Development and advocacy

Maria Teresa Diokno-Pascual

In June 1999, while at the British Parliament to attend a panel discussion organised by Christian Aid on the World Bank/IMF Heavily Indebted Poor Countries initiative ('HIPC'), I had a brief exchange with the Secretary of State responsible for the Department for International Development, who was one of the speakers at this affair. I had been told that the minister, Clare Short, was most sympathetic to the NGOs who had been calling for improvements in the HIPC proposals. It therefore came as a shock to hear her tell the audience that it was useless to demand the de-linking of structural adjustment from HIPC. She added that countries in the Third World needed structural adjustment, and therefore it would be foolish to insist that debt reduction be undertaken in these poor countries without it.

Since I come from a country which has gone through ten structural adjustment loans from the World Bank and more than 30 years of IMF stabilisation lending without much success in achieving sustainable growth and in reducing poverty, I thought I should challenge this view. When the opportunity came for the audience to raise questions or comments, I asked the Secretary of State: what weight would she give to voices from the South, to the opinions of people like me from countries of the South, who say that we don't like structural adjustment and what it has done to our people? Would those voices matter?

I did not expect to get a tongue-lashing. The minister held firm to her position that structural adjustment was needed in countries like mine, adding words to the effect that since I had supported a corrupt dictatorship in my country (referring, I presume, to the Marcos dictatorship[1]), then I deserved structural adjustment. The format of the panel discussion did not allow me to respond. To be honest, had I been given the opportunity, I do not know what I would have said. This was the first time I had ever been told that structural adjustment was the answer to a corrupt and brutal dictatorship that I had never supported in the first place. Besides, history will attest that the World Bank and other international creditors had propped up the Marcos regime, particularly in its twilight years, knowing full well how corrupt it was. But it seemed to me that this spokeswoman of the British government was disturbed by my question and needed to invalidate it somehow. And her rejoinder carried a message that was far more disturbing: no, your voices *don't* matter.

Whose voices do matter when you are inside the rather imposing walls of the British Houses of Parliament, or, for that matter, any such venue in the developed world? How much importance should we give these places, considering the distance between them and the poor in our countries? I do not doubt the strategic value of being able to intervene at a level where major decisions are made which affect millions of nameless, faceless lives. But I tend to see these venues as part of a much broader terrain, in which many unceasing struggles take place simultaneously, involving a range of individuals and movements within a country and across borders of North and South. What is important to stress, however, is that no amount of power, influence, and effective advocacy can take the locus of the struggle away from those hardest hit by the decisions of the powerful. But very often it is these struggles that tend to be overlooked and forgotten in the world of development advocacy.

Don't get me wrong. It takes a lot of confidence and courage to speak up before government ministers of the North, in a language they understand and in a place more familiar to them than to oneself. It takes much more knowledge and imagination to present to them a reality that they are too privileged ever to experience for themselves. (I know this because, while I can hardly count myself among the rich in my country, I have been spared the kind of deprivation that can be very raw and violent to its victims among the poor.)

At the end of the day, the untiring work we have put in only makes sense if it has strengthened people's movements on the ground. This is where we must be honest with ourselves, sparing no criticism. How much of our advocacy work is based on the dehumanising experience of the poor? How much of our advocacy work is relevant and meaningful to their lives? Do we bother to make the connections, especially for advocacy issues that are not easy for ordinary people to relate to but which do have an impact upon them? How serious are we in our efforts constantly and consistently to enrich our knowledge and experience with what is happening in the communities of the poor, with what often gets least exposed to the public eye? How open are we to these realities? How relevant *are* we?

The group to which I belong, the Freedom from Debt Coalition, is one of the few radical bodies in the Philippines that have continued to thrive despite the recent factionalism in the movements of the Left.[2] Its members not only come from a broad range of social sectors, but also span most of what we call the progressive forces in the country. Building unity on issues and strategies is a difficult task, especially in the midst of the re-defining and re-organising that accompanies a group's breaking away from former comrades. All of this is taking place at a time when the free-market ideology dominates mainstream thinking and economic policy. One can thus appreciate the demands on our member organisations in the context of a country which is being drawn very forcefully into the neo-liberal policies that come with World Bank and IMF structural adjustment and stabilisation programmes.

We must strengthen our unity on alternative policies and strategies. We had a relatively easy time uniting on a critique of the proposed reforms, but formulating concrete alternatives is always more difficult, particularly for a coalition. I am convinced, however, that alternatives *do* exist, and many of them are there simply waiting to be recognised, appreciated, and propagated. We will find them, the closer we get to the ground.

I keep saying this because advocacy work tends to locate itself close to the centres of power, away from the marginalised. In the Philippines that means Metro Manila, a rich enclave which cannot completely hide the poverty that abounds within, but where the income opportunities, wealth, and power are highly concentrated. One can get steeped in the lobbying and advocacy work that one needs to do with the decision makers in Congress and in the Executive Branch, and occasionally the Judiciary. Yet we have learned in the Freedom from Debt Coalition that none of these institutions and their members will pay serious attention to us without our having done the groundwork — education, mobilisation, organisation — among our own members. Having the political expertise and the capacity to draw on the technical expertise of others is important. Having the skill to discuss and argue with the powerful at a high level of debate is also important. But all that is meaningless without vibrant and dynamic movements on the ground.

Dealing with government ministers and Members of Congress in our own country is a tedious and often frustrating task. In the Philippines, to be elected into office a candidate must have money in unlimited quantities, and constant publicity. (The host of a television and radio talk show, whose own reputation for honest reporting has come into question, garnered the greatest number of votes in the nationwide senatorial campaign last May.) Scruples and principles will not get you elected. It does not even matter if the candidate has a campaign platform, much less what kind of platform it is. To a jaded eye, voting is a way for the urban poor to earn money, especially when no jobs are available. It is serious business for the political candidates.

When the campaign is over, those elected turn their focus to recouping their huge investment, or at least that of their financial backers among the élite. Again there are no scruples here. In this world of globalising markets, everyone, especially the politician, has a price. At the height of the debates surrounding the Bill that would privatise the State-owned National Power Corporation and restructure the electricity industry, what struck me the most was how few Members of Congress made an effort to study the proposed reforms and understand all of their very serious implications. The Chair of the energy committee of the House of Representatives constantly told the Freedom from Debt Coalition that the proposed reforms were too technical for us to grasp. (I suppose he just wanted us to trust him, who was known to lose five million *pesos* in one night of gambling.) We ignored his bluff and took up his challenge.

We studied the reforms as best as we could, tapping the Internet for information from Europe and the USA, where reforms in the power sector had already been instituted. We talked with fellow activists on debt from Pakistan and Indonesia about the contracts between the State-owned power companies in our respective countries and the private investor-owned independent power producers. We kept going back to our members with the new information and analysis that we were able to uncover. We used all forms of media available to us. We carried on our protest within and outside Congress, outside the headquarters of the Asian Development Bank, in meetings with the new President's Cabinet,[3] and on the streets.

We surprised the politicians with our understanding and critical analysis. And yes, we did offer alternatives, even though these were hastily rejected by all officials of the executive and legislative branches. (We were accused of being communist and of being impractical when we suggested that if the assets of the State-owned power company were to be sold, then they might as well be sold to consumers and workers, in order to democratise ownership in the country.[4]) In the end, money and powerful lobby groups — multilateral creditors included — determined how the politicians would vote, and they voted in favour of big capital.

Our ministers must heed another voice, and that is often the voice of the creditors. While the politicians are out to recover their money, and to enrich themselves further, the World Bank, the Asian Development Bank, and the IMF, together with bilateral 'donors', have each drawn up their strategy for lending to the Philippines. A vital part of this strategy is the package of policy reforms that accompany their loans, co-ordinated of course among themselves. Nowadays these strategies even come with the added legitimacy of having gone through some kind of 'civil society' participation.

Never mind that the Philippines went through a currency crisis only recently.[5] Never mind that the World Bank pushed the country to liberalise its capital accounts and make itself vulnerable to short-term capital. Never mind that the IMF agreed with the central bank authorities to maintain an overvalued *peso* and subsequently high interest rates to keep footloose capital coming in. Never mind either that private-sector borrowers, encouraged by the overvalued *peso* and the high cost of borrowing, shifted to short-term dollar loans – only to find themselves in deep trouble when the *peso* crashed. Despite all these factors, the message of the multilateral creditors simply remained more of the same: *Liberalise more! Deregulate more! Privatise more!*

The pressure exerted by the creditors on government is tremendous. It is compounded by the fact that the economy remains in crisis, and that the deposed government of Joseph Estrada left behind huge fiscal deficits to be tackled by his successor, Gloria Macapagal-Arroyo. In the case of the Power Sector Reform Bill, for example, the newly proclaimed President Arroyo had said she was in no hurry to pass it and wanted instead to review all options available to her government. However, shortly thereafter, she announced that the Bill had to be ratified by Congress and signed into law as soon as possible. Her government forced its passage through soon after the May elections. Yet the President could not hide her dissatisfaction with the Bill: at the very moment when she signed it into law, she said that it needed to be amended.

The only plausible reason for her to sign a law she was not fully confident about was that the passage of this Bill was a condition for the release of some US$950 million in loan funds from multilateral and bilateral creditors. Ironically, the money has not been released at the time of writing (July 2001), because the creditors want to review and approve the law's implementing rules and regulations. In fact, the Asian Development Bank, the main lender in this regard, is sitting as an observer in the committee that is drafting the implementing rules.

The message of the British government spokesperson and the compelling hand of the multilateral creditors clearly show us where power actually resides in our world today. Which brings me to my final point about development advocacy: it is first and foremost about communicating a perspective from a strange, often unseen world: the realities of the unempowered and disempowered. But it is also about struggle – to assert the legitimacy and primacy of these perspectives, and to shift the balance of power in favour of the poor.

Maria Teresa Diokno-Pascual
Freedom from Debt Coalition
Quezon City, Philippines

Notes

1. Ferdinand E. Marcos was elected President of the Philippines in 1965 and re-elected for a second and final term in 1969. He declared martial law in 1972, arrested key members of the political opposition, and curtailed civil and political rights. His military dictatorship ended in 1986, when he was forced to leave the country after a non-violent uprising known as People Power I.
2. In the early 1990s, major divisions occurred within the communist movement of the Philippines. The repercussions continue to be felt to this day. For example, member organisations associated with one bloc withdrew their membership of the Freedom from Debt Coalition. New left-wing groups have since emerged, and continue to reorganise and redefine themselves.
3. On 21 January 2001, Gloria Macapagal-Arroyo was sworn in as President of the Philippines, following the resignation of Joseph Estrada, who was accused of committing graft, economic plunder, and perjury, following allegations in October 2000 by Luis Singson, governor of Ilocos Sur province, that he had personally benefited from illegal gambling. The Freedom from Debt Coalition was invited to a meeting with President Arroyo's finance minister in February 2001, to discuss the Power Bill.
4. This was a serious proposal, not just a propaganda ploy. Consumers in the Philippines not only pay for the electricity they actually consume, but also for the idle capacity of the privately owned plants and for the enormous debts of the State-owned power company. In short, they are the real source of investment capital.
5. In mid-1997, following the crash of the Thai *baht*, the Philippine *peso* plunged after portfolio investors withdrew their money from the country. The Asian currency bug moved on to infect Malaysia, Indonesia, and South Korea, before affecting Russia and then Latin America.