

As unemployment skyrockets

Filipino president declares himself 'pro-business'

Keith Morgan
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Just three months after being elected, Filipino President Estrada has dumped the 'pro-poor' rhetoric he used during the election campaign and declared he is 'pro-business, pro-market and pro-investment'.

Responding to recent criticisms of rising levels of unemployment and deepening economic crisis, he said the Filipinos should be thankful that their country is much better off than Indonesia, Thailand and Malaysia.

'We are posting a positive growth rate while all our neighbours have negative growth. So it will not take long before we will be able to recover.'

Yet two trillion pesos has been wiped off the capital value of Filipino stocks since June 20--a fall of 40 percent compared with the average dip of 13 percent for the rest of the region. On September 11, the stock exchange hit a 77-month low.

Reacting to the plunge last week, a senior analyst said: 'It's just dropping like hell. There is really nothing to perk up the market and Estrada's presidency has become the laughing stock in the region. His actions for the past 71 days have been marked by blunders and a lot of mistakes.'

Miguel Valera, president of the Employers Confederation of the Philippines (ECOP), released a report on August 27 predicting the number of jobless Filipinos could skyrocket to 12 million over the next two to three years as a result of the economic crisis.

Joblessness rose in April to 13.3 percent or 4.3 million out of the 32 million-strong workforce, the second highest unemployment rate in Asia after Indonesia. The real figure is much higher as some firms are no longer reporting their retrenchments. One of the hardest hit regions is North Mindanao where the jobless rate doubled from 75,000 in January to 161,000 in

April.

In the retail sector, 122,000 workers have been thrown out of work following the closure of 2,479 firms since January. The retailers belonging to Koalisyon Kontra Krisis (KKK) warn that competition from multinational giants will displace another 807,845 workers currently employed by 480,000 small Filipino firms.

The economic crisis has been compounded by drought caused by the El Nino weather pattern. In the agricultural sector, the unemployment rate was 46.9 percent in April.

For the first time since 1992, economic growth had turned negative in the second quarter, with a fall of 0.7 percent. If the trend continues in the third quarter, as many economists expect, the Philippines will technically move into recession. The production index tumbled by 10.5 percent in June--the sixth monthly decline in a row.

Estrada, a former film star, won the presidential elections in May, after running a populist campaign promising jobs and development schemes for the impoverished masses in the city slums and rural areas. One of his campaign slogans was 'Erap (buddy) is for the poor.'

His campaign, however, was backed by some of the richest bankers and business figures in the Philippines, including several with close connections to the former Marcos dictatorship. Since coming to office on June 30, he has abandoned his election promises and is seeking to implement the demands of the IMF and big business for a further opening of the Filipino economy.

Thousands of petition seekers crowd the presidential palace each day seeking assistance. Some have been

seriously injured as people have jostled to get to the front of the growing queues. The special presidential body appointed to deal with the requests has stated that the backlog will take two months to clear. Estrada's reaction has been to reject the appeals, saying: 'It shouldn't be just 'help me, help me'--all dole outs. That isn't good. They have to learn how to earn a living through hard work.'

Big business is demanding a further attack on the living standards of workers. ECOP President Valera has called for an immediate review of the new Labour Code to make it 'more consistent with the times'. He has proposed the formation of a Tripartite committee of employer groups, government and the trade unions to draw up the legislative changes.

Valera's demands include the removal of the minimum wage requirement in depressed areas and distressed industries, a moratorium on minimum wage increases, and a review of 'acceptable types of labour hiring' such as labour contracting.

A 'Declaration of Commitment to Employment and Business Creation' was presented to Estrada by 39 big business groups including ECOP, the Philippine Chamber of Commerce and Industry, the Makiti Business Club, and the Federation of Philipino-Chinese Chamber of Commerce and Industry.

Estrada wholeheartedly endorsed the initiative. Referring to his reputation as a law-and-order politician, he told business leaders: 'You've seen me before as a crime fighter, now let me be your economic manager.'

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