

# NEO-LIBERAL GLOBALIZATION IN THE PHILIPPINES: ITS IMPACT ON FILIPINO WOMEN AND THEIR FORMS OF RESISTANCE

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## **ABSTRACT**

*This paper argues that neo-liberal globalization is not a neutral process. Using the Philippines as a case in point, it shows that neo-liberal policies have exacerbated poverty especially within already marginalized communities, and especially among women, while benefiting transnational capital and wealthier nations. Consequently, neo-liberal globalization has engendered conflict and resistance both on the home front and across national borders. The politics of GABRIELA, the militant women's movement organization in the Philippines, and Migrante International, a coalition of Filipino migrant organizations overseas, are examined. Both organizations challenge neo-liberal globalization in the Philippines. The nation-state is implicated in the implementation of neo-liberal policies and in the politics of resistance. In the former, the state plays an instrumentalist role; in the latter, the state is a target for transformation and is called upon to take the side of those who are harmed by globalization.*

KEY WORDS: Filipino women, globalization, resistance, neo-liberal policies, Philippines

## **Introduction**

Globalization is not a neutral process. It hurts the poor, especially poor women in the Third World. Mary John Mananzan (1999:2), a Third World feminist scholar, defines

globalization as: ‘the integration of the economies of the whole world into the liberal capitalist market economy controlled by the Group of Seven’. This definition recognizes the controlling power of advanced capitalist countries comprising the G-7 (Japan, the USA, France, Germany, Great Britain, Canada, Italy) in the creation of policies that ensure the survival of monopoly capitalism. The process requires maintaining the ‘transnational elite’ (Robinson, 1996:33) which is also referred to as the ‘transnational capitalist class’ (Sklair, 2001);<sup>1</sup> it requires an abundant source of cheap labor, thus creating a highly stratified global political economy, with Third World women largely at the bottom of the hierarchy. The World Trade Organization (WTO), the International Monetary Fund (IMF), and transnational corporations—whose policies and practices serve the interests of monopoly capital—are the major instruments of neo-liberal globalization.

The Philippines provides a good case in point to examine the contentious process of neo-liberal globalization. Neo-liberal globalization in the Philippines is characterized by interlocking features, each having a detrimental impact on women. These include policies that promote: (a) economic liberalization (b) deregulation (c) privatization (d) finance capital investment (e) labor flexibilization, and (f) labor export. Based on my larger research on globalization and resistance in the Philippines, this paper first analyzes the negative impact of key features of globalization on women in the Philippines. Then it examines the strategies that GABRIELA (the Philippine militant women’s movement organization) and Migrante International (the militant international alliance of Filipino migrant organizations in different parts of the world) use to resist neo-liberal policies.

### **Main Features of Globalization in the Philippines**

## **Economic Liberalization**

Economic liberalization attempts to create a relatively borderless economy through the dismantling of controls on the flow of goods, services and capital, allowing less restricted entry of foreign investments. Although seemingly neutral, this process has a devastating impact on Third World countries' economies as 'powerful countries [push] for 'free trade' while engaging in extreme protectionism' (IBON Facts & Figures, 2004a: 3). The General Agreement on Tariffs and Trade (GATT) under the WTO enshrined the fundamental principle that export goods should freely enter into the importing country based on the premise that free trade would benefit equally all WTO member countries. To the contrary, what has happened can be best described as 'unfair trade'. For instance, while annual global trade had reached US\$7 trillion in 1999, the total exports of developing countries represented only 28%, while the the share of the least developed countries was 0.5%; North America and the EU had the largest share of world trade in goods and commercial services (del Rosario-Malonzo, 2001:2).

In the Philippine case, economic liberalization has reduced protective tariffs and trade restrictions, giving free-play to the market. For example, the average tariff was reduced from 43 percent in 1980 to 28 percent in 1986, and restrictions on more than 900 items between 1981 and 1985 were lifted (Bello, 2004:16). Import of goods from other countries has been less restricted, so that the percentage of goods under import restrictions has been progressively reduced from 34 percent in 1985 to 17 percent in 1986 and 8 percent in 1989 (Yoshihara, 1994). This progressive loosening of import restrictions vis-à-vis export stagnation has contributed to widening the trade deficit by 307% as of 2003 (Guzman, 15 July 2004:12). Import liberalization is justified by the

notion that this is good because consumers will have multiple choices and the ensuing competition will reduce prices. But flooding the market with imported goods destroys local industries and livelihoods, resulting in increased poverty and unemployment.<sup>2</sup> The reduced rate of protection for manufacturing (from 44 % to 20% within a period of two decades) has resulted in bankruptcies of local industries as locally produced goods suffer from unfair competition by cheap imports. Among the industries severely affected were ‘paper products, textiles, ceramics, rubber products, furniture and fixtures, petrochemicals, beverage, wood, shoes, petroleum oils, clothing accessories, and leather goods’ (Bello, 2004:25). Of these, the textile industry suffered the biggest blow: it ‘shrank from 200 firms in 1970s to less than 10’ (Ibid). It can be argued that the shrinking of local industries contributes to the massive displacement of workers (IBON, 2006a). Rosario Bella Guzman (2004:14) says: ‘Every day for the past four years, eight establishments retrench their workers or close down due to economic liberalization: 196 workers are being displaced every day as a result’. The Philippine Department of Labor and Employment reported that a total of 287, 556 workers were displaced within a period of four years (2000-2003).<sup>3</sup> In January 2006, the number of Filipinos unable to find work increased by 15% from previous year, bringing the number to 2.8 million from 2.5 million in 2005 (IBON, 2006b).

Philippine agriculture also suffered from the implementation of the WTO’s Agreement of Agriculture (AoA). Although world trade increased by 25%, Philippine products’ access to the world market was restricted, resulting in accumulated trade deficits of \$5.2 billion since 1995. Since the WTO regime, the agricultural share of the Philippine GDP (gross domestic product) has been declining: down to 18% in 2002 from

28% in the pre-WTO regime. This decline in agricultural productivity coupled by unrestricted imports has contributed to the decline in agricultural jobs (since 1994 when the Philippine government signed the WTO), devastating farmers' livelihood. In 2000 alone, approximately two million jobs were lost (del Rosario-Malonzo, 2004a:9).

The less restricted entry of agricultural products creates import dependency for basic needs and ultimately results in food insecurity. Under the WTO's AoA, the Philippines is required to allow the progressive importation of rice (1% of domestic consumption in 1995, 2% in 2000, and 4% by 2004) and the tariffication of rice was required to start in July 2005 (del Rosario-Malonzo, 2004b:4). This has partly, if not significantly, contributed to the Philippines becoming a net importer of rice. For example, data from the Bureau of Agricultural Statistics show that from 1995-2001, rice imports were greater than rice exports (Ibid). And in 2002 alone, rice importation reached roughly 1.25 million metric tons, which was higher than the previous year's total of 808,250 metric tons (Ibid). The unrestricted importation of cheaper rice did not result in lowering the price of rice since rice traders continued to sell it at higher prices in order to maximize their profit (Ibid:5). The result was food insecurity that threatened the majority of the Filipinos' access to their staple food, and increased the vulnerability of those with special nutritional needs such as poor pregnant women and children.

This is another manifestation of how an unregulated market serves the interests of capital, that is, of transnational corporations and richer foreign nations that are able to control the local market, forcing local production and local entrepreneurs, especially those engaged in small-scale industries, out of the market. Thus, economic liberalization

has entrenched foreign control of the Philippine economy—a process that was initiated during colonialism and that has continued in the neo-colonial or post-colonial period.<sup>4</sup>

## **Deregulation**

Deregulation goes hand in hand with liberalization and limits the state's role in regulating the economy in the interest of its people and national sovereignty. It gives free reign to market forces in the organization of economic activities placing the highest value on profit, sacrificing consumer and labor rights, as well as social and political rights. In the Philippine context, however, the nation state becomes what William Robinson (1996: 36) calls the 'neo-liberal state', which, in this case, I would call the peripheral neo-liberal state since it becomes instrumental to neo-liberal policies largely controlled by core countries.

Deregulation lifts price control systems and thereby most intensely hurts the poor, especially women. For instance, in June 2001, the prices of basic commodities in the Philippines had increased by 6.7% from 2.6% in the early part of the previous year (Guzman, 2001:10). Deregulation has also led to the overpricing of oil resulting in the increase, not only of transportation services and electricity, but also of the price of many other commodities. During the year 2000 for example, oil companies in the Philippines increased their prices six times, with a PhP 2.58 per liter overprice (Guzman, 2001:11). Pilipinas Shell, Caltex Philippines, and Petron Corporation, known as the Big Three of the local oil industry, have garnered profits in billion of pesos, a sum of PhP6.8 billion for the three companies in 2002 (Padilla, 2004:6). At the same time, we find that Filipino poor women who generally are the ones who attend to the daily needs of the family, are

the first to suffer the social psychological impact of the price escalation of food and of other basic daily needs for their families (Lindio-McGovern, 1997).

## **Privatization**

Privatization is at the core of IMF/World Bank structural adjustment policies. Consistent with, and reinforced by, trade liberalization and market deregulation, privatization puts all productive activities, including social services, into the private sector or private capital. It eliminates public subsidies on social services and public sector corporations as they get sold off to the private sector,

In the Philippines, privatization facilitates the penetration of foreign capital into sectors of the economy that might have been under state control or under the control of local entrepreneurs and communities (Bello, 2004:192-193). This process entrenches foreign control of the local political economy, especially by transnational corporations. Thus, privatization opens new frontiers for the expansion of capital and profit-making on a global scale, while further minimizing poor people's access to basic social services.

In the Philippines, the privatization of health care, which has been carried out in compliance with the dictates of the IMF's structural adjustment program, is slowly but surely killing the poor, especially women and children. The current government's Health Sector Reform Agenda and Executive Order 102 have diminished the role of the State in the provision of health care services (HEAD, 2001:2). Consequently, 38 public hospitals intend to privatize by 2010 (Ibid:9). The privatization of health care will deny affordable and accessible basic health services to the poor, estimated by IBON Databank Foundation to comprise 88% of the Philippine population (Roque, 2005). Increasingly the

government has decreased its budget allocation for government hospitals where the poor go. For example, from 1999-2001 there has been an accumulated decrease in the hospital budget for ten government hospitals in Metro-Manila amounting to more than PhP307 million (HEAD, 2001:21). The Philippine Constitution requires that 5% of the GNP be allocated for health care services, but in a span of 15 years, the GNP allocation averaged less than 1% (.6%). Ultimately, the main beneficiaries of health care privatization will be the transnational pharmaceutical corporations,<sup>5</sup> while poor women and children, who have special health care needs due to changes in their life cycles, will be most detrimentally affected. Furthermore, the privatization of health care reinforces the IMF's structural adjustment policies on Philippine political economy as it opens new areas for capitalist penetration. The IMF benefits as well from interests paid on its loans that partly come from cuts in government spending on social services, making those services less accessible to poor women, men, and children.

Another sector that increasingly is being privatized is water. The privatization of water has serious consequences for the poor specifically as it is vital for survival. As the price of water increases, poor families' access to water could be limited, risking their survival. The privatization of state-owned water utilities was one of the loan conditionalities in the 1995-1997 structural adjustment policies of the IMF (Bello, 2004:197). This led to the much-contested privatization of the Metropolitan Waterworks and Sewerage System (MWSS), the oldest state-owned utility in the Philippines. Foreign companies, such as Bechtel, Northwest Water, Lyonnaise des Eaux (a French transnational giant) also got a share in the water privatization scheme along with the local business concessionaires (Ibid:200). Instead of water being a communal/public

commodity accessible to every citizen, the privatization of water makes profit the central concern. Thus, contrary to the government's promise that privatization would lower the cost of water, the opposite occurred. For example, between 1997-2004, on average, water rates in Metro-Manila and the surrounding areas drastically increased 226% per cubic meter for Maynilad and 350% per cubic meter for Manila Water (IBON, 2004:6). This increase added a significant financial burden to low-income families who were already struggling to meet their basic needs. Women, especially poor women, who still perform most of the reproductive labor, have felt the brunt of water privatization. Meanwhile, private business and transnational corporations are making a profit from a basic service that should be under community control and equitably accessible to everyone. Thus, the logic of privatization, the prime engine of capital accumulation on a global scale that continually seeks new spheres for profit, is reinforced.

### **Finance Capitalism**

According to Tony Porter (2005:4), finance can be defined as 'the process by which savings are transferred from one entity to another for a period of time in exchange for a payment'. In this process of exchange, money is viewed more in terms of 'its use in facilitating payments and measuring value'. Finance capitalism is making profit out of this financial exchange.

Some analysts argue that one of the crisis of monopoly capitalism is manifested in 'the crisis of over-production' (Sison, 2005), which means that transnational corporations have to seek other spheres from which to make profit besides investing in the production of commodities deemed no longer profitable. The crisis of over-production is partly created by the depression of wages that consequently contracts the market. While

advances in technology have allowed transnational corporations to increase production of goods, they are producing more than the world's consumers can buy (Villegas, 2000:72). Finance capitalism, making profit out of money, then becomes central to neo-liberal globalization to deal with the crisis of over-production, which is its own creation. As a result, finance capitalism gives priority to financial speculation over human needs, increasing speculative investment more than productive investments that can generate employment. Thus, while in 1976, 80% of all international transactions involved the buying and selling of goods and services, by 1997, only 2.5% of international transactions involved such transactions; 97.5% were for speculative investments (EILER, Inc., 2000:7-8). In the Philippines, finance capitalism is partly reflected in the progressive increase of portfolio investment. For example portfolio investment has increased from 66% in 1993 to 70% in 1994, to 75% in 1995, to 86% in 1996. By the first quarter of 1997, portfolio investment reached 70% of total investment flow. Overall, 85% of portfolio investment is foreign, with the US taking the lead (33%) but has the least share of direct (productive) investment at only 6% (Villegas, 2000:47).

Financial capitalism also involves opening the Philippine financial and banking systems to greater foreign control. This has resulted in mergers and consolidations that displaced thousands of male and female workers (approximately 7,000 bank workers), while the small local corporate elite and foreign investors increased their profits (Villegas, 2000:43,46). The increased unemployment that is produced by finance capitalism further heightens the rate of poverty in the Philippines. The problem of unemployment gets even worse when we look at labor flexibilization.

### **Labor Flexibilization**

Labor flexibilization can be viewed as ‘the micro-economic or firm-level aspect of the ongoing economic restructuring of the world economy’ (EILER, Inc., 2000:3) that goes hand in hand with the macro-level liberalization, deregulation and privatization. Labor flexibilization involves work organization and employment schemes designed to maximize profit extraction (IELER, Inc., 2000:1). These schemes to maximize profit include labor-only-contracting, subcontracting, hiring of casuals and contractuels, and the hiring of apprentices. As mentioned earlier, neo-liberal globalization requires an abundant cheap labor force. Labor flexibilization partly serves that goal.

In the Philippines, labor flexibilization is used synonymously with *contractualization* or *casualization of labor*. While labor flexibilization may garner superprofits for the big capitalists, it increases the exploitation of workers, poses obstacles to their militant unionization, and raises the rate of unemployment and underemployment. Due to contractualization, 60,000 regular workers lost their jobs in 1996, another 62,736 in 1997, and yet another 129,965 in 1998; an average of 4,000 workers lost their jobs daily since 1997 (Villegas, 2000:54, citing Department of Labor and Unemployment estimates). Almost ten million Filipinos, approximately 1/3 of the entire labor force, are unemployed and actively seeking jobs (Beltran, 2000:6). The unemployment rate in the Philippines was 11% in 1997 (Villegas, 2000:54). As of April 2004, the Philippine unemployment rate has increased to 13.7%, with approximately 5 million unemployed, and the underemployment rate was 18.5%, with close to 6 million people (Rogue, 2005, citing National Statistics Office, 2004).

Greater trends of labor contractualization are more likely to be found in foreign-owned or affiliated firms and those that are export-oriented. For instance, LAWS Textile,

which exports shirts mainly to the US with JC Penny as one of its major clients, has 1,700 contractuels who are contracted for only three months at a time, but only 390 regular workers. In Export Processing Zones or Special Economic Zones, subcontracting and contractualization are mechanisms that transnational corporations use to maximize profit. For example, major international labels like Reebok, Adidas, Timex, Calvin Klein, Fujitsu, and Intel have a large share of their workforce subcontracted as contractuels, the majority of whom are women and youth, forced to work overtime hours six to seven days a week for a period of three to four months at a time (EILER, Inc., 2001:25-26).

Contractualization also happens in the service sector where the majority of the labor force is women. In the retail trade, a notorious example is ShoeMart, the biggest department store chain in the Philippines. Of its estimated 20,000 employees, 85% of whom are women, only 1,731 (or 8.7%) are regular workers, while the rest are subcontracted through recruitment agencies as temporary workers for less than five months (EILER, 2001:26)

Labor flexibilization could partly explain why the minimum daily wage (PhP275) has remained way below the cost of the minimum daily needs of PhP620 for an average family size of six (Roque, 2005). Moreover, labor flexibilization potentially undermines the collective bargaining power of workers as many casual workers without a long-term base are created and reproduced, and as neo-liberalism uses it as a weapon to control workers. This supports Janet Bruin's (1999:10) argument that globalization weakens the 'bargaining position of workers everywhere'.

The economic crisis created by the interlocking consequences of the neo-liberal policies of deregulation, liberalization, privatization, finance capitalism, and labor flexibilization certainly hurt most the ordinary Filipino men and women, and thus contribute to the creation of the preconditions for economic migration on which labor export feeds.

### **Labor Export**

Labor export is when the state facilitates overseas labor migration for temporary or contractual work. In the Philippines, labor export has become a key feature of neo-liberal globalization, making the country the top labor-exporter in the world (IBON, 1998; Oishi, 2005). Recently, President Macapagal-Arroyo made a public statement urging that the annual deployment of overseas workers be raised to one million annually (Roque, 2005) from its current average of approximately 800,000 workers (747,696 to different countries as of 1997) (IBON, 1998). Labor export is the government's strategy of dealing with its huge foreign debt (which has escalated to US\$ 57.4 billion by the end of 2003 from US\$52.2 billion as of June 2000) and the growing unemployment—both created to a large degree, by the structural adjustment policies of the IMF and the other key features of globalization discussed above. Labor export is the leading industry in the Philippines and has become the biggest source of foreign exchange for the government's debt servicing of an annual average of more than \$5 billion (Tujan, 2001:3; Capulong, 2001:30), accounting for more than 30% of the government budget (Guzman, 2004:9). Labor export has led to an economic diaspora of approximately 8.4 million Filipinos in over 180 countries (Roque, 2005), making them most vulnerable to abuse, human rights violations, labor exploitation and control.

Labor export has produced the following patterns: (a) commodification of Filipino migrant labor as it has become a source of profit-making for the Philippine government and private employment agencies in the Philippines and in the receiving countries (b) trafficking of women in domestic service and in the entertainment and sex trade in the richer countries (c) creation of an exploitable and expendable cheap labor force in the receiving countries, and (d) feminization of migrant labor since increasingly it is Filipino women who comprise majority of export labor (61% in 1998 to 70% in 2000). Ultimately, women are the ones carrying the brunt of foreign debt; they are more commoditized, more trafficked, and suffer the triple oppression of gender, race/ethnicity/nationality and class as overseas migrants.

Women in domestic service work comprise the bulk of Philippine labor export. Many of these women have college degrees and a good portion have professional work experience as teachers and nurses. Thus they experience downward occupational mobility in the labor-receiving countries. This results in the brain drain from the Philippines since what we find is a waste of human capital. While the Philippine society has invested in the human capital development of these women, their educational training is wasted or under-utilized in the labor-receiving countries. Thus, these women and the Philippine nation are made to subsidize the privatization of social reproductive labor or domestic care work in the richer labor-receiving countries. To make the privatization of social reproductive labor beneficial to the labor-receiving country requires the creation of a cheap, flexible labor force. It is migrant women from poor countries who are made sources of cheap reproductive labor.

Further, the concentration of Filipino female export labor in domestic service work reinforces labor segmentation in the host countries based on gender, race/ethnicity, and class. This consequently entrenches a transnational division of female labor where low-wage, low-prestige domestic work is generally assigned to migrant women from poorer countries while their female and male employers engage in formal labor with more prestige, better pay and better working conditions. Undocumented migrant domestic workers are in a worse situation since they are more vulnerable to severe exploitation. This reinforces the unequal transnational division of female labor. Thus, the globalization of domestic service work perpetuates the subordinate status of Filipino women in the global political economy.

Women who are sexually trafficked are the most exploited since their whole being is totally controlled as their bodies are commodified for profit in the sex industry in richer countries, like in Japan, Germany, and the Netherlands. Several actors participate in the commodification of their bodies: the state, the male consumers, the recruitment agencies, and the capitalists of the sex industry.

Labor export has tremendous social costs that affect women more adversely than men. Since the majority of export labor is women in domestic work, they are the ones who suffer more the loneliness of working in foreign households, the difficulties of adjustment in a foreign culture, gender-race-class discrimination in the labor-receiving country, and the pain of separation from family and children whom they leave behind with their spouses and/or other relatives.

Ironically, labor export has not mitigated unemployment in the Philippines since foreign exchange earnings through remittances is not invested in employment-generating

projects; most of it goes to debt servicing: about 87% (about US\$5.9 billion) of the US\$6.79 billion remittances in 1999 went to debt servicing (Episcopal Commission for the Pastoral Care of Migrant and Itinerant People:4). While deployment of export labor has consistently increased from 660,122 in 1996 to 747, 696 in 1997, to 755,684 in 1999, to 841,628 in 2000 (Bultron, 2001:2), reaching approximately 2,300 workers per day in 2001, the unemployment rate has also increased from 9.8% in 1999, 11.2% in 2000, and 12.2% in 2001 (Dizon, 2001:5). Meanwhile the Philippine government garners 21.2 million pesos per day through the pre-departure fees it charges from more than 2000 overseas contract workers who are deployed daily (McGovern, 2001).

Following a regional trend among poor countries in Asia (like Pakistan, India, Sri Lanka, Bangladesh), Philippine labor export has become a major source of foreign exchange revenue (Bultron, 2001). For example, as of 2004, remittances from migrant Filipinos amounted to US\$8.5 billion or P467.5 billion -- which was greater than the value of the top five Philippine export products (semi-conductors, finished electricals, garments, crude coconut oil, and copper bars and rods). This amounted to almost a hundred times the 2003 foreign direct investments in the Philippines, and more than half of the 2005 Philippine national budget of PhP907 billion (Roque, 2005).

Overall, these characteristics of neo-liberal globalization in the Philippine nation-state interlock with the macro-structures of globalization that are embodied in the IMF's structural adjustment policies, the World Trade Organization, and practices and circuits of capital promoted by transnational corporations.<sup>6</sup> Although the interlocking of these features plays a role in the social construction of the neo-liberal hegemony, it also creates

the context for global resistance to and the struggle against that hegemony. The Philippine resistance movement is a major participant in that struggle.

### **Women's Resistance to Globalization**

The negative impact of neo-liberal policies has been contested by Filipino women on the home front and overseas. At home, women's resistance to globalization is being led by GABRIELA, a militant, national coalition of women's organizations. GABRIELA has facilitated the organization of grassroots women. It has conducted study sessions to raise a critical political consciousness among its members and the larger public on the impact of neo-liberal globalization on Filipino women. One of its major political campaigns over the past two decades is the Purple Rose Campaign, an international campaign against the sex trafficking of Filipino women and children. One of the major accomplishments of the campaign has been the passing of a legislation that illegalizes sex trafficking in the Philippines. This is a historical milestone because with the passage of this law, the movement against sex-trafficking now has a legal frame that can be invoked, in order to put an end to the practice.

GABRIELA works in alliance with other organizations to combat and campaign against some of the tenets of globalization, like the privatization of water in the Philippines. GABRIELA was one of the more than 400 participants in the First National People's Convention on Water held on August 10-11, 2004, at University of the Philippines, sponsored by IBON Foundation (a progressive think-tank NGO) and BAYAN, a national coalition of progressive organizations in the Philippines. This convention formulated a Filipino People's Water Code that called for the reversal of the policy of water privatization based on the basic principles that access to potable and

sanitary water is a right, that water is a national and a people's resource that should be under public domain and state responsibility, and that equality in access to water means 'preferential treatment and positive action for the poor and marginalized sectors' (that could include the unemployed poor, children and women). GABRIELA formulated and disseminated a press release that reiterated the basic principles in the People's Water Code, and criticized the government for being subservient to the profiteers of globalization that privatize public utilities, guaranteeing benefits to foreign and local capitalists at the expense of the 'already poverty-stricken people'. The press statement also gave voice to women in Metro-Manila who claimed that even though they pay increased water rates, the water that comes out of their faucets is stinky and looks dirty. They complained that the poor quality of water posed difficulties for all women, but particularly for poor women whose work—as food peddlers, laundresses, and operators of small street restaurants, for example—relies mainly on water. The statement concluded constructively with a call for a government take-over of water service and the regulation of water rates.

GABRIELA has a research arm, the Women's Resource Center, which has conducted grassroots-oriented research on issues related to globalization. For example, it has conducted a study on the social cost of the migration of women and has a pamphlet about it for popular education and consciousness-raising. The social cost of labor export, such as family dislocation, break-up and separation, is something that the government hardly talks about when it dubs the overseas workers 'modern day heroes', and continues to promote labor export as a long-term development policy.

Defying the ‘hyperglobalist’ notion that globalization withers away the state (Held et.al, 1999:3) GABRIELA targets the state in its politics of resistance.<sup>7</sup> It has denounced and participated in the nationwide campaigns against the growing militarization in the Philippines that suppresses progressive and radical groups who oppose the current pattern of globalization in the Philippines. One significant contribution that GABRIELA has made in the long-term process of changing the Philippine state is the formation of a Women’s Party, which has been able to elect GABRIELA’s candidates into Congress, such as Representative Liza Largosa Masa. The Women’s Party, through Representative Masa, had been instrumental in legislating against the sex trafficking of Filipino women and children in the sex trade and around U.S. military bases.

Overseas, another organization—Migrante International—plays a significant role in facilitating organized resistance to globalization among migrants. It has established chapters in various countries. In the areas where I conducted fieldwork (Hong Kong, Taiwan, Rome, and Vancouver in British Columbia) domestic workers have formed organizations that are linked to Migrante International. These organizations participate in Migrante International’s international Congress, its highest policy-making body that meets every three years, where they discuss issues, share their experiences of resistance, plan a program of action, and elect the next set of officers.

A major concept in the discourses of Migrante International is the concept of commodification of migrant/export labor. This was, for example, a central theme in the International Migrants’ Conference held in Manila in 2001 that Migrante International convened with other NGOs concerned about migrants’ rights. The concept also runs

through the discourses of the United Filipinos in Hong Kong (UNIFIL), a chapter of Migrante International, composed mostly of Filipino domestic workers.

Migrante International targets the state, both the Philippine government and the labor-receiving governments in its politics and strategies of resistance. Since its actions are policy-oriented it confronts the state in its demands to change the policies of neo-liberal globalization. Such action resists deregulation that diminishes the role of the state in protecting migrants' rights and welfare.

Both Migrante International and GABRIELA believe in economic self-determination, genuine land reform that will redistribute land to the tiller, and national industrialization that will create jobs in the Philippines. This agenda for change is consistently subverted by neo-liberal globalization. However, the broad resistance movement in the Philippines to which Migrante International and GABRIELA are linked, also has persistently sustained its resistance both at national and international levels.

As resistance intensifies, militarization also intensifies, making the Philippine state a violent enforcer of the neo-liberal globalization agenda. The mass organizations have viewed the increased militarization of the state as 'state terrorism' aimed at suppressing militant people's actions. In their view, the United States has participated in 'state terrorism' by sending American troops to the Philippines, which violates the Philippine Constitution. The government of the United States has labeled the Philippine liberation movement and its leaders 'terrorists', which the movement views as an infringement of Filipino people's right to self-determination. The Philippine liberation movement consists of a broad alliance of progressive and militant groups, including the underground National Democratic Front and the revolutionary New People's Army, that

carry on the completion of the decolonization process to end the poverty of many Filipinos. Hence, they reject the U.S. government's labeling them as 'terrorists'; in their view it is American imperialism that has terrorized the Filipino people.

Therefore, it has become important for the anti-globalization movement in the Philippines, of which the women's movement is a part, to address imperialism and militarism in the Philippines, and to militantly push for a new Philippine state that will assert Philippine economic and political sovereignty already enshrined in the Philippine Constitution. It is this new Philippine state born out of the people's struggle that will legitimize the agenda of the progressive movement and the women's movement in their efforts to create alternatives to the neo-liberal agenda.

In the final analysis, therefore, what is required to support the politics of resistance and to create alternatives to neo-liberalism, is a new state—one that does not wither away under pressure from global neocolonial and capitalist forces. What is called for is a transformative, liberating state that will align itself with and support those who are injured by neo-liberal globalization. Feminist politics in the Philippines and overseas plays an important role in the process of shaping this new state.

### **Conclusion**

Neo-liberal globalization is not a neutral process. It has brought more misery to the poor, especially women in the Third World. The Philippines is a microcosm in which we can examine the contentious process and consequences of neo-liberal globalization. Neo-liberal policies such as trade liberalization, deregulation, privatization, finance capitalism, labor flexibilization, and labor export as a response to the debt crisis have negatively affected the economic well-being of the majority of Filipinos, especially poor Filipino

women. These policies have destroyed the local economy resulting in higher unemployment, increased poverty, and people's inadequate access to basic resources and services. The consequences have been especially severe for women and children. The Philippine government plays an active role in implementing these neo-liberal policies within the nation-state, negating the hyperglobalist view that diminishes the state's role in the globalization process. These nation-state-based neo-liberal policies are linked to macro-structures/policies of neo-liberal globalization promoted by the IMF/World Bank, the WTO and transnational corporations, complicating its dynamics and resistance to it. The power of micro-structures of neo-liberal globalization lies in its subtleties to penetrate micro-structures within the nation-state, in some instances entangling with colonial legacies.

However, resistance to neo-liberal globalization in the Philippines has been sustained despite attempts to suppress it. Both on the home front and overseas, Filipino women participate in this process. The existence of activist formations, such as GABRIELA and Migrante International that resist the policies of neo-liberal globalization, attest to the contentious nature of neo-liberal globalization imposed on the peoples of developing societies. The nation-state is implicated in these conflicts, and activists are demanding that the state adopt a more transformative, liberating role in protecting the people's rights and patrimony of the nation from the onslaught of imperialist and capitalist globalization that reinforce gender, ethnic and class inequalities.

Thus, viewing neo-liberal globalization as a contentious rather than as a neutral process becomes an important premise in the analysis of globalization. Not only does it allow us to see who gets hurt and who benefits in the complex power dynamics of neo-

liberal globalization, but it also leads us to recognize the contending forces and makes us see with whom to align ourselves as scholar-activists and as feminists.

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<sup>1</sup> William Robinson argues that the transnational elite where concentration of capital and economic power resides is based in core countries and they have counterparts in peripheral countries (conceived as the technocratic elites) who oversee rapid processes of social and economic restructuring. He refers to the transnational elite as that class drawn around the world that are 'integrated into fully transnationalized circuits of production' and whose ideology and practices are oriented to global rather than local accumulation. The transnational elite's economic project is neo-liberalism (a model which seeks total mobility of capital), and a political counterpart to that economic project is the elimination of state intervention in the economy and the individual nation-states' regulation of capital's activities in their territories.

Leslie Sklair thinks of the transnational capitalist class within his global system theory that proposes that the three most important transnational forces are (a) the transnational corporations, (b) the transnational capitalist class, and (c) the culture-ideology of consumerism. He conceives of the transnational capitalist class as consisting of four fractions. The first and dominant group composed of those who own and control the major corporations (the corporate fraction). The other three are considered supporting members of the transnational capitalist class: globalizing bureaucrats and politicians (the state fraction), the globalizing professionals (the technical fraction), the merchants and media (the consumerist fraction) that promote the consumerist culture on which capitalism thrive. By pointing out the presence of the transnational elite and the transnational capitalist class Robinson and Sklair make visible some main actors who propel the reins of neo-liberal globalization.

<sup>2</sup> James Petras and Robin Eastman-Abaya, in their article 'US-Backed Repression Soars Under President Gloria Macapagal: Philippines the Killing Fields of Asia', in *CounterPunch Newsletter*, March 17, 2006,

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[www.counterpunch.org\\_petras03172006.html\(131KB\)](http://www.counterpunch.org_petras03172006.html(131KB)), says that in the 1960s the Philippines was considered the most economically progressive country in Southeast Asia by most economists, but because of economic liberalization it has become one of the poorest countries in Asia and one of the most unequal societies in the world, with 20% unemployment and 30% underemployment rates in a population of over 85 million.

<sup>3</sup> Based on my computation of workers displaced yearly in 2001-2004 as reported in a table of “Establishments Resorting to Permanent Closure/Retrenchment Due to Economic Reasons and Workers Displaced”, cited in Guzman (2004:15).

<sup>4</sup> It can be argued that capitalist globalization was initiated in the Philippines during the Spanish colonization and continued during the American colonial regime since it transformed the communal mode of production and displaced local industries, such as the textile industry, then largely controlled by women. Contemporary neo-liberal globalization follows the same pattern. See for example Eviota (1992) and Lindio-McGovern (1997).

<sup>5</sup> Medicines in the Philippines are 18 times more expensive than in India and Canada, so transnational pharmaceuticals benefit (Health Alliance for Democracy, 2001:5)

<sup>6</sup> In her talk as a featured speaker at the Midwest Sociological Society conference in Chicago in 2003 Saskia Sassen argued that macro-structures of globalization enmesh with micro-structures of the nation-state.

<sup>7</sup> The hyperglobalist notion of the state argues that market forces wither away the state in order to give it free rein. But the nation-state, if it follows the dominant ideology of neoliberalism, actually plays an active role in locally implementing neoliberal policies—thus creating a neoliberal state. Even in the colonial stage of neoliberalism, a colonial state is constructed in order for the colonizer to establish its colonial rule. See for example, *The American Colonial State in the Philippines: Global Perspective*, (2003), J. Go and A. L. Foster, (eds). In the social construction of this colonial state, an elite class was created whose existence and maintenance were ensured by collaborating with the colonial power in establishing its rule. This colonial elite would persist in the neocolonial stage. The main features of neo-liberal globalization build on and entrench these neocolonial structures in the nation state. But there are also forces within the nation state, as in the Philippine case, that challenge this neocolonial state, attempting to transform it, or even dismantle it and radically replace it with a revolutionary state that can complete the process of national liberation.

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