle between pro- and anti-Arroyo candidates with voters nationwide choosing based on sheer preference little influenced by the patronage dynamics found at the local level. The administration’s Team Unity was trounced and the only two of its candidates to enter the winning circle were those least associated with Pres. Arroyo; one worked closely with the ousted president, Joseph Estrada, while the other built a reputation as a “fiscalizer” and sometime critic of

In the end, the May 2007 elections clearly did not deliver to Pres. Arroyo a proxy mandate.



PHOTO: INDYANEDIA.ORG

Pres. Arroyo. This general dissatisfaction is fertile ground for continued challenges to the President’s hold on power.

The administration and its allied candidates at the House and local level, meanwhile, won despite their association with Mrs. Arroyo and not because of this. Their access to resources and corresponding capacity to dispense projects and other political largesse was most decisive. The opposition was besides unable to field credible challenges to the administration in large parts of the country and virtually conceded hundreds of House and local positions by default. The vagaries of Philippine politics and the opportunism of its politicians, however, underscore how this is a malleable political base that should not be overstated. While patronage politics essentially secured the administration’s victories here during the May 2007 elections, it is these self-same patronage politics that make these tenuous victories for Pres. Arroyo.

In the end, the May 2007 elections clearly did not deliver to Pres.

Arroyo a proxy mandate. It did not resolve her administration’s crisis of legitimacy ever since the 2004 presidential elections and the “Hello Garci” election cheating scandal (in which Pres. Arroyo was allegedly caught on tape talking to an election commissioner about being assured of a win). On the contrary, and to the dismay of miscalculating Team Unity candidates, the elections verified just how unpopular she remains. There does not now seem any way for her to reverse this condition since this was her last chance to achieve any kind of mandate, however indirect, before the formal end of her term in 2010.

Indeed, the elections could not have given President Arroyo a mandate even if administration senatorial candidates dominated the results. The polls were said to be marred by such massive cheating – most brazenly in the Mindanao provinces of Maguindanao and Lanao del Sur – that the opposition victories become all the more significant. They won despite the best efforts of the administration. It is also meaningful that millions of citizens

## The fraudulent and violent conduct of the elections also maintains the undemocratic momentum that has been relentlessly building since the start of the Arroyo administration.

mobilized to guard the elections and, even if not wholly successful in preventing cheating, were able to expose this in many parts of the country. In any case, Philippine elections remain a dismally elite-dominated exercise despite pockets of challenges with non-elite victories in a handful of provinces.

To be sure, a big gain of the current administration from the elections is averting the entry of sufficient anti-Arroyo opposition in the House to easily muster the numbers to endorse an impeachment complaint to the now opposition-dominated Senate. The breathing space this provides is doubtless something it greatly welcomes. But then, in terms of the struggle to end a questionable presidency, the impeachment process in Congress is just one arena and, while important, is not necessarily decisive. The parliament of the streets remains potent and this is fully recognized by the government which is maneuvering against democratic political forces here.

The political landscape remains threatening for the Chief Executive. The incumbent has vast public resources and the range of governmental clout at its disposal. But these remain finite and not automatically sufficient to ensure an easy grasp on power. The Arroyo faction is ultimately just one segment of the country's governing elites and President

Arroyo's unpopularity and lack of a solid electoral mandate is a key opportunity for other aspirants to power and its attendant economic spoils. At the same time, the unambiguously deteriorating condition of the majority of the population which faces historic joblessness and poverty is a brewing cauldron of mass discontent. Sustained government hype about rosy economic indicators meaningful only for foreign and domestic big business and distant from people's everyday needs only deepens the fissure between the struggling majority and prospering elites.

This is a yawning gap that will only grow given the apparent thrusts of the government. It is determined to get the support of big foreign capitalists and segments of elite domestic big business at the

expense of the people. This is the reason for the determined drive to open up the country to foreign mining plunder, and to create an ever more liberal trade and investment regime with Japan, the United States and the European Union. This is economic aggression against the people who will suffer the loss of its finite mineral resources, wage repression, collapsed industries and joblessness. The Arroyo government has also long been pushing for the wholesale removal of the vital, if underused, economic sovereignty provisions of the Constitution.

The fraudulent and violent conduct of the elections also maintains the undemocratic momentum that has been relentlessly building since the start of the Arroyo administration. This has intensified in recent years and will increase as the regime become more desperate to cling to power. It has already established a track record for putting down protest actions, harassing political opposition, suppressing information about its corrupt governance, and for violent repression. This is most of all marked by over 1,000 Filipinos who have already been killed or



abducted by State military, paramilitary and police forces aside from over 400 who have survived assassination attempts.

Aside from being a crackdown against the most organized anti-Arroyo opposition, this reflects an alarming repressive trend of governing elites and augurs even worse prospects for Philippine democracy. The victims of direct attack overwhelmingly come from groups organized and active in grassroots social movements for change in the country. As has already happened twice in the past— in the immediate post-World War Two years and in the post-Marcos dictatorship years— Leftist inroads into parliament and the national political scene have been met with State-sponsored violence.

In the May elections the entire government legal, propaganda and armed machinery— including the Armed Forces of the Philippines (AFP) – was reportedly used for partisan political purposes against the progressive partylist groups of Bayan Muna, Anakpawis, Gabriela Women's Party, Suara Bangsamoro and Kabataan. Their success in garnering at least 2.5 million votes (likely more when the counting is done) is nonetheless testament to their resiliency and indicates a critical core of dissent against the country's foreign- and



elite-dominated political and economic system.

There are a number of key issues on the national agenda in the coming period, some immediate others less so but looming – all told they may have momentous implications on the Philippines and its prospects for democracy and development. Charter change is stalled but remains on the elite's political program. It potentially provides a means for President Arroyo to continue beyond 2010, as well as opens up vast opportunities for elite consolidation of their hold on national politics

and for foreign plunder of the national economy. Yet intra-elite political infighting can only increase as President Arroyo's rivals jockey for position either in a post-Charter Change parliamentary system or in the 2010 national elections. President Arroyo's questionable legitimacy, desperation on the part of elite factions shut out from the spoils of power, and the country's basic economic crisis are a volatile political mix.

There is also the alarming increase in authoritarianism and militarism. There is the assault on democracy and on civil and political liberties with all-

fronted attacks on progressive organizations impelled by and according to the US's global "war on terror". This can only worsen with the impending implementation of the draconian so-called anti-terror law (misabeled as a "Human Security Act") in mid-July. The peace processes with the Moro Islamic Liberation Front (MILF) in Southern Mindanao are breaking down with clashes already resuming with increasing intensity; the peace talks with the National Democratic Front of the Philippines (NDFP) are all but officially dead.

All these are occurring against the backdrop of a global economy that is in a deep crisis, and amid rising military and economic aggression by the US striving to retain its sole superpower status. The May elections and its aftermath were full of much sound and fury. Developments in the next few years may well show these to have merely been a minor distraction during the start of a new period of great political and economic upheaval. **IBON Features**

Developments in the next few years may well show these to have merely been a minor distraction during the start of a new period of great political and economic upheaval.

## WAGE INCREASES LOWEST UNDER ARROYO

**W**orkers had the lowest wage increases under the Arroyo administration and this has compounded their problems in the country's dismal labor market, according to independent think-tank IBON Foundation.

IBON research head Sonny Africa said that the legislated minimum wage in the National Capital Region (NCR) increased by only P50 under Arroyo, from P250 in 2001 to P300 in 2006. This is in contrast to the equivalent period of 1995-2000, wherein NCR wages increased by P105, and 1989 to 1994, when wages increased by P56. Arroyo's government also had the lowest average increase per year. (See Table)

While the Arroyo government did grant a total P50 emergency cost-of-living allowance (ECOLA) during the period, it did not represent an

increase in the basic wage and thus is not included in the computation of benefits such as the 13th month pay. Also, not all employers pay the ECOLA, said Africa.

"The low wage movements under Arroyo are symptomatic of how the Filipino workers' situation has deteriorated under her watch," he said. He pointed out that workers face an unprecedented lack of jobs. In 2006, 11.6 million Filipinos, a third of the labor force, were jobless or still seeking more work because they weren't earning enough. The lack of jobs forces 3,200 Filipinos a day to go abroad to work just to enable their families to survive, he added.

The prevailing legislated daily minimum wage of P350 in the NCR is also less than half of the amount

**Table. Increase in Legislated Basic Minimum Wage**  
National Capital Region - in pesos

	Total increase during period	Average increase per year
1989-1994	56	9.33
1995-2000	105	17.50
2001-2006	50	8.33

*Source of basic data: National Wages & Productivity Commission*

needed by a family of six to meet its food and non-food needs, pegged at P715 by the National Wages and Productivity Commission. Thus, even if two members of the family work and earn the minimum wage, it still would not be enough for them to live decently.

Africa added that a big part of the problem was caused by the collapse of domestic industry, noting that the manufacturing sector lost 18,000 jobs last year, while creating 110,000 positions for household help.



"Workers cannot expect any improvement in their situation from the coming elections, as apart from a few progressive partylist groups the overwhelming number of candidates at best make empty promises to do something about the plight of workers," he said. "But once they are in power, most will end up defending the interests of foreign capitalists, domestic big business and other local elites rather than the interests of the Filipino working people." **IBON Foundation Inc.**

# Opposition to Japanese Waste Colonialism

## Groups Say No to Japanese 'Toxic' FTAs

**E**nvironmental and public health groups from various countries lodged a collective protest against Japanese free trade agreements (FTAs), which they assert is part of Japan's sinister plan to establish waste colonies in Asia.

In a 'fax/e-mail action' held in conjunction with the "Kenkoku Kenen-no-hi" or Japan's National Foundation Day, the civil society groups sent letters to Japanese ambassadors, the Secretariats of the Basel Convention, Stockholm Convention on Persistent Organic Pollutants (POPs), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), other Multilateral Environmental Agreements, as well as the Human Rights Commission Special Rapporteur on Toxic Wastes, to voice their anxiety and objection to bilateral FTAs that blatantly encourages trade in hazardous wastes.

"We join our Asian neighbors, including our friends in Japan, in standing firm against the illegal and immoral scheme to make our countries dumping grounds for Japanese toxic wastes, technologies and obsolete end-of-life products," said S.M. Mohamed Idris, President of the Consumers' Association of Penang and Sahabat Alam Malaysia.

To emphasize its point, the groups cited the case of the controversial Japan-Philippines

Economic Partnership Agreement (JPEPA), which contains disturbing provisions that will allow unhindered entry of globally controlled or prohibited wastes and substances from Japan, including extremely toxic materials with heavy metals and persistent organic pollutants such as polychlorinated biphenyls and dioxins.

As Japan marks its National Foundation Day, the groups asked the ambassadors and international bodies to relay their demands to Prime Minister Shinzo Abe and the concerned ministries for the removal of waste trade liberalization and other exploitative

provisions in the JPEPA and other FTAs that Japan plans to forge with other countries.

The groups further seek Japan's immediate ratification of the Basel Convention's Ban Amendment, which prohibits the export of toxic waste from developing countries for any reason.

Japan signed bilateral FTAs with ASEAN member states such as Singapore in 2002, Malaysia in 2004 and the Philippines in 2006 and is currently working on similar agreements, in various stages, with India, Indonesia, Thailand, South Korea, Vietnam and other countries. — *Utusan Konsumer*



PHOTO: URBANWILD/Flickr.COM

# HUMAN SECURITY ACT: 'Draconian, Fascist'

An interview with Atty. Edre Olalia

Dr. Rainer Werning  
The Hague, The Netherlands Human Rights Watch

The anti-terrorism law is draconian, anti-people, and is very dangerous. Another fundamental point is, it does not cover the acts of terrorism of the State itself which is the worst kind of terrorism.

**D**r. Rainer Werning, lecturer at the Internationale Weiterbildung und Entwicklung of Bad Honnef, Germany, interviewed Filipino lawyer Edre Olalia, on the side of the Permanent People's Tribunal (PPT) Second Session on the Philippines, March 21-25 this year, at The Hague, The Netherlands. Olalia is the President of the International Association of the People's Lawyers (IAPL) and the international officer of the Council for the Defense of Liberties (CODAL). He is also a member of the Public Interest Law Center (PILC) that gives pro-bono counseling to clients from the marginalized sectors in Philippine society. Olalia was in The Hague, The Netherlands as one of the prosecutors of the PPT session on behalf of the plaintiffs of the Filipino people under Hustisya, Desaparecidos, Selda and Bayan.

Dr. Werning recently held a series of lectures about the European legacy in the Philippines at the Ateneo de Manila University, German Club, and University of San Carlos (Cebu). His interview with lawyer Olalia covered President Arroyo's legal powers, the Human Security Act, and the PPT session on the Philippines.

Excerpts of his interview with Atty. Olalia:

**Rainer (R):** What steps were taken by the Arroyo administration on the legal front to consolidate itself in power?

**Olalia (O):** The legal infrastructures that would make Gloria M. Arroyo (GMA) consolidate her power as well as perpetuate herself in power are already in place. These include laws, jurisprudence and executive orders that date back to the regimes of Marcos to Cory Aquino and which the GMA administration used to consolidate its power and the further oppression of the rights of the people.

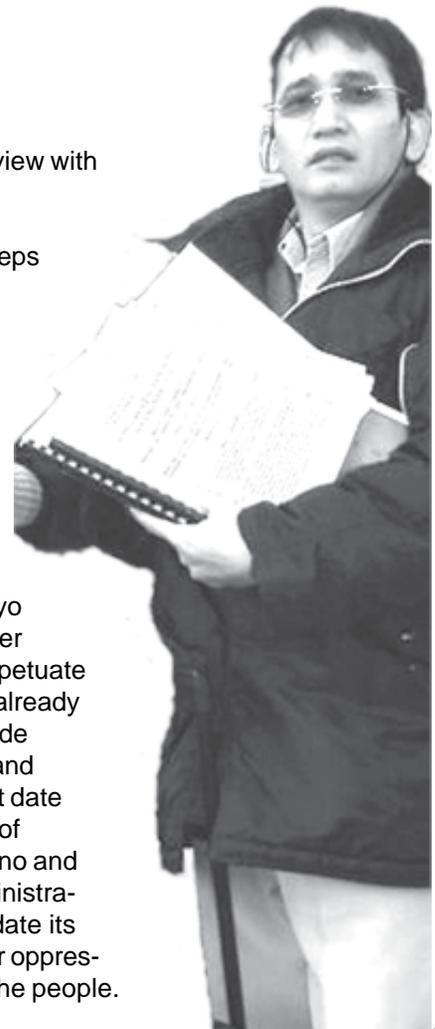


PHOTO: ARKIBONGBAYAN

R: Can you elaborate on which laws or presidential decrees (PDs)?

O: There are several of them. One is this jurisprudence that dates back to 1985. In the *Ilagan vs Enrile*... Ilagan was a human rights lawyer when he was arrested in 1985 by elements of the Philippine Constabulary-Integrated National Police in Davao City, while Enrile (now Sen. Juan Ponce Enrile) was then the Defense Secretary of Marcos. It was a Habeas Corpus petition, but unfortunately the Supreme Court sustained the doctrine that even if the arrest or detention at the first instance is illegal such as there is no warrant of arrest or there is no probable cause, the illegality of the arrest is cured by the filing of an information or charge. By the simple expedient of filing... "recharge" we call it ... that makes the remedy of the Habeas Corpus inutile or useless. That is one jurisprudence that remains in effect.

There are many others but, for now, the GMA regime has made several issuances that undermine human rights and at the same time serve to consolidate her power. If you repress the rights of the people, if you keep them silent, then your power becomes stronger. These repressive issuances include the calibrated pre-emptive

response or CPR; Executive Order 464; Presidential Proclamation 1017; and, the Human Security Act or the anti-terrorism law.

The CPR order was issued ironically on the very same day that Martial Law was declared 33 years earlier - on September 21, 2005. CPR became a very frightening Executive Order which aggravates an existing law - Batas Pambansa 880 or Public Assembly Act - that was enacted in 1985 or during the Marcos regime precisely to curtail the ever-growing resistance of the people following the assassination of Ninoy Aquino. Marcos issued BP 880 under the guise of regulating the rights to assembly, but in fact it was an excuse for the police to curtail the rights to assembly and to seek redress for grievances. CPR basically means, that if you don't have permit then we gonna beat you up, it is as simple as that. It gave the police a blanket authority to break up peaceful assemblies or manhandle not only workers and peasants but also church people, even women and children for that matter.

Arroyo tried to justify CPR by saying the country needs peace and order. But she issued it at the height of the impeachment moves against her. It was enforced to respond to the outrage of the people ignited by the defeat of the impeachment (in Congress) by the

use of sheer numbers of pro-Arroyo congressmen.

With regard to Executive Order 464, its context is also relevant because laws are not created in a vacuum, they are created as a response to a situation. Basically, laws perpetuate the interest of the ruling class in a society and are a means of subjugating people. EO 464 was issued in the context of the mounting protests against the GMA government over widespread corruption, bad governance and for its being an illegitimate government. EO 464 mandates that all executive officials cannot appear before Congress in any investigation, in aid of legislation especially those that concern sensitive issues that might be prejudicial to the Arroyo government.

The third, Presidential Proclamation 1017, was issued in February 2006. Under the guise of quelling an alleged rebellion against the Arroyo government - the so-called conspiracy between the left and right - GMA issued 1017 in the context again of a growing mass movement that threatened to oust her in February. She wanted to nip it in the bud by issuing the proclamation that gave her almost absolute power such as giving the military and police blanket authority to commit human rights violations.

Thus, 1017 is akin to an undeclared martial law. But in essence, that is martial law because certain rights were suspended and discretion was given to security forces.

The last one which would complete the legal infrastructure for the perpetuation of GMA's hold to illegitimate power, if I may say so, is the Human Security Act or the Anti-terrorism law.

“(The) definition (of terrorism) has been criticized even by the International Commission of Jurists and the UN Special Rapporteur on Terrorism in Relation to Human Rights, as very vague, very broad as to cover almost anything...”

PHOTO: BAYAN MUNA, KARLMARKSIAN



By the way, the first three were questioned before the Supreme Court and the latter ruled the CPR, EO 464, BP 1017 as unconstitutional. Despite the fact they were declared unconstitutional, in practice, the military or the police are still beating up rallies on the flimsy excuse that these don't have a permit... Likewise, despite the fact that Proclamation 1017 was declared unconstitutional, Ka Bel (Rep. Crispin Beltran) and Ka Satur (Rep. Satur Ocampo) were arrested separately, people got arrested even without the presidential proclamation, because of other existing repressive laws and jurisprudence I mentioned earlier.

The anti-terrorism law is the icing on the cake really and which would complete the legal infrastructure. To the credit of the protest movement, the anti-terrorism bill

took a long time before it was passed into law. It started in 2002, immediately after 9/11. The Philippines is one of the few remaining countries that do not have an anti-terrorism law or national security law in the mold of the Patriot Act or other anti-terrorism laws in other countries.

Eventually the anti-terrorism law was enacted by maneuvers, schemes, and with the support of the U.S. The anti-terrorism law is draconian, anti-people, and is very dangerous for many reasons. But basically the most fundamental objection is how it defines a terrorist act. According to this law, a terrorist act or terrorism is an act or omission that creates an overwhelming fear or a sense of chaos among the general populace with the intention of compelling the government to do an illegal act. That definition has been criticized even by the International

Commission of Jurists and the UN Special Rapporteur on Terrorism in Relation to Human Rights, as very vague, very broad as to cover almost anything, especially legitimate protest or dissent and including acts of national liberation movements which under international law must be respected and should not be tagged as terrorism. That is the most fundamental point. There are other features that would support the observation that it is fascist and draconian. For instance, even if one is out on bail, you can be confined to your house, or to your municipality or to your city for an indefinite period. You are incommunicado, you cannot use the phone, you cannot use email you can't use anything at all.

Another feature is the authority to look into one's bank accounts on the mere suspicion that you are a terrorist or involved in a terrorist act. That is obviously an invasion of one's privacy on the mere say-so of an executive officer without any judicial sanction.

The third is the proscription of organizations that may be considered terrorist or involved in terrorist acts. That questionable definition creates a lot of problems. If the definition is problematic, then that is dangerous if you designate certain organizations as terrorist or involved in terrorist acts. Obviously that provision was intended to undermine or vilify legitimate national liberation movements like the CPP, NPA and the NDFP and the MILF. Another feature is indefinite detention. It is unprecedented, because normally in crimes in the Philippines ... penalty is according to the gravity of the offense, according to whether there are mitigating or aggravating circumstances. If there are aggravating circumstances, the penalty is higher. But in this case,

it is single and indivisible matter, it is life imprisonment which is technically 40 years. Another point is, it is non-probationable, in other words, it does not allow for rehabilitation or for reformation of any person convicted of the act of terrorism.

Then there is the ridiculous provision which was intended to appease a lot of opposition to the anti-terrorism law: That anyone who is unjustly detained or arrested will be compensated with half a million pesos for each day of unjust detention. That is ridiculous, because to start with, whose money is going to be used anyway? It is people's money. Secondly, it is unbelievable that the Philippine government will pay half a million pesos to somebody they have already arrested and tortured. It cannot even pay ten thousand pesos to a victim of human rights violations. And another fundamental point is, it does not cover the acts of terrorism of the State itself which is the worst kind of terrorism.

**R:** That was very comprehensive, indeed! What's your comment on Ka Bel's and Ka Satur's case?

**O:** Ka Bel's and Ka Satur's cases exemplify the kind of absurdity and the lengths by which the Gloria Macapagal Arroyo government can go to silence its critics and to create fear and terror among the people and the protesting activists. As a lawyer, I find it unbelievable that on the basis of false information, false witnesses, conflicting documents submitted by the government, and of ridiculous allegations one can be detained unjustly. In the case of Ka Bel, the witnesses presented were either coerced or coached. They later testified on matters that are in

“Ka Bel's and Ka Satur's cases exemplify the kind of absurdity and the lengths by which the Gloria Macapagal-Arroyo government can go to silence its critics and to create fear and terror among the people and the protesting activists.”

contradiction with each other on facts alone. As regards Ka Satur, there is no case against him but he is in jail right now. He was charged with the multiple murder of several civilians several decades ago, so on the basis alone of the prescriptive period no case can be filed against him anymore. On the second point, assuming those facts are true which they are not, the crime was already erased by the general amnesty issued by Cory Aquino when she came into power, given that the alleged act was committed during the time of Marcos. Moreover, there is no probable cause as the witnesses said unbelievably that they saw Ka Satur's signature written on a piece of paper, a so-called order that directs the New People's Army to kill the civilians. They claimed to remember Ka Satur's signature for three or five seconds, and this was 20 or so years ago.

It was also found out during the Supreme Court hearings that the very same set of skeletons submitted as evidence in Ka Satur's case against a set of people as victims were proven to have been used in a previous case in 1985 against a different set of victims by the same prosecutor, and again if I am not mistaken, in 1995. Politically, this is very costly to the government. It is ridiculous, it's gonna backfire on them. But the government of Arroyo does not care, really. It is insensitive, it is

callous, and arrogant. I just came from Washington, D.C. where Senator Boxer, chair of the U.S. Senate Sub-committee on East Asian and Pacific Affairs on Foreign Relations Committee during a hearing on extra-judicial killings in the Philippines, castigated publicly the Arroyo government for sending military and police officers to the hearing as a subtle intimidation of the witnesses. It backfired.

**R:** Why did you finally choose the forum of the Permanent People's Tribunal (PPT) – what in particular accounts for its strength?

**O:** It is a tribunal made up of very prestigious and credible personages whose competence and integrity are beyond reproach. Likewise, it has a historical record of coming up with very competent, credible and comprehensive findings in its area of coverage.

I think the basic question is, why are we here? Why do we have to go all the way here? This is because the traditional local government remedies available in the Philippines – legal, judicial or otherwise - have been proven to be ineffective or even illusory, because they do not bring justice, they do not act concretely on the cry for justice, and even adds to the impunity, for the violations of human rights, in particular of extra-judicial killings. Another strength of

the PPT is that, it does not confine itself to the legalist framework. The rules of evidence, in so far as the admission of information, data, reports, analysis is concerned, are more relaxed and welcomed in the spirit of getting the whole picture rather than trying to be technical about it and trying to close the door to information that might help one form a very comprehensive conclusion. That is not to say, however, that the evidence, information and reports that will be taken at the PPT are not credible - at the very least they are credible and verifiable.

Moreover, the PPT looks at the picture in a comprehensive, holistic way. It relates, for instance, human rights violations with the social and political ills in Philippine society and to the greater picture or greater universe of the role of U.S. in other countries in the perpetuation of these violations. This is something that no single legal institution or entity, whether in the Philippines or even in the United Nations, can cover. Thus the limitations of the traditional fora are answered by the PPT.

However, the PPT is not a court of law, its recommendations and findings cannot be enforced legally in terms of punishment or mechanism that is in place. But that apparent drawback is also its strength. Enforcement should not be confined alone in legal terms. Enforcement can be more effective if it comes in the form of international opinion, diplomatic pressure, moral persuasion which are far more effective than the limited legal niceties that the existing local and international remedies purvey. At the PPT, you cannot compel the government to appear. If they appear then

they recognize the competence and authority of the PPT and if they don't, then they are hiding something. One way or the other, it helps in enforcing the value of the PPT as a forum that goes beyond the limited local remedies.

As a whole, the PPT has its historical and very highly political and important value in terms of addressing the specific question of human rights violations both in the political, economic, social, cultural including the rights of the people to liberation and self-determination. Note that the first session on the Philippines, the PPT was instrumental in helping create the moral persuasion and the political and diplomatic pressure against the Marcos dictatorship. As regards Gloria Macapagal Arroyo, there will be a time for reckoning.

**R:** My last question: What's Oplan Bantay Laya compared to preceding Oplans?

**O:** Oplan Bantay Laya is the framework and the justification for the military and the police to wreak havoc on the rights of the people. It is supposed to be a counter-

insurgency program to defeat the revolutionary movement, but it targets civilians who are suspected supporters and sympathizers of the revolutionary movement. This is contrary to international humanitarian law that protects civilians, especially unarmed individuals. In an armed conflict, you can only go after the combatants. Let us assume, for the sake of argument, that the victims are really communist sympathizers or communists themselves. But the point is, you don't attack people who are unarmed, you don't barge into their dining room and shoot them in front of their children or shoot a target while he is holding his baby or while he is about to go to a midnight mass during Christmas day. You don't do that!

Oplan Bantay Laya is just a continuation of several Oplans before - Katatagan, Oplan Lambat Bitag, etc. But this is more vicious, it's more comprehensive, because it targets specifically unarmed legal democratic activists and progressive individuals.

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PHOTO: BAYAN

# Gone Offshore

By Peter Gillespie

As corporations and wealthy individuals shift their assets into offshore tax havens, the loss in global tax revenues is now estimated to be at least \$500 billion a year, more than enough to finance the UN's Millennium Development Goals. Civil society groups are increasingly challenging the offshore financial system and the social costs that tax evasion is imposing on societies around the world.

**T**here is growing public concern about the social costs that tax avoidance and tax evasion are imposing on societies around the world. Offshore tax havens are a central part of this problem. Tax havens are shifting the tax burden from wealthier to poorer people and forcing governments to rely on more regressive forms of taxation. The International Confederation of Free Trade Unions is warning of an impending global tax crisis due to tax competition and the role of tax havens in concealing income and profits from tax authorities.

Offshore tax havens — now known by the more polite term “offshore financial centres” or OFCs — are today a deeply entrenched part of the global financial system. There are more than seventy OFCs in places such as the Cayman Islands, the Bahamas, Barbados, Jersey, the Isle of Man, Monaco, Cyprus, Luxembourg, Macao and a number of South Pacific islands. Most but not all are small island states. Some of the banking facilities based in these tax havens are little more than a computer in a closet, but most are subsidiaries of



A bank in Cayman Islands

mainstream banks headquartered in London, Zurich, New York and Toronto.

OFCs levy little or no tax on income or property, and provide minimal rules related to licensing and incorporation. Financial institutions and corporations can conduct their business without having a physical

It would not be an exaggeration to say that illegal capital flight and thefts from the treasuries of poor countries have resulted in the deaths of thousands, perhaps tens of thousands, of vulnerable people...

presence in these jurisdictions. Most importantly, OFCs guarantee anonymity so that their clients are beyond the scrutiny of tax authorities and regulators in their countries of residence.

These characteristics have attracted corporations and wealthy individuals to move their assets offshore. In the early 1990s, the Bank of International Settlements estimated that total offshore cash holdings were five times the sum available to the world's central banks. In its 1998 World Wealth Report, Merrill Lynch estimated that one-third of the wealth of the world's richest individuals, or US\$11 trillion, was held offshore. Between 50 and 60 percent of all global trade is conducted through OFCs and half the global monetary stock is estimated to pass through OFCs at some point.

For multinational corporations, OFCs provide opportunities for 'profit laundering,' carrying out transactions that assign profits and losses on paper according to where taxes can be minimised. Profit laundering is frequently done through offshore shell companies that have no function other than holding corporate assets.

To conceal profits a company might transfer the ownership of patents, copyrights or other intangibles to offshore shell companies and collect royalties in a low tax jurisdiction. Earlier this year, the pharmaceutical company Merck was assessed \$2.3 billion in US back taxes for transferring its drug patents to a Bermuda shell company and then deducting from its taxes the royalties it paid itself. High technology companies such as Microsoft are engaged in similar strategies.

Shell companies can also be used to hide debt liabilities from regulators and shareholders. Before being exposed as a spectacular fraud, Enron had established a network of 3,500 shell companies, 600 of which were registered in the Cayman Islands.

One of the most common methods of concealing corporate income and profits is through falsified transfer pricing. Today, half of all global trade is conducted *within* multinational companies, among affiliates of the same parent company. Much of the trade between parent companies and affiliates is falsely priced so that companies can allocate profits and losses at will.

A company might, for example, sell an export item to an offshore affiliate at a sharply reduced price; the affiliate then sells the item at market price with the profits

remaining offshore. Alternatively, the offshore affiliate might import an item at the real market price, but sell it to the parent company at a grossly inflated price so the company has a huge cost to deduct. Among the falsely-priced export items uncovered in a recent US study were bulldozers priced at \$527.94 each and forklift trucks priced at \$384.14 each. Falsely-priced import items included flashlights from Japan at \$5000 each and toothbrushes from Britain at \$5655 each. The study concluded that falsified pricing resulted in tax losses to the US treasury of \$53.1 billion in 2001 alone.

A U.S. expert on tax evasion calculates that the percentage of US tax revenues from corporations has declined since the 1960s from around 30 percent to 8 percent, largely due to shifting income to offshore havens. In a recent study of the 250 largest US corporations, a third paid no income tax between 2001 and 2003 despite reporting overall pre-tax profits of \$1.1 trillion to their shareholders in the same period. Raymond Baker, author of *Capitalism's Achilles Heel*, estimates that multinational companies account for a global tax loss of at least \$200 billion a year through the use of shell companies and falsified transfer pricing.

Wealthy individuals are also escaping their tax obligations by holding their assets offshore. Financial institutions based in OFCs have aggressively pursued 'high net worth individuals,' encouraging them to move their assets to offshore accounts and trusts. A 2006 US Senate subcommittee report concluded that wealthy Americans avoid \$40 to \$70 billion in taxes each year by holding their assets offshore. The Tax Justice Network in the United Kingdom calculated that if the

returns on \$11 trillion of individual assets now placed in OFCs were taxed at 30 percent, it would generate \$255 billion in tax revenues globally.

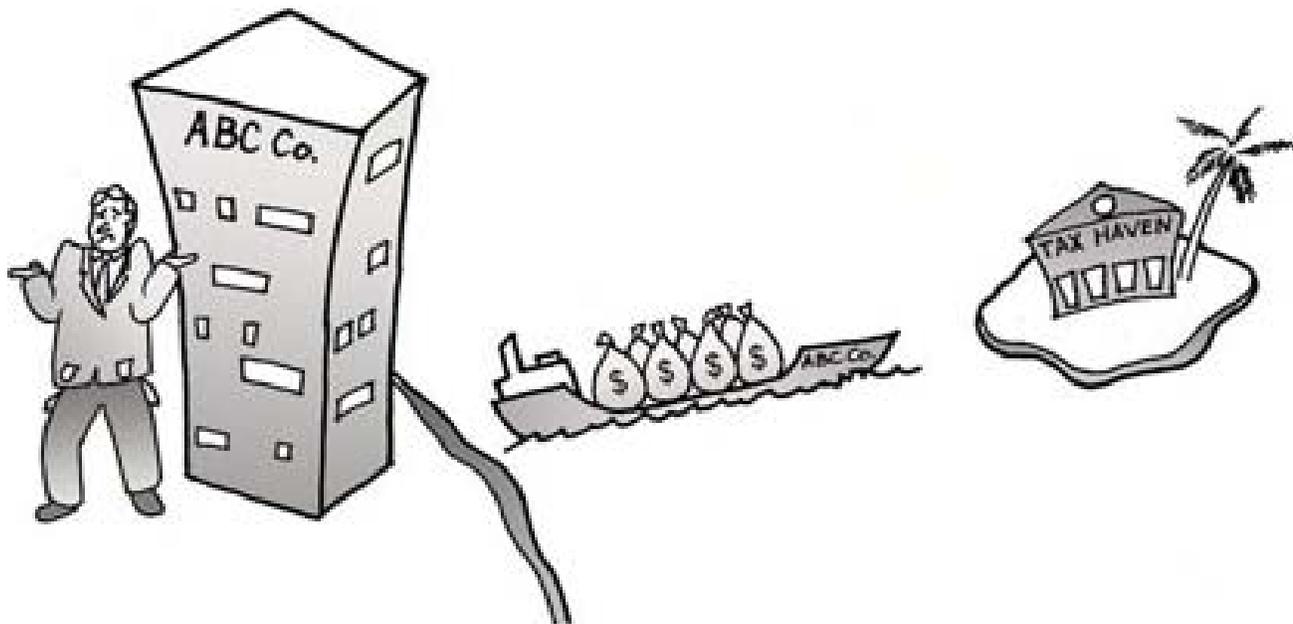
If tax evasion and tax avoidance are cause for concern in Northern countries, the situation facing transition economies and developing countries is even more serious. Offshore financial centres (OFCs) have enabled massive illicit capital flight out of transition economies such as Russia and China as well as from developing countries. Raymond Baker estimates that falsified pricing

century country.” As State-owned enterprises were privatised, the orgy of looting was supported by western corporations and financial institutions and the plunder flowed into western banks. Indeed, Russian flight capital finances a substantial portion of the US balance-of-payments deficit.

The IMF estimated that illegal outflows from China were \$127 billion between 1992 and 2001, a figure that is likely under-estimated by half. Raymond Baker notes that as much as half of all foreign direct investment (FDI) in China is actually Chinese money that came

and lack the capacity to track the complex financial maneuvers of multinational companies. In a June 2000 report, Oxfam (UK) estimated that OFCs contributed to tax losses in developing countries of about \$50 billion a year, roughly equivalent to annual aid flows. This figure is likely conservative as it did not take into account outright tax evasion, falsified transfer pricing or under-reporting of corporate profits.

The African Union reported that at least \$148 billion illegally leaves the continent every year, most ending up in offshore accounts. Falsified transfer pricing by



alone shifts at least \$280 billion out of transition and developing economies every year.

Russia appears to have suffered the greatest theft of resources in the shortest period of time, an amount estimated to be between \$200 and \$500 billion in the period 1989 to 2004. Stephen Cohen described the disintegration of post-Communist Russia as the “...unprecedented de-modernisation of a twentieth-

century country, disguised itself as a foreign company and returned to China as a joint venture with a foreign partner. Almost 45 percent of FDI in China originates from shell companies based in the Cayman Islands, Hong Kong and the British Virgin Islands, ensuring that royalties, fees and dividends flow offshore.

Developing countries often have weak tax administration systems

multinationals is reportedly costing Africa \$10 to \$11 billion annually. Some estimates suggest that Africa’s political elites hold between \$700 and \$800 billion in offshore accounts outside the continent.

Corrupt political leaders of some developing countries have embezzled vast amounts of wealth from their national treasuries. The Indonesian dictator Suharto looted his country for years and up to \$35

The economic and social consequences that tax avoidance and tax evasion are imposing on societies around the world have reached a crisis point. Democratic public debate about these issues is urgently required.

billion found its way to the Cayman Islands, Panama, the Bahamas, Cook Islands, Vanuatu and West Samoa. Citibank helped Raul Salinas, brother of Mexico's former president, establish anonymous offshore trusts, international business companies and secret accounts to hide his stolen wealth.

Riggs Bank of Washington set-up off-shore dummy corporations and anonymous accounts for Augusto Pinochet, the murderous former dictator of Chile. In its required "Know your Customer" documentation, Riggs described Pinochet as "a retired professional who achieved much success in his career and accumulated wealth during his lifetime for retirement in an orderly way."

Some of Africa's poorest countries have also been plundered. Sani Abacha, the dictator of Nigeria between 1993 and 1998, looted the country's treasury and sent billions to secret accounts in Switzerland, Luxembourg, Liechtenstein and

London. Mobutu Sese Seiko of Zaire and Emperor Bokassa of the Central African Republic plundered their countries to the point of starvation.

It would not be an exaggeration to say that illegal capital flight and thefts from the treasuries of poor countries have resulted in the deaths of thousands, perhaps tens of thousands, of vulnerable people as health facilities have been dismantled and basic public infrastructure crumbled. All of this looting has been carried out through the secretive infrastructure of OFCs, facilitated by well-paid accountants, lawyers and bankers. Yet public attention is only drawn to the kleptocrats, rather than to the people and institutions that enable these thefts.

#### What is to be done?

Governments around the world are well-aware of the costs that the offshore financial system is imposing on societies and a number of initiatives are underway to address the problem. The Organization for Economic Cooperation and Development (OECD) is playing a leadership role in addressing these issues and several inter-governmental bodies are working to share information and to monitor abuses of the financial system.

But as capital markets are globalised, nationally-based tax policy and revenue collection strategies are increasing difficult and often ineffective. Ultimately, the solutions to these problems must be multilateral. The Tax Justice Network, Oxfam and other civil society groups have proposed a number of measures, including the following:

*Ending secrecy.* The privacy rights of citizens need to be distinguished from financial secrecy. It is

secrecy that drives the offshore economy. It is secrecy laws that allowed Swiss banks to hide Nazi loot for fifty years. If any progress is to be made on corruption, money laundering and fair taxation, banks and financial institutions must be legally required to disclose all income from all sources paid to citizens of other countries, with sufficient information identifying the persons receiving that income. This information should be routinely exchanged between countries to ensure that income is properly taxed.

*Provision of support to small and vulnerable economies that have established themselves as tax havens.* Many of the small jurisdictions that have established themselves as tax havens have few economic options and require assistance to diversify their economies.

*Unitary corporate taxation.* Competing and contradictory national tax standards for corporations operating in multiple countries are a critical problem. A multilateral process needs to be put in place to develop a common set of principles to define the tax base and an appropriate formula for profit allocation for multinational companies. Reaching an international consensus on this approach would be challenging. However, without a common set of standards and principles, multinational companies will continue to escape their obligations to society.

*Criminalise those involved in money laundering and tax evasion.* Money laundering and thefts from national treasuries is enabled by accountants, lawyers and bankers. Very few of these people have ever faced charges for participating in laundering the proceeds of crimes committed in other countries. Intentionally

servicing money from crime should be a crime, no matter where the act is committed. Corporate executives, and their accountants and lawyers, should be liable for criminal prosecution for tax evasion.

*A World Tax Authority.* Establish an international body to follow global tax developments, provide a forum for discussion on international issues related to tax policy, deal with tax competition, provide a dispute forum, develop codes of conduct and best practices and promote tax systems that are in the public interest.

*Establish an International Convention on the Recovery of Stolen Wealth.* Much of the wealth that has been illegally appropriated from national treasuries has never been recovered and has been converted into public debt. An international convention would assist in challenging the secrecy laws that prevent recovery, and help repatriate this wealth to the countries to which it belongs.

The economic and social consequences that tax avoidance and tax evasion are imposing on societies around the world have reached a crisis point. Democratic

public debate about these issues is urgently required.

Civil society groups are insisting that the issue of taxation be integrated into current discussions about social justice and corporate social responsibility. Taxes are not a business cost; rather, taxes are the price of living in a democratic society. Taxes are a crucial foundation of equitable societies as they pay for the public goods and services which benefit us all. –

**Third World Network Features**

*(Peter Gillespie is with Inter Pares, an international social justice organisation based in Ottawa, Canada.)*

**What is to be done?**

- Ending secrecy
- Provision of support to small and vulnerable economies that have established themselves as tax havens
- Unitary corporate taxation
- Criminalise those involved in money laundering and tax evasion
- A World Tax Authority
- Establish an International Convention on the Recovery of Stolen Wealth

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# For customers' satisfaction: Press 1 For workers' exploitation: Press 2

Ecumenical Institute for Labor Education and Research, Inc. (EILER)

**S**ince its boom in 2000, the business process outsourcing (BPO) industry, has become the fastest growing industry in the Philippines. There are currently 160,000 agent seats in the call center sub-sector or 67% of the more than 200,000 total workers employed in the BPO industry according to the Business Processing Association of the Philippines (BPAP).

The government is peddling this type of employment as the solution to the systemic unemployment in the country. So much so that it is gearing even the university and college curricula in churning up call center agents that will be part of the labor pool of the BPO industry – where clients, customers, workers, irrespective of their time zones, compete under the most exploitative and oppressive manipulations, calculations and maneuvering of multinational corporations. It is business 24/7.

Transnational corporations (TNCs) do not outsource their business to developing countries out of charity or because of a particular concern to provide employment to these poorer countries. Although the allure of a better-trained workforce is one of the factors that drive US TNCs to outsource their services abroad, cheaper labor costs are undoubtedly more decisive. Filipino workers' salaries are a fraction of those paid to US workers. A call center agent in the Philippines can earn an average of PhP 12,000 – 15,000 monthly, the American counterpart would make \$ 12,000 a year or an average of PhP 50,000 a month, e.g. for one American agent they can hire three Filipino agents. And these Filipino workers enjoy less benefits than their American counterparts.

The sector is not unionized. The issues at stake are many: the industry touts of high wages, but this is not true, the basic wage is low compared to the level of skilling and workload. An industrial skilled unionized worker can earn more. In call centers 'flexible pay' and bonuses are big sellers.

The key word for the workers is flexibility. Flexible working time and relations are what best described the BPO industry. Agents work in graveyard shifts. Work stresses are high as agents have to deal with unsociable hours and demanding customers. The health risks are many - exposure to computer screens, sleep deprivation, and muscle pain due to immobility.

There is no regulation for different time zone workers. Especially for female workers, having to report in the middle of the night, traveling at times when there are less people on the streets and no public transport available, they usually travel by taxi for security reasons. There is no compensation for this extra travel expense.

Organizing this sector will require skills different from the standard labor organizer. High flexibility of working hours/working conditions, high turn over of workers are not very favorable conditions for organizing work. Another feature of this industry is quick up-mobility: you can fast make a career, become supervisor, trainer, MC, etc. The good thing is there is a trend towards regularization.

The culture of call center agents is that of the yuppies. Their self-perception is that they belong to higher paid and higher skilled echelon of the workers. Yet working in a call center is not considered as a career. It is used as a stepping stone for higher paid jobs, either abroad or up to the managerial level. To be an agent is a transient type of work. This is also one reason for a high turnover in the sector.

## The application

It is not difficult to find application sites for call centers. The newspapers are full of ads with recruitment centers. Every mall in NCR has a call center or a recruitment office.



The majority of the applicants are young people, between 20-25 years of age, fresh graduates from colleges and universities. A considerable number are working students, who work in order to pay for their studies. The majority are female workers.

The process of application usually takes place in a day and the result is released in the same day.

The first step is a group discussion of six to eight people. Here, a first screening takes place based on accent, pronunciation, and mastery of the English language, as well as previous work experiences. The second step is an exam on English grammar, IQ,

computer navigation, listening skills, typing speed, etc. When you fail in one of these steps, it is the end of the story.

When I passed all these tests, a final interview was done. I was then informed that I was eligible for the job. After which, I move on to the medical exam.

My first application was with a company which has a recruitment center at Edsa Central Pavilion. I passed all the tests and exams as well as the final interview, only to be told that they had yet no account – meaning to say there's no work. They would call me (really a call center!). After some months they called indeed, informing me

that they had a job placement for me and I started training as an agent. My starting salary was PhP 12,000.- a month.

**The training**

I started a two-week training, paid (80% of the salary). The first week concentrated on American accent training as well as US geography, history, and culture. The second week was product training, mainly order taking. I learned all the items on the order screen, to navigate the system and to follow call flow and scripting.

The training was from Mondays till Fridays 9:00 pm- 6:00 am with one hour lunch break. The training was

done in a class, we were with 26 trainees in the class.

At the end of our product training we could listen in with agents on the floor during live-calls. We all graduated from the training and were sent to the floor.

Training is an integral part of the work in a call center. One frequently changes from one account to another and go through product-training. The duration of the training depends on the account.

Call centers usually demand that the applicant sign a bond before entering training, pledging that you will stay with the company for at least six months. When you resign during this period, you will have to pay the difference. This is not always the case with some companies.

**On the floor**

Such a floor consists of hundreds of cubicles, each with a computer, telephone plunger and headset. This is the working station.

The first week on the floor is terrible, since I was not yet exposed to live-calls and after some days, I wanted already to resign.

When we hit production, it was peak season, for the Christmas sales - 30,000 calls a week. If an agent can handle 60 plus calls per 8 hours, one can calculate how many agents the company needs.



Sunday to Saturday, a 5-day working week.

Night differential is paid at 20 % during 10:00 pm-6:00 am.

There is no guarantee that work will be for 8 hours at 5 days a week. During peak season, there is no problem; there is even pressure to do overtime. But during off-peak season, the days are cut; sometimes I worked only 2 or 3 days a week and paid only for the days worked.

We did mainly order taking for the Christmas sales. But we also have to do soft selling; for each extra item sold, a commission is earned. This can amount to more than the monthly basic salary.

Because it was peak time, we were asked to do two hours overtime. After 8 hours of intense work, I already felt the heavy load. Our work schedule differed from week to week, as well as the day off. Hardly were there two days off in a row.

My work time was usually from 4:00 am- 1:00 pm. Sometimes I had to start at 2:00 am. Sometimes at 6:00 am. The week's schedule was only posted on Fridays. I cannot schedule any personal assignments, since I don't know my schedule in advance and the days off are not fixed. The workweek starts on

It is all about flexibility! The breaks are not fixed. When there are low calls, you can have an early break or lunch. When there are high calls, you are not allowed to have a break or lunch. Sometimes, after three hours, you have to remind the supervisor about the first break that you badly need by then!

On the floor, Mission Control (MC) determines when you can go on break, have lunch or log off. They control the calls and the agents on avail. The supervisor has to ask the permission from MC to send agents on break, lunch, or log off.

You have to complete 8 hours staffed time, i.e., the hours that your are logged-in and ready to receive calls. In practice, it means that you 're much longer on the floor. You need to be at your workstation 15 minutes before, in order to prepare for your on-line

tools, pull up the account screen and prepare for log-in.

Sometimes there is a system down, or the telephone connection is cut. These losses are registered as exception minutes(hours).

When the telephone line is down, the live-line of the call center is cut, you cannot do anything anymore. However when the Internet connection is down, you can still receive calls and process the call manually; to later on encode again in the computer (usually during your breaktime).

You inform customers about a system error, then they normally will hang up and call back, since manual processing takes much longer.

Every account is different, and procedures may vary from account to account.

After several weeks, just a week before Christmas, we experienced our first downsizing. Half of the agents were transferred to another account.

At the end of January – off-season – we had our second downsizing; we were left with 24 agents. I could continue with the same account, but got additional training for customer service.

A few months later our account was closed, much to everybody's surprise. You are not informed about the reason. We were transferred to another account.

The computer controls everything of your work; important is your

average handling time for a call(AHT); the average handling time in my first account was 5 minutes and 30 seconds.

You have 30 seconds to disposition your call; i.e. you have

30 seconds between each call. When you exceed these limits, MC will warn you and it will affect your AHT.

Your calls are recorded and QA(Quality assurance) listens in. Every day you receive a printout of QA with your score of that particular call and areas for improvement. You have to sign these reports. Important for QA is the call flow.

Based on your score your commission is computed. Needless to say that this usually lowers your commission depending on your performance.

Customers have the right to speak to a supervisor; if this is the case, it is considered an escalated call. The reason customers ask to speak with a supervisor is, they do not understand the agent, they do not trust/believe the agent, or they

do not get satisfactory answers, they want to lodge an complain about an agent. The agent is down-marked for this.

To be absent is a mortal sin in a call center. Call centers pay a

bonus for 100% attendance per month. In my company, this is P3,000.00 per month tax-free. in contrast to your commission that is still taxed.

When typhoon strikes, everything is done to have you report to work. You can report to work several hours before your schedule; these hours are paid as overtime, but you need not log-in before your actual schedule. You just report to your supervisor!

The new account was much heavier than my first account. There was a 4-week product training, and two-week learning laboratory (you receive live-call, but still in a learning setting). It needed much more navigating on online tools. The product was much more complicated and the average handling time was 6 minutes per call. There was no dispositioning between the calls; you had only 10



seconds for the next call. It was exclusively customers' service, i.e. solving problems of customers who call in.

An integral part of your work as an agent is multi-tasking, i.e. to do several operations at the same time: listening to the customer, navigating the system, annotating the account. You have to do everything yourself (not like in a factory, once the machine is set, it runs, you just have to watch, adjust). So your 8 hours staffed time are indeed 8 full hours of work.

The QA was more stringent. There is the in-house QA, there is the QA in the US. QA monitors especially the call flow; when you fail in the proper flow, this is auto-fail; you forget to sell, you get a penalty score. You forget to thank the customer, that is autofail. All these scores affect your commission, positively or negatively. When you maintain the proper call flow, you get automatically a score of 80 (out of 100), getting additional scores (minus or plus) will affect your overall score and your commission.

When you do not resolve the issue of a customer and your call is monitored then, you will get an IR (Incident Report). Several of these reports might lead to termination.

A third party surveys customers after your call and you will get a rating 1-5. If your score is below 4, you fail in customers' satisfaction. Again several of such negative reports and you are out of your job.

Another control level is: you work as a team; as a team you are set to certain scores; when you fail in your scores, it will automatically affect the overall score of your team. You can imagine how such a social control works! If one

teammate absent, everybody has to make up for the lost staffed hours.

A team consists of ± 15 agents under one supervisor. On one floor there are several teams. Between these teams there is competition for the best scores. You get a bonus for teambuilding (an outing). My last account was divided over several floors.

Also between the floors there is competition. This is all possible because the score are immediately available through the computer!

I had to render two hours overtime everyday in this account.

If you work less than 8 hours staffed time, your attendance bonus will be lost. You cannot make up for this by doing overtime the next day.

When you want to be absent, you must file a leave of absence in advance. This leave is added to your day off, i.e. you will automatically lose your attendance bonus (P 3,000.-), when you don't have vacation leave. In such a way the company manipulates with your days off.

The company has policy of regularization after six months. You are entitled to sick leave (15 days) and vacation leave (15 days) after one-year service.

There is a shuttle service in the evening and night from EDSA Crossing to Ortigas Center. There are some medical provisions in the building, e.g. a clinic with a company nurse. Once a year there is a medical check-up for the regular workers.

All call centers have the only English policy, i.e. being on the premises you must speak English,

Filipino is prohibited. It depends on each call center how this is implemented. But being caught, you get an IR.

The work atmosphere is very American; in the canteens and smoking areas are TV screens showing American movies. Everywhere is the American time zone. Highlighted are American events and seasons (e.g. Halloween). Of course English is pervasive.

### Thank you, Ma'am

Based on my work experience I have come to the conclusion that working in a call center is almost next to a modern form of slavery. Everything is dictated 'from abroad'. Your working time is dictated by another time zone. The 'clients' dictate your language. Your work is attending to foreign (American) customers, who want everything instant and at the click of the mouse. Racist expressions, like "are you an Indian", "can I speak to someone who speaks better English", being shouted at and other verbal abuses are the normal load of a call center agent in the Philippines. One customer declined to give her credit card number when she learnt that the call center was located in the Philippines.

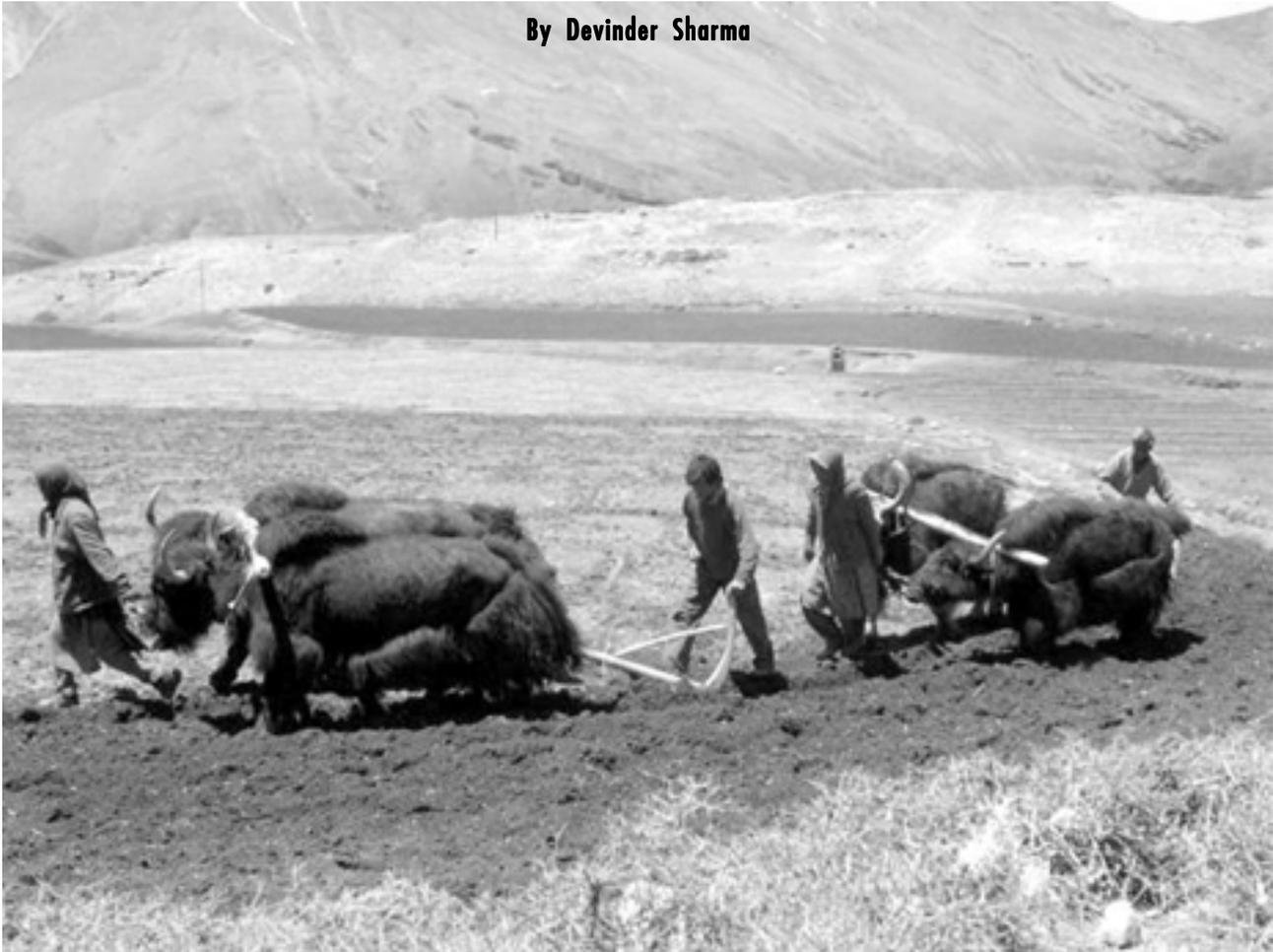
You have all to patiently listen to this and you may not hang up on a customer, and must remain friendly. This plastic life for the sake of 'sales', 'customers' satisfaction' is an utter form of suppression. There have been instances that agents send e-mails to customers about their anger or even called them back. Of course they were terminated at once!

"Customers' satisfaction" is the slogan and it is a different name for profit.

# My Vision for a Global Agriculture

By Devinder Sharma

PHOTO: THADEUS/FICKR.COM



**P**icture the three scenarios:

**Scenario 1:** At first impression, news reports that appeared in 2002 in the American media looked like emanating from a drought-stricken village in India's hinterland. Till of course you see the dateline. You continue to read in utter disbelief. About 100 desperate farmers and rural residents praying for rain at the St. Patrick parish church in Grand Rapids, Ohio. With hands clasped and eyes cast downward, they seek divine intervention. "None of us have control over whether it is going to rain or not," said Sister Christine Pratt, rural life director for the Catholic Diocese of nearby Toledo told Reuters, the wire agency. "But the people are praying for one another and there is some hope."

Another report in the Washington Post stated President George Bush did not extend finances under drought relief in addition to the support that came from \$180 billion farm bill he signed in May 2002. The president however underscored his commitment to helping farmers under current programs, including the Agriculture Department's decision that provides \$150 million in surplus milk — "spoiled milk," as Democrats called it — to be made available for use in animal feed in four drought-stricken states, including South Dakota.

Cattle were dying and crops shrivelled. Fodder become scarce, and, therefore, the need to feed surplus "milk" instead. There was a scramble for new water sources as town and city residents were asked to stop watering lawns and washing cars. In heat-

baked fields ranchers sold off herds rather than let them starve for lack of pasture. "I have never seen it like this and I'm 60 years old," said Richard Traylor, who owns 37,000 acres in Texas and New Mexico but had sold off much of his cattle herd.

Serious hydrological problems with wells and reservoirs emerged. Streams went dry. The groundwater table fell drastically. Wildfires became more rampant, and an estimated 4.6 million acres, had been scorched, twice the average acreage burnt in the previous decade. "It is pretty dire," Mark Svoboda, climatologist for the National Drought Mitigation Center was quoted as saying. From southern California to South Carolina and from Montana to New Mexico, individuals and industries were suffering, the news agencies reported.

America was faced with its worst drought since the days of the great "dust bowl" of the 1930s. By a strange coincidence, far away, India too was reeling under its worst drought of the century. As many as 26 of the 50 American States were reeling under a severe drought, with "exceptional drought" conditions — the worst level of drought measured — prevailing in thirteen states, including New Mexico, Arizona, Colorado and Utah. In India, drought had ravaged through 12 of the 28 states. Such was the crop damage that like the drastic reduction in foodgrain production in 2002-03 in India, the US wheat production too was anticipated to fall to its lowest levels in nearly 30 years.

**Scenario 2:** Let us move to another part of the world. Monica Shandu was adjudged the best small-scale sugarcane grower for 2001 in the Entumeni hills of South Africa. She farms four acres with

The tragic and shocking reversal of the role - feeding the farmers who have been feeding the country all these years - is the culmination of national policies that have neglected agriculture and farming in the wake of globalisation and economic liberalization.

sugarcane, and the harvest brings her an equivalent of US \$200. Despite being a progressive farmer with high productivity levels, Monica lives in penury barely managing to survive against all odds. Far away in France, Dominique Fievez cultivates his farm of 400 acres with sugar beet. His is an average farm, which remains untouched by the price fluctuations in international market since 1984. The reason: Fievez receives a huge subsidy support under the European Union's Common Agricultural Policy at the rate of US \$23,000 for each of the 33 acres that he grows with beet.

Such heavy subsidy depresses the international sugar prices making it

difficult for developing countries to export. Monica Shandu gets a low price for her cane harvest because of the subsidies that farmers like Fievez in France continue to pocket. As Kevin Watkins of Oxfam says: "The \$1.6bn a year the EU gives to the sugar barons of East Anglia and the Paris Basin generates surpluses that deprive countries such as Thailand and Malawi of markets. Mozambique loses almost as much as a result of EU sugar policy as it gets in European aid."

Take another example. In cotton, India has the dubious distinction of having the largest area under the crop and one of the lowest average yields. This unexplained paradox was exploited by the multinational seed company Monsanto to hastily push in its genetically modified 'Bt cotton' variety in 2002. The Department of Biotechnology as well as the Indian Council of Agricultural Research (ICAR) too used the productivity yardstick to justify the approval granted to Bt cotton. By reducing pesticides use, Bt cotton was expected to reduce crop losses thereby increasing per hectare productivity. The rise in productivity will help farmers get more for the produce, and also enable them to export.

While the impact (both negative and positive) of Bt cotton was too small to make any dent on the national production figures, the fact remains that cotton has lately emerged as the crop that has increasingly pushed growers into a death trap. In 2002, more than 100 suicides were reported alone from 12 districts that constitute the Vidharvha region of the eastern Maharashtra. Faced with mounting debt, a failed crop for the second year and government indifference, cotton farmers are resorting to suicides as a way out of misery. Government's denial notwithstanding

ding, thousands of cotton growers have committed suicides throughout the country since 1987.

In contrast, America remains the world's largest exporter of cotton. Armed with roughly \$3.4 billion in subsidy, US farmers in 2002 harvested a record crop of 9.74 billion pounds of cotton, aggravating a US glut and pushing prices far below the break-even price of most growers around the world, including India, China and west Africa. In 2002-03, US cotton farmers pocketed even more, thanks to the farm bill signed by President Bush in May 2002. The government program ensures farmers reap about 70 cents a pound of cotton by making up for any shortfall in the market with state support.

Although relatively small share of the farm population — just 25,000 of America's 9,00,000 farming families actually raise cotton — their affluence and influence is legendary. The average net worth of a full-time American cotton-farming household, including land and non-farm assets, is about \$800,000, according to the US Department of Agriculture. And more than half of it comes from the government subsidies. The slump in world prices therefore has no impact on their lifestyles. But in turn brings misery to farmers in the majority world.

**Scenario 3:** Thirty-five years after the Indian farmers pulled out the perpetually hungry millions from the clutches of "ship-to-mouth" existence, it is now their own turn to be fed. To stave off starvation among the farming community, the Tamilnadu government had in 2003 launched a free mid-day meal programme for the small and marginal farmers, agricultural labourers and their families.

The tragic and shocking reversal of the role - feeding the farmers who

have been feeding the country all these years - is the culmination of national policies that have neglected agriculture and farming in the wake of globalisation and economic liberalization.

Tamilnadu's courageous decision to provide free noon meal to farmers and their families will soon trigger a domino effect, with many more states announcing similar programmes for farmers in distress. After all, denials from the government notwithstanding, over 24,000 farmers have committed suicide throughout the country since 1995.

An ungrateful nation ignored agriculture. In fact, the pink newspapers and some pro-liberalisation economists led the assault on farming saying that it is not the poor farmers who needed adequate infrastructure, cheap credit, an assured market, and a remunerative price but the small percentage of rich industrialists, business and trade that needed to be showered with the state exchequer.

In these three scenarios is hidden the story of modern agriculture, the crisis and complexities that confront sustainable farming systems, and the faulty answers being proposed to bail out agriculture. The tragedy of modern agriculture is that those who created the problem at the first instance are the ones who are being asked to provide the solutions. Those who tilled the land for ages, and have the knowledge

and wisdom to provide the right answers, are being ignored and for obvious reasons.

Take the first scenario. The American agriculture that we all studied in the universities and appreciated had fallen apart with one year of severe drought. The drought proving that we heard so much about the American agriculture appears to be untrue. It is a known fact that Indian agriculture falters because of its complete dependence on monsoons. For developing countries, with the fragmented land holdings, subsistence farming methods, low productivity and the exploitation of the natural resource base as a consequence have cast serious doubts over the sustainability and viability of the farms. The only escape for the country, we are invariably told by agricultural scientists, is to follow the American model. With the kind of industrialisation and technology advance that took place in American agriculture, and with the amount of investments made, we were always told that the US agriculture is the model for world agriculture.

One year of severe drought, and the scientifically sophisticated industrial farm model crumbled. In any case, the kind of investment



PHOTO: WORLD PROUT ASSEMBLY

PHOTO: COBALTI23/Flickr.com



Uttar Pradesh and Maharashtra in India to raise productivity so as to be globally competitive is to further push them towards an uncertain future unless the sugar subsidy regime in the European Union and the US is first

cleansed from manipulations.

Also, the productivity increase prescription comes at a time when with the phasing out of quantitative restrictions on agricultural commodities in India, the import of cotton (from the US) had increased from 21,200 tonnes in 1999 to 48,805 tonnes in 2000. Strange isn't it, that the government, which asks domestic farmers to improve productivity so as to attain global competitiveness should allow highly subsidized imports so as to help the American cotton growers? Behind the cotton story is also hidden the manipulations and machinations that go into promoting free trade essentially to ensure profit security for the agribusiness companies. Whether it is cotton, sugarcane or rice or for that matter other agricultural commodities, the negative impact of the Agreement on Agriculture (AoA) under the rules being framed by the World Trade Organisation remains equally destructive.

The third scenario presents the shocking realities. The mid-day meal programme for the subsistence farmers in Tamil Nadu in south India is surely not only the fallout of the process of trade liberalization but is the outcome of

the way agriculture is being (mis)managed in India. Thirty-five years after the dawn of Green Revolution, Indian farmers are realising that their love affair with intensive agriculture is on the decline. Green Revolution has in fact collapsed. The alarm bells have been ringing for quite some time. The spectacular yield growth recorded in the post-Green Revolution years in Punjab and Haryana have receded into history. Among the multiplicity of problems confronting agriculture, rapid fragmentation of land holdings is keeping pace with increasing population. In 1976-77, the average size of the holdings was estimated at two hectares, and in 1980-81, it came down to 1.8 hectares. Today, it stands at a mere 0.2 hectares. The total number of land holdings in 1981 were around 89 million, today these have crossed 100 million.

The philosophy of agricultural planning is changing. Gone are the days when the nation's emphasis was solely on attaining self-sufficiency in foodgrain production. Gone are the days when farmers were the nation's heroes, revered for their role in keeping hunger and sure starvation at bay. Today, at a time when food production in developing countries struggle to barely keep pace with the burgeoning population growth, farmers are being asked to diversify, produce crops that are suitable for export and to compete in the international market. With promise of cheap food available off the shelf in the global market, the focus has shifted from agriculture to industry, trade and commerce, from the small and marginal farmers to the agri-processing companies, which alone can bring in investments and add value to produce.

With the World Trade Organisation (WTO) finally beginning to bare its

that has gone on into American agriculture in the form of energy cannot be provided by developing countries.

In the second scenario, the huge cotton subsidies that go into its production and marketing makes the United States dominate the world market. As if this is not enough, a federal farm subsidy program is paying nearly \$1.7 billion to American agribusiness and manufacturers to buy American cotton that is already one of the most highly subsidized crops in the world.

The question therefore that is conveniently brushed aside is that even if the developing country farmers were to double the cotton productivity, how can they ever compete the American cotton producers who receive a lavish federal support? More the cotton productivity in countries like India, for instance, more would be the resulting crisis for the farmers as well as the country's food security and economy.

To ask Monica Shandu in South Africa to work towards raising sugarcane productivity therefore is a sure recipe for disaster. Similarly, asking the sugarcane growers in

fangs, and that too after structural adjustment programmes have done the damage, the long-term viability of agriculture and the survival of the farming community itself is at stake. More so, at a time when global agricultural is faced with a sustainability crisis - declining productivity, falling commodity prices and destruction of the natural resource base. The resulting political cost of continuing with the neglect of agriculture and the farming sector has finally begun to surface.

**Ressurrecting Agriculture:**

Restoring the pride in agriculture should, therefore, be the obvious challenge for the global community. Numerous international approaches show emphasis, through the use of cliches like strengthening marketing infrastructure, scientific management of scarce water resources, empowering farmers to take informed decisions and so on. A growing volume of evidence now clearly suggests that such jugglery in presentation has not helped. What is needed is a fresh approach that takes the ground realities into consideration before embarking upon any policy imperatives.

I am trying to spell out a series of parameters that should underline all international approaches to agriculture. These are based on Mahatma Gandhi's Talisman that suggests: 'Think of the poorest person you have ever known, and ask if your next step will be of any use to him'. In short, the effort should be to 'wipe every tear from every eye.'

**Sustainable Livelihoods:** focusing on tackling the causes of poverty, hunger, the inequitable distribution of income and low human resource base with the objective of providing everyone with the opportunity to earn a sustainable livelihood. The

green revolution areas are encountering serious bottlenecks to growth and productivity. Excessive mining of soil nutrients and groundwater have already brought in soil sickness. If the livelihood of the marginalized in the society (and that in the majority world is in agriculture) it must be secured by economic activities that are sustainable, that do not threaten the integrity of the environmental assets on which they depend.

**Food Sovereignty:** Every country should have the right to food sovereignty. It should result from the interplay of three determining factors: food production, food availability and access to food. A sustainable livelihood approach is the strength of food sovereignty. It should be people centric, based on community strengths, eco-friendly and gender sensitive. Food production, a central pivot of food sovereignty, must be based on minimal use of external inputs and that includes chemicals, transgenics and water. Access to food cannot be left to the market forces, it has to be the obligation of the society and the state.

**Local Solutions:** For the past three decades, more so after the introduction of the land-grant system of education, the focus is on finding global solutions to local problems

in agriculture. The World Bank/IMF, the Consultative Group on International Agricultural Research (CGIAR) and now some of the major donors like DFID and GTZ have been embarking of translocating alien approaches to agricultural improvement and have thereby exacerbated the crisis on the farm front. This process must be immediately stopped, if not reversed. Given the diversity of the agro-ecological regions, sustainable agriculture needs location-specific solutions.

**Multiple Cropping:** Emphasis on commodities has encouraged monocultures, loss of biodiversity, encouraged food trade in some commodities, distorted domestic markets, and disrupted the micro-nutrient availability in soil, plant, animals and humans. Thrust on farm commodities have also pushed in trade activities, encouraged food miles, adding to



PHOTO: FOODSOV.ORG

greenhouse emissions, water mining, and destruction of farm incomes. The need is to revert back to the time-tested farming systems that relied on mixed cropping and its integration with farm animals, thereby meeting the household and community nutrition needs from the available farm holdings.

**Away from Cash Crops:** For the past two decades at least, the World Bank/IMF and some other academia and donors have been pressing developing countries to diversify from staple foods to cash crops in what is being projected as the right approach to add to farm incomes. This is a politically motivated advice and runs counter to the sustainable approach spelled out above. Many Latin American countries are faced with a serious land degradation crisis and increasing hunger as a result. It also pushes farmers into a death trap since the developing countries do not have the resources to provide for adequate marketing infrastructure.

**Reversing Farm Exodus:** The disappearing family farms in the developed countries and the process of further marginalisation of the farming communities in the developing world are the symptoms of the same malaise. Farmers are being pushed out of agriculture through a farming system that is becoming increasingly unremunerative and industrialized. To maintain ecological balance, and to maintain the multi-functionality of agriculture, as well as to ensure sustainable livelihoods, the focus of any policy imperative should be to restore the pride in family farms. This will need adequate state protection and support and at the same time should be based on the principle of mutual

compatibility with the small farmers in the majority world.

**Reorienting Farm Research:** International agricultural research, as well as the national agricultural research systems, should re-orient the focus of farm research based on the principles of - farmer friendly, environment friendly and long-term sustainability. Instead of the 'Lab-to-Land' approach, which has done immense damage to agriculture globally, the emphasis should be on learning from the land, meaning going back to farmers and the traditional farming systems. Technology need not always be high-tech and sophisticated. It can be simple and effective. This can only be ensured if the effort is to fit the new and improved technology to farmers need rather than asking farmers to fit into the technology package developed. This can only happen if farm research is brought back to the public sector. All technology should be freely available, and should not come with any proprietary tags.

**Changing Food habits:** Obesity has already emerged as the biggest killer in America, leaving tobacco-related deaths to the second position. This is the outcome of the private industry's efforts to change the food and dietary habits to suit their commercial interests. First junk foods, and now genetically modified foods, the industry is desperate to ensure its acceptability irrespective of the human costs involved. Changing food habits of the urban consumers, that dictates the market demand, is certainly a difficult task. No effort can be meaningful as long as the food industry is allowed to use advertisement space. Food advertisements should therefore be banned. If hospitals are not allowed to

advertise, there is no reason why the food industry cannot be directed to stop media advertisements.

**Encouraging Local Markets:** Creating a global market for farm produce is the bane of modern agriculture. The seed multinationals, the food giants, and the supermarkets, have cornered the food chain in the process thereby destroying livelihoods, local markets and also drastically reducing food choices. Such a market strategy has resulted in the disappearance of locally produced nutritious foods as a consequence of which micro-nutrient deficiency in human populations have grown manifold. Encouraging local markets will also reduce the dependence upon long distance transportation thereby minimising global warming. It will also help in bringing back the traditional and neglected crops, and help in changing the food habits.

**Jai Kisan:** A happy farming family is the base for any and every strong economy. It is also the foundation for an all-round economic growth and development. It is also the pre-requisite for sustainable development at the local, national and international level. Unfortunately, the farmer (called Kisan in India) has become a burden on the global society. Every government is keen to get rid of them as quickly as possible. Globalisation, economic liberalization and the free trade paradigm are all aimed at pushing farmers out of agriculture. This political process and the mainline thinking has to be reversed for the sake of the global economy as well its sustained future.

We need a world where every country is proud of its farmers, and where every farmer is proud to be the food provider - the *annadata*.

# Aflatoxin Found in Many Food Products

Consumers Association of Penang

**A**flatoxins are colorless, tasteless and odorless. It is stable at high temperature and cannot be destroyed by normal cooking. And it is a common food poison. It is present not only in peanuts, but also corn, figs and cereals. Aflatoxin has been found worldwide as a contaminant of many foods for people and livestock, including corn, rice, wheat, peanuts, black pepper and even wine.

It has long been considered one of the most serious carcinogens contaminating the food supply in developing countries, where high temperatures and high humidity among stored crops encourage growth of the fungus.

Even in developed countries, it has been found to contaminate food products.

- IN CANADA, a test of various food samples – rice, soy, barley-based and mixed-grain infant cereals, corn, wheat, rice-based and mixed-grain breakfast cereals – in 2002-2005 found 4% of the breakfast cereals and 1% of the infant cereals had aflatoxin B1 in levels exceeding the European Union maximum limit for aflatoxin B1 in baby foods and processed cereal-based foods for infants and young children.
- IN KOREA, a 2004 study found aflatoxins in 6% of uncooked rice collected from markets in Seoul.
- IN BRITAIN, the Food Standards Agency called for a ban on pistachio nuts imported from Iran in 2002 following a survey which found high levels of cancer-causing mycotoxins in 10% of pistachio samples.



- IN THE US, aflatoxins have constantly been identified in corn and corn products, cottonseed, milk, and tree nuts such as Brazil nuts, pecans, pistachio nuts, and walnuts. In 1989, the Food and Drugs Administration's tests of grain found about 6% (95 samples) of corn tested to have levels above the 20 parts per billion allowed. Its tests of 263 samples of corn flour and corn meal found about 2% (or 6 samples) to have more than 20 parts of aflatoxin per billion.
- IN NEPAL, a 2005 study found 1/3 of a total of 832 samples of food tested to be contaminated with aflatoxins. The highest percentage of contamination was found in peanut butter/vegetable oil (42.5%) and the lowest in areca nut (25%). Cornflakes tested were found to be contaminated with aflatoxin by more than 30 ppb.

Source: Utusan Konsumer, Mar-Apr 2007

# Lack of gov't support for education highlighted by shortages - IBON

**G**overnment support for the public educational system has been declining and this is manifested by the severe shortages besetting the sector, according to independent think-tank IBON Foundation.

The 2006 budget of the Department of Education (DepEd), expressed in real terms (2000=100) has fallen by almost 6% from 2001 allocations. This means that, based on school year (SY) 2005-2006 enrolment figures, each public school student is allocated a share of only P5,082 of the DepEd budget, down 11% from P5,726 in 2001.

Declining allocations for education are reflected in the severe shortages of teachers and teaching material that have crippled the public education system.

The shortage of teachers reached 49,699 in SY 2005-2006, a 31% increase from the 37,932 recorded in SY 2001-2002. Over the same period, the shortage of classrooms grew by a whopping 586% from 8,443 in SY 2001-2002 to 57,930 in SY 2005-2006, and the lack of seats increased 65% from 2.11 million to 3.48 million. Meanwhile, in SY 2004-2005, the lack of textbooks reached 34.7 million.

The chronic lack of teachers and educational materials highlights the low priority government gives education. According to the law, the education sector should receive the highest share of the national government budget, but its allocations are dwarfed by the huge amounts government shells out for debt servicing.

In fiscal year 2006, for example, education, culture and manpower development was allocated P131.2 billion in the national budget. But debt service of both the principal and interest of the country's debts was allotted a total of P784.43 billion or almost six times the total budget for education.

Lack of government resources has resulted in falling participation and completion rates. 5.7 million children (1.8 million in the elementary level and 3.9 million in the secondary level) are not enrolled in school. Further, for every 10 Grade 1 students enrolled, 3 will not finish elementary and four will not finish high school.

The lack of adequate government resources for education compromises the future of the country's children, 14 million of whom are already considered poor.

Shortages in classroom,s seats, textbooks and teachers					
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006
<b>Classrooms</b>	8,443	12,470	44,716	51,947	57,930
<b>Seats</b>	2.11M	1.89M	4.87M	4.56M	3.48M
<b>Textbooks</b>	nda	nda	24.22M	34.7M	--
<b>Teachers</b>	37,932	35,818	46,356	38,535	49,699
nda - no data available					
<b>Source:</b> DepEd briefing materials, 2002-2005 budget hearings					



KMU Chair Elmer Labog during ASEAN meeting in Sydney  
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