

By James B. Goodno

MANILA

GREGORIO CEDANA, LAST MINISTER of information under deposed dictator Ferdinand Marcos, was doomed before the February revolt ousted his employer. Cedana was credited with Marcos' campaign slogan: "Tested in Crisis."

Instead of reassuring voters, the slogan reminded Filipinos of the economic crisis that had paralyzed the Philippines for the last two and a half years of Marcos' 20-year reign. Marcos may be gone, but the crisis remains for his successor Corazon Aquino.

"Now the Filipinos are free—politically," said Aquino recently. "But they remain shackled by the economic legacy of Marcos, the net effect of his reckless borrowing and profligate spending. It is a longer and humdrum struggle that now begins, but it is no less heroic, for the Filipino people, after retrieving their home, will start to rebuild it. The old tenant took virtually all the fixtures after undermining the foundations and mortgaging the property."

That struggle to rebuild will be difficult. Not only is the new government dogged by the legacy of Marcos—indebtedness and near bankruptcy caused by government corruption—but the government suffers from serious internal splits over foreign loans, development strategies and other questions. The government, which is drawn mainly from industrial and landed elites, may also come into conflict with popular sectors, which feel they are inadequately represented.

Statistics reveal the depths the economy sank to under Marcos. Out of a national labor force of 20 million, government statistics prepared under Marcos showed three million unemployed and 7.5 to eight million underemployed. (Independent analysts and Aquino government officials believe these figures are low.) Inflation in 1984 ran at 50.3 percent and in 1985 at 23.1 percent. The value of the peso plunged from less than 10 to the dollar in 1983 to more than 20 to the dollar now. In 1984 the economy shrank by more than 5 percent when all other Association of South-East Asian Nations member states experienced growth. Last year the shrinkage continued at a rate of 4 percent. This year little or no growth is expected.

Filipino workers are also paid less than those in neighboring nations. In all of Asia only Bangladesh's workers are lower-paid. Though poverty is by no means a Filipino monopoly, nearby nations have measurably higher standards of living. The widespread conditions of hunger and starvation that exist in sugar-growing parts of Negros have been nearly eliminated elsewhere in the region.

Why is the Philippines plagued by such a problem?

"It's very simple," says conservative economist Omar Cruz, the chief of economic forecasting at the Center for Research and Communications, a private think tank close to the right wing of the new government. "Our leader was not as benevolent as other leaders."

Marcos mismanagement

Cruz is very optimistic about the Philippines' economic future. He says that Marcos ran the country as if it were a poorly managed private corporation. Greed, corruption, mismanagement and crony capitalism caused the economic crisis, according to Cruz and other rightists.

The right as a rule does not question the role of the International Monetary Fund (IMF), the World Bank, the Asian Development Bank (ADB) or other foreign creditors in the country. They rarely criticize foreign investors, although they do say that local capitalists should be given priority. They cite the apparent success of such newly developed nations as South Korea, Taiwan and Singapore as proof that countries can prosper using loans and capital from foreign sources.

Leftists like Randolph David of the University of the Philippines counter by pointing to the lack of political democracy, the con-

THE PHILIPPINES

Will islands' freedom be merely economic?

tinued exploitation of labor, the grossly inequitable distribution of wealth and the mounting debt problems that make these nations economically unstable. David calls these countries examples of the "developmental dictatorship" model.

"The Philippines' experiment with developmental dictatorship is the first in Southeast Asia to undergo the type of crisis more often seen in Latin America," wrote David in a recently published essay. "But the economic vulnerability and the vicious cycle of debt exemplified by the Philippines are actually basic features of almost all economies in the region. The Philippines today, the rest of Southeast Asia tomorrow."

The Philippines shares with its neighbors in East and Southeast Asia an indebtedness to the IMF, World Bank and ADB. Of the Asian countries, only South Korea, which owes about \$50 billion, has a larger debt than the Philippines' \$30 billion.

Leftists and most nationalists say the IMF, the World Bank and ADB reflect the needs and interests of their funders, the developed nations of the West and Japan. As such, they do not promote the needs of the mostly Third World debtor states.

Aquino rejects the notion of a developmental dictatorship, favoring instead political freedom as a motivating force for economic development. But at the same time she does not strongly oppose the institutions upon which Marcos and the other dictators and autocrats in the region were, or are, dependent.

Aquino's Finance Minister Jaime Ongpin and Central Bank Governor Jose Fernandez were in Washington last month to seek the release of funds lent the Philippines by the IMF and World Bank under agreements with the old regime. The agreements mandated strict adherence to various austerity measures.

Recent reports indicate that the country may receive a new \$300 million loan to revive the economy. Such a loan would increase the debt and increase IMF and World Bank influence here. In recent years the country has had to borrow money to pay the interest on existing debts.

Aquino recently accepted a new \$100 million loan from the ADB. The loan will be used to complete joint projects launched during the Marcos period that went uncompleted when the Philippine government could not raise matching funds.

Aquino said the ADB loan signaled a "new optimism" in the financial community about the Philippines' future.

"I would like to believe that this new optimism is grounded in the new environment of freedom and justice that the people's revolution created," said Aquino in accepting the ADB loan. "That would show that the old notion has been discarded—that the loss of liberty is an acceptable price for the promise of progress."

Selective repayment

Not all Filipinos accept the idea that new loans are the answer to the economic problems, or the proper resource for development. Economic Planning Minister Solita Monsod recommended a selective repudia-

Marcos may be gone, but the crisis remains for Corazon Aquino, his successor.



The Marcos legacy puts the Philippines between a rock and a hard place.

tion of foreign loans during a recent cabinet meeting. Many ministers agreed with her that loans which had not actually helped the country should not be repaid. Ongpin and Fernandez rejected this idea in favor of maintaining smooth relations with the creditors. They hope that the country's new-found respectability will allow for an easing of terms, making the debt somewhat less onerous.

Another debate within the new government is over the type of development to promote. The right favors an alt. alt. based development without ties to social reforms. The left favors a government-backed industrialization, land reform and the promotion of an agricultural sector for domestic consumption rather than export.

One prominent left critic is Jose Maria Sison, the founder and former chairman of the banned Communist Party of the Philippines (CPP), which with its New People's Army is perhaps the most powerful organized force in the countryside. "Jimmy Ongpin wants to return to a biblical paradise of apples, oranges and mangos," said Sison shortly after his recent release from prison. "He wants to return to the Garden of Eden." The Communists are not represented in the new government but are certainly a force to be reckoned with, especially in the area of agrarian reform. During the campaign, Aquino made vague promises on agrarian reform. To date, however, there have been no steps taken to implement a land reform program.

Agrarian reform poses significant problems for the country, owing to the limited land currently available for the large rural population, the different needs in different locations and, again, the contrasting interests within the government. There are debates between those preferring free enterprise in the countryside and those supportive of greater cooperation and planning.

Perhaps the most difficult conflicts facing the new government in the realm of economics are those brought on by class differences. The new government still does not include direct representatives of the majority of Filipinos in policy-making positions. Labor Minister Augusto Sanchez and a few others are sympathetic to the demands of mass-based organizations, and as such have been tagged as radicals by their foes. Agriculture Minister Ramone Mitra has included the leftist Movement of Philippine Peasants (KMP) in existing programs, using the KMP as a conduit for various funding projects. But these ministers do not come from the mass organizations or from the classes they represent. With the common enemy gone, national unity may become more elusive than it was before Marcos fled. As mass organizations on the left push for serious social change the likelihood of conflict will increase. A sign of labor's continued restiveness can be seen in the many continuing strikes since the new government took power.

To labor's advantage, the new government has promised the right to strike and to organize. Some in government, Sanchez among them, are also promoting profit-sharing schemes and plans for some workers' control. Such plans are unlikely to become policy, but have broadened the scope of economic discussion.

Still, economic optimism at this point lies with the right. "The political changes have hastened recovery," said Cruz. "We used to talk about recovery taking five to six years if the right policies were implemented and followed. Now, with the increase in confidence and the new leadership, we can see recovery in three years' time."

The left does not share that optimism. "Sad to say, but I'm afraid that at the rate we are going, I don't see much hope for long-term progress," said left economist Jun Enriquez. "Cory is in flux. But in due time she'll have to go one way or another. On political aspects she seems to be drawn a little to the left. On economics, I'm not so optimistic she can be drawn to nationalist positions."

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Harriet Hirshorn

THE CARIBBEAN

Sweeping reforms in Haiti are thwarted by a legacy of problems. Inset: a studio at Radio Soleil.

A new storm watch in Haiti

By Anne-christine d'Adesky

PORT-AU-PRINCE, HAITI

NEARLY THREE MONTHS AFTER Jean-Claude Duvalier's overthrow, strikes and demonstrations continue to mark Haiti's move toward democracy, a transition that recently became violent when a clash between crowds and police in Port-au-Prince left seven dead. A major issue throughout this period has been the people's steady loss of faith in the provisional ruling council, or National Council of Government (CNG). Growing numbers maintain that the CNG cannot control an increasingly volatile situation. As yet, no date has been announced for the promised elections.

Haiti today suffers multiple problems. "Baby Doc" left the public coffers empty, depleting the country of millions in foreign aid and leaving Haiti with a huge oil debt to Mobil Oil. Government bureaus remain disorganized, faced with the legacy of corruption and mismanagement of public funds by Duvalier's ministers. The now-legal trade unions, comprised of an alphabet soup of workers' groups, are unable to negotiate contracts on such shifting terrain.

A food crisis has been alleviated with loans from international relief agencies, but the basic problems of nearly total illiteracy (98 percent), unemployment, poor health care and the decline of natural resources are not yet solved. National services like road repair and transportation, electricity and telephone have been affected since the disruption of public life on February 7.

Finally, the daily arrival of exiles and "boat people" seeking to reestablish themselves in Haiti adds to an overpopulation problem. These people lack jobs, and there is little capital to finance their transition into new lives.

For now, most Haitians are focusing on the three Rs: reconciliation with the past, repatriation of private and public funds and property, and reconstruction. This national theme is touted from the pulpit as well as posted on huge billboards. It hinges on words like time, patience and faith.

In every economic sector, particularly industry and agriculture, there is the inevitable question that confronts all developing countries: how to develop and encourage trade while protecting the needs and resources of the people. Here, the big forces that influence Haiti find themselves playing

a delicate game of control and compromise. On the domestic side, the government, the Catholic Church and the wealthy business class are trying to determine a national agenda, which is still largely dictated by the poorer masses, now well-versed in words like revolution, strike and no-compromise—terms they employ at the drop of a hat to assure a radical break from Duvalierism.

On the international front, the U.S. continues to call the shots politically and economically. During the revolution's final weeks, the U.S. negotiated the terms for Duvalier's departure, guaranteeing the safety of officials left behind and approving CNG members, although several were notorious criminals. Today, they oversee the hiring and firing of ministers, following the American agenda for Haitian democracy. Their leverage is money, backed up by military strength. Meanwhile, international corporations and agencies also wield power through loans, material and technological assistance.

A meticulous job

Roland Bonnett, 35-ish, ex-president of the Catholic Workers Action of Haiti (ACO), is now a consultant to the Autonomous Central of Haitian Workers (CATH), Haiti's most prominent trade union. He gained that title after years of clandestinely organizing workers to unite against Duvalier.

"Under Duvalier, all legal trade unions were yellow—aligned with the government," Bonnett explained recently in Haiti. "They had spies everywhere, and many would be arrested and disappear for trying to organize workers." According to Bonnett, many Haitians went abroad to organize with exiled Haitian groups, then returned to the country to plan a strike. When it finally occurred, it appeared spontaneous, a leaderless uprising. "Duvalier tried to discredit us by saying it was a Communist movement, but we did a meticulous job," Bonnett said.

CATH's present goal is a union in every major Haitian factory and industry, a goal that has been publicly supported by the CNG and the press, but firmly resisted by employers, particularly foreign companies. Recently, employers refused to establish a minimum wage of \$1 U.S. an hour, Bonnett said.

According to opposition leader Hubert de Ronceray, "The labor code of Haiti rec-

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For such a large reputation, Radio Soleil is a modest enterprise, taking up only a few rooms on the second floor of the Petit Seminaire du Saint Martial in downtown Port-au-Prince, Haiti. Soleil, a Catholic-run station, is popularly referred to as "the voice of the people," and remains the barometer for news and opinion on the island since Duvalier's fall February 7.

In 1980, Soleil abandoned its purely evangelical broadcasts for a more political voice—demanding justice for Haitians and an end to government brutality. It discussed the law and the rights of citizens, aiding people in the exercise of democracy and hence provoking the government's wrath. In the 18 months prior to "Baby Doc's" fall, Soleil went a step further—encouraging people to resist Duvalier non-violently and demand his resignation. Today the station is more active than ever, and its "open mike" forum continues to allow Haitians to speak out for a "free, united and democratic Haiti."

Soleil (the sun) began operations on April 30, 1978, sponsored by Haiti's Episcopal Conference, the country's highest Roman Catholic body. The station is 90 percent funded by Misereor, a foundation linked with the German Bishops Episcopal Council. Soleil's original budget was \$150,000 for a 10-kilowatt station that would reach the majority of Haiti's five million people, of whom two million are practicing Catholics.

Its primary goal was three-fold: evangelical, educational and informative, with programs focusing on "the integral promotion of Haitians," explained Monique St. Vincent, a Catholic lay

DJs of the revolution

worker and Canadian who serves as vice-director of the station, in Port-au-Prince recently.

The idea behind Soleil is a 1968 papal communique by Pope Paul VI that stressed the church's need to "use mass communication to 'give the good news,' like Christ used parables," said Louis-Jacques Eddy, a Soleil administrator. Its evangelical broadcasts cover a range of issues: family, health, civic and political duties, as well as strictly religious questions.

In Haiti under Duvalier, "the church was forced by the situation to become more informative," Eddy said, especially when Haitians began pressuring the church to defend them. Another Catholic station, Radio Lumiere, was all-evangelical, but Soleil began by broadcasting in Creole to educate people about political issues. Soleil's current broadcasts are 85 percent Creole and 15 percent French.

Prior to Soleil's arrival, other radio stations like Radio Haiti-Inter preached a kind of liberation theology. But Soleil modeled itself after Latin American church stations, becoming Haiti's first true "public access" station. There are currently 45 church stations in the Latin American network whose primary goal, Eddy said, "is the education of adults, to get them to organize." Under Duvalier, most radio stations, like the rest of the media, were either pro-government or severely restricted by press laws still on the books today,

although some have been amended.

Soleil attracted an international following in November 1980, when it was the only public voice criticizing the government's expulsion of some 20 journalists. From then on, "the people perceived the church as an institution capable of defending the people, even in very difficult situations," Eddy said. It also attracted the government's attention. Soleil was closed three times, the first time in July 1985, when Duvalier (under pressure by the U.S.) agreed to hold local elections. Soleil ran a series of 20 broadcasts that analyzed the proposed amendments to the constitution and laws on political parties and the press.

"We wanted people to be really informed, to point out the necessity of participating, as well as the consequences, that is, whether the people were ready for democracy. It was a plan to get people to participate as they wanted, not as the government wanted," Eddy explained. The station was re-opened, then shut again, until a tenuous peace was agreed upon between the government and the church.

Then, last November, when anti-government demonstrations broke out in the northern city of Gonaives, Soleil was the first to broadcast live reports, including protesters shouting anti-Duvalier slogans. Since the news media was initially barred from the scene, Soleil used priests and

lay workers to broadcast the news. On December 5, the government closed Soleil for the third time and confiscated its equipment, citing that its "alarmist reports" had spurred demonstrations elsewhere.

There are now about 25 radio stations operating in Haiti, but Soleil's position as the people's choice remains firm. Every day, hundreds of Haitians jam the stairwell leading to Soleil's offices, waiting for their chance to deliver a message on the air. With Duvalier gone, but democracy still a long-term dream, the people's needs have shifted, and Soleil has responded.

"Anthony Vertus, I've lost your address. Meet me at Radio Soleil tomorrow, Wednesday, March 12, at noon." For 18 hours a day, Haitians listen to similar appeals for lost or "disappeared" relatives, to complaints of stolen property, abuses of power in the workplace and other injustices suffered under Duvalier. Others offer opinions on the current political situation. Each person is interviewed by a staff member, their complaint noted and often broadcast the same day. Today, Soleil's budget has climbed to \$300,000; a relay hook-up with two other stations allows it to reach 85 percent of the population. Soleil hopes to expand, and perhaps find new quarters. But Eddy said, "Our goal today is to carry the truth to the people, in an independent way. That has always been our goal."

On a wall in central Port-au-Prince, the people's response is clear. A spray-painted slogan on the wall reads: "la misé fini. Vive Soleil. Amen." (Poverty is over. Long live Soleil. Amen.) —A.d.