



Analytical Report on the Stakeholders' Meeting/ Validation Workshop of the Case Study on the Philippine Debt Relief Movement

JOEL F. ARIATE JR. ¹

(On June 14, 2006, the preliminary findings of the case study on debt relief movement in the Philippines were presented to members of the Freedom from Debt Coalition. The coalition is the focus of the case study.)

INTRODUCTION

The Marcos authoritarian and kleptocratic regime (1965-1986) left behind USD 26 billion in external debt. After twenty years—almost as long as Marcos's dictatorship—and four more presidents, the country's external debt stands at USD 56 billion. This amount is equal to 51.5 percent of the country's present gross national product. The total annual debt service payments rose from USD 3.5 billion in 1990 to USD 10.2 billion in 2003. Imelda Marcos, wife of the late dictator Ferdinand Marcos, has the most revealing clue as to where most of the debts had gone. She said that if her husband made the Philippines USD 26 billion poorer twenty years ago, she claims to have accumulated assets that could now even repay the entire

Philippine external debt—plus more, she added.

The Philippines' perennial indebtedness is the context of Freedom from Debt Coalition's (FDC) emergence and until now, its unwavering freedom-from-debt advocacy.

The paper presented during the stakeholders' meeting/validation workshop explored the nature and dynamics of FDC's local and international campaigns. Briefly, the presentation touched on the following: 1) the institutional context and policy environment that led to the formation of a freedom-from-debt advocacy in the Philippines in general and to FDC's emergence in particular; 2) the development, networks, resources, and strategies of FDC in pursuing its campaigns and advocacies; and 3) the outcomes of the framing processes for

¹ Joel F. Ariate Jr. is university research associate of the Third World Studies Center, University of the Philippines Diliman.

collective action and collective identity formation.

FDC'S EMERGENCE

The demise of Marcos's authoritarian government provided a platform for social movements, including the FDC, to demand sociopolitical reforms. Equally important in the emergence of the coalition was the role of the academe and organized social movements. Without the significant inputs from the academe, FDC could neither produce intelligent analyses of issues nor offer politically feasible policy alternatives.

The Freedom from Debt Coalition started with three basic calls as the focus of its advocacy. According to Ma. Teresa Diokno-Pascual, former FDC president, they were made in response to the "debt crisis that was hindering any possibility of the Philippine economy recovering from the debacle of the Marcos dictatorship." These are:

1. Implement a moratorium on foreign debt-service payments until acceptable terms based on the country's capacity to pay are won in a new agreement.
2. Disengage from loans that did not benefit the people, particularly those tainted with fraud, and refuse to assume private borrowings. Investigate thoroughly and prosecute all those involved in these irregular loan transactions.
3. Limit foreign debt-service payments to no more than 10 percent of export earnings to enable the country to finance its economic recovery.

Coalition members gave unqualified support to these campaigns. The call for moratorium, selective repudiation, and debt cap were then considered by the coalition members as both politically acceptable vis-à-vis their "left-of-center" stance. To opt for total debt repudiation was considered a "hardline position" then and would have caused hesitation for

some prospective members to join the coalition. FDC intended to cut a middle ground between these two extremes. FDC did not call for repudiation of legitimate loans incurred. Or that the government should abandon borrowing altogether. FDC put forward the concepts of freedom from unjust loans and freedom from mendicancy.

The Aquino administration may have shown respect for the reclaimed democratic space. Yet, it was unwilling to concede any policy space for freedom-from-debt advocates. There may have been a "general openness in the polity" but certain avenues were still closed to particular and issue-specific constituencies. These closed avenues became the focal points where new social-movement organizations—like FDC—were formed.

TWO DECADES OF FDC

As for its achievements, FDC can be commended for building a unified movement to secure debt reforms in the country. For the past two decades, it has been an authoritative organization when it comes to debt issues. Its coalition rules and ethics were designed to preserve the unity of its members. Basic consensus is the norm in decision-making process. All member-organizations, large or small, enjoy one vote and could veto any decision. Several mechanisms are in place to prevent groups from being a powerful bloc, thus controlling the whole organization.

Briones's term emphasized the need for intensive and "no-nonsense" academic research on debt and fiscal issues. The leadership of Diokno-Pascual saw the intensification of activities in mass movement building and development of new alternatives and international campaigns. It is significant to note that it was during this period that FDC played a key role in the formation of the Jubilee South. The current leadership of Ana Marie Nemenzo provides significant focus on women's issues. Since September 2004, the FDC Women's Committee has

been facilitating a process of convening women's groups and discussing a year-long campaign on women, poverty, and globalization. At present, forty organizations and individuals comprise the National Organizing Committee for the Women's March Against Poverty and Globalization.

After two decades of existence, FDC had to confront several challenges. In one way or the other, it has become a victim of its own success by trying to address issues beyond debt. It has created new sets of more complex problems. The broadening of FDC's agenda creates a ground for competition with other local civil-society organizations in tackling public issues. For instance, it duplicates the advocacies of its member party-list organizations. Some of them have won seats in the House of Representatives. Hence, the situation raises the questions: Where should the party-list invest its resources? Should they go alone or should they continue to be part of the coalition? Should FDC relinquish similar advocacies?

Moreover, the coalition's sustainability has been a major concern because of its dependence on foreign sources for funding. Only one percent of the organization's total funding comes from local sources, mainly from membership dues. Limited funding constrains the organization to hire more personnel. Campaigns necessitate more "warm bodies" and staff who can facilitate such activities. Included on the FDC "wish list" is the development of its information-dissemination mechanisms such as publications, Internet websites, and e-groups. Leaders also look forward to cooperation with business groups and church leaders to broaden FDC's resource base. For instance, church groups such as the Catholic Bishop's Conference of the Philippines could speak their mind on the debt issue that the FDC can rally and support.

CONCLUSION

Overall, although FDC has become part of an international movement, it has remained an organization with strong local

roots. Its establishment was not externally driven. In fact, it has never considered itself as a global social movement or as part or product of an international movement. FDC operates in the global stage because the issues it tackles have global causes and cannot be addressed merely at the national level. Solidarity and networking with global social movements are crucial in this regard. Nonetheless, local social movements must continue to engage local state actors. Some of FDC's campaign triumphs can be ascribed to its ability to maximize available political opportunities. The presence of dependable political allies in government has facilitated the approval of several legislative bills and resolutions that FDC vigorously endorsed. Global linkages strengthen FDC's position as a major freedom-from-debt advocate in the domestic political scene. In turn, its experience in waging national campaigns is an important resource that it can draw on when forging transnational solidarities on debt issues.

PARTICIPANTS

A. REPRESENTATIVES FROM THE FREEDOM FROM DEBT COALITION

1. Leonor Briones
2. Ma. Teresa Diokno-Pascual
3. Martin Tanchuling
4. Jude Esguerra
5. Frederic Rocha
6. Nikos Dacanay

B. Philippine Research Team

1. Teresa S. Encarnacion Tadem
2. Josephine C. Dionisio
3. Joel F. Ariate Jr.
4. Zuraida Mae D. Cabilo
5. Ma. Glenda S. Lopez Wui

C. Third World Studies Center

1. Bienvenida C. Lacsamana
2. Karen R. Domingo

PHOTO DOCUMENTATION



Joel F. Ariate Jr., member of the UNRISD-Philippine Research Team, presents his initial findings during the national stakeholders' meeting on the debt relief movement in the Philippines.



Ma. Teresa Diokno-Pascual (left), former FDC president, comments on the paper presented during the meeting. At right is Jude Esguerra, former FDC secretary-general.



Leonor Briones (left), former FDC president shared her experiences during FDC's early years. Beside her is Martin Tanchuling, the current FDC secretary-general.



Representatives of the FDC and the UNRISD-PRT on Global Civil-Society Movement during the meeting.