

Political and Governance Issues

Table 1 shows the major issues and concerns that emerged from the interviews and discussions with civil society groups in this study. This table on political and governance issues comprises the key areas of concern that pertains to institutions, policies, processes and legislations relating to globalization.

Table 1. Results of Data (see annex for detailed matrix):

Area of Concern	Politics and Governance Issues			
WTO	Liberalization Policies	Legislation	State	Political-Military
Decision-making process at the WTO	Privatization of Public Utilities (water, electricity, etc.) and GOCCs	Labor Code provisions for labor flexibility	Regulatory role of the State in the market	Global security issues (post 9/11)
WTO Dispute Settlement Mechanism	Deregulation of sectors (industry, finance, etc.)	Provisions for safety nets	Privatization and deregulation policies of the State	Global war on terrorism
Trade Agreements in APEC and WTO	EO 254 or the Early Voluntary Sector Liberalization	Fisheries Code	Development or economic agenda / strategy of the State	US troops presence in Philippines, VFA, MSLA
Intellectual Property Rights, Sanitary and Phyto-sanitary measures	Market liberalization and competition			Philippine Military
Competition Policy, government procurement and trade facilitation	Role of financial institutions (i.e. IMF, WB) in pushing liberalization policies and SAPs			
Structural Adjustment Programs (SAPs)				

A. **The hand of the WTO and global economic institutions**

The emergence of international institutions for global economic governance was highlighted by the organizations in discussing the political and economic aspects of globalization. The WTO, being the institution that regulates international trade, was primarily perceived as the key actor in the globalization of economic relations in the new world economic order. WTO, as an institution with crucial decision-making role and influence in the exercise of governance of multilateral trade relations, has become the symbol of the globalization process.

Besides the World Trade Organization, the role of economic multilateral bodies, such as the World Bank and the International Monetary Fund, in macro-economic policy-making is deemed a major concern in the process of political-economic globalization. These institutions are perceived as influential bodies that define the development and growth framework of developing countries. As a result, the organizations perceive that states are weakened and reduced to mere facilitative functions while the role of these bodies in global governance is strengthened. Given the influential role to be played by the WTO in global economic governance, there was wariness on decision-making mechanisms and processes in the WTO. The mechanisms for trade negotiations and on dispute settlement are just examples of areas of concern on the organizational structure of the WTO.

The organizations identified the undemocratic regulatory and decision-making processes as aspects to be concerned about in the whole gamut of trade negotiations taking place within the WTO institution. The lack of transparency in trade negotiations and how decisions are made were underscored. But more significantly, it is the impact of these decisions and agreements on developing countries (i.e. Agreement on Agriculture) and on the affected sectors such as labor, women, and indigenous peoples and on the environment that was expounded by the organizations. The perception that the WTO is “not really about cooperation but about competition and regulation of trade” is perceived as indicative of the neglect of or lack of concern over the social impacts of these trade negotiations on primary stakeholders. According to Action for Economic Reforms (AER), “the exclusionary side of globalization is excluding the most marginalized and the least mobile factors” in the drive towards trade and liberalization at all costs. Organizations such as Sanlakas, Akbayan, APL and BMP contends that the agreements at the WTO and in regional trade blocs such as APEC, are all about business and do not include protection for workers against its effects on employment, job security and living standards.

The rules within the WTO on trade negotiations are also perceived “to favor a few.” Although proponents of the WTO herald it as a mechanism to level the playing field in trade and development,

AER contends that the rules in the WTO “still favor the advanced countries.” The Freedom from Debt Coalition (FDC) asserts that agreements on intellectual property rights and agriculture exclude developing countries who will “never become players in the global market.” Furthermore, Greenpeace assailed the bias of WTO rules on Multilateral Agreements citing the US refusal to ratify the Kyoto Protocol on environment and yet “it was not brought to the WTO Dispute Settlement Mechanism.” Sarilaya, a women’s organization, concludes that the “WTO regime is oppressive and there is a need for a radical change in the rules of the game.”

Focus on the Global South identified new issues are up for discussion at the WTO that must be thoroughly watched. These issues include the liberalization on investment, competition policy, government procurement and trade facilitation. Focus believes that these new issues will comprise the next round of negotiations at the WTO after the agreements on trade in agriculture, industrial tariffs, services and intellectual property rights are concluded.

B. The State

The role of the state is seen as problematic in this global economic order. While liberalization and deregulation of the market spell less intervention from the state, the state is viewed nonetheless, as instrumental in putting the liberalization policies in place. The global economic institutions existing at present such as the WTO and the IMF/WB and regional trading blocs such as the APEC and the NAFTA, are formed by states.

The deregulation policies and privatization of public utilities and government-owned- and-controlled corporations (GOCCs) are manifestations that the state has relinquished its regulatory role in the market. The left political blocs see the state retreating to its traditional role of ensuring peace and order, collecting taxes, building infrastructure, etc. However, the Foundation for Economic Foundation (FEF) contends that the state is very much “part of the market and by its nature can change policy, penalize and prosecute rent-seeking activities,” however, it is inefficient in eradicating these activities and preventing monopolies or cartels.

While some organizations perceive that the state has surrendered to the market “dominated by monopolies and big capitalists”, FEF assailed the government for failing to eradicate irregularities in the market and being swayed by “money politics” as well. FEF believes that the state should provide a competitive economic environment because “competition is supposed to result in better economies and resolve economic crises” and a competitive environment can “prevent cartels that makes markets collusive and monopolistic.” On the other hand, Akbayan, Focus and AER propose state activism and regulation to

“prevent the irrationalities of the market that triggers crises” and address issues of inequity and marginalization that cannot be solved by the market.

In relation to the WTO, most of the organizations underscored the lack of a cohesive economic agenda of the state to guide its commitments at the WTO trade negotiations. The state has accepted in toto the liberalization agreements forged at the WTO by reducing quantitative restrictions in agriculture and industrial tariffs at the expense of the country’s economy, as mentioned by Pakisama, a coalition of farmers’ organizations in the country. The Nationwide Coalition of Fisherfolks for Aquatic Reform (Pamalakaya/NACFAR) expressed alarm on Executive Order 254 or the Early Voluntary Sector Liberalization, which is the basis for the early liberalization of the fisheries sector in the country.

C. Legislation

The liberalization policies of the state are questioned in the face of legislative gaps for sectors negatively affected by these policies. Labor groups such as the Alliance of Progressive Labor (APL), Bukluran ng Manggagawang Pilipino (BMP), Kilusang Mayo Uno (KMU) and the Trade Union Congress of the Philippines (TUCP) focused on the lack of provisions for workers’ protection and safety nets in the Labor Code against the onslaught of trade liberalization. Pamalakaya/NACFAR stresses the implications of provisions in the Fisheries Code allowing the expansion of commercial fishing.

The Southern Philippines Federation of Labor (SPFL) cited the changes in the Labor Code to reflect the deregulation and liberalization policies of the government in compliance to globalization. SPFL contends that contractualization of labor has been legalized despite opposition from labor groups through Department Orders 9 & 10.

D. Political-Military aspect of globalization

Focus on the Global South mentioned that today’s globalization is linked with security issues especially after the September 11 attack on the World Trade Center in the US. A political-military aspect of the globalization process has emerged since then exemplified by the US-led global war on terrorism. On the other hand, the Demakratikong Magbubukid ng Sultan Kudarat (DEMASKU) mentioned the danger of terrorism comparable to the easy entry of global capital as borders becomes permeable in globalization.

In particular, the Kilusan para sa Pambansang Demokrasya (KPD) and Kilusang Mayo Uno expressed concern over the presence of US troops in Philippine soil and the implications of the Visiting Forces Agreement on the Philippine Constitution. Padayon, a left political bloc, emphasized concern on the government’s decisions to support the US

war on terrorism and allowing US soldiers in the country. The organization further mentioned the growing signs of “military ascendancy” in the Philippine government.