

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
First Regular Session

HOUSE RESOLUTION No. 439



Introduced by
BAYAN MUNA Representatives EUFEMIA C. CULLAMAT,
CARLOS ISAGANI T. ZARATE and FERDINAND R. GAITE,
ACT TEACHERS Party-List Representative FRANCE L. CASTRO,
GABRIELA Women's Party Representative ARLENE D. BROSAS
and KABATAAN Party-List Representative SARAH JANE I. ELAGO

RESOLUTION
URGING THE HOUSE OF REPRESENTATIVES
AND ITS LEADERSHIP TO STAND BEHIND THE FARM WORKERS,
MILL WORKERS AND SMALL PLANTERS OF THE SUGAR INDUSTRY IN
OPPOSING THE PLAN OF ECONOMIC MANAGERS OF THE
EXECUTIVE DEPARTMENT TO IMPLEMENT THE FULL
LIBERALIZATION OF THE INDUSTRY

WHEREAS, the statements of economic managers of the executive department (issued sometime in February 2019 and lately through the Economic Bulletin of the Department of Finance dated September 27, 2019) to implement the full liberalization of the sugar industry right after the liberalization of the rice industry reek, to say the least, of insensitivity. Issued at a time when our rice farmers are reeling from record plunges in the prices of their *palay* produce as a direct result of the passing of Republic Act 11203 (the Rice Liberalization Act), the economic managers even seem to enjoy sending chills down the spine of the stakeholders of the sugar industry by telling them, "you are next!";

WHEREAS, we have seen the effects of the very recent full liberalization of our rice industry. They are effects so vicious that these should have made any sane official of this land to pause and take a serious look at what he had done. But our economic managers would have none of it. In issuing such statements, they seem not to be bothered by the mess they had done in the liberalization of the rice industry and are now poised to hit their next target, as if implementing liberalization is just like firing at a shooting gallery;

WHEREAS, the liberalization of the sugar industry contemplated by the economic managers will not only deregulate the sugar industry. It will remove the Effective Protective Tariff for our sugar under the terms of the ASEAN Trade in Goods Agreement (ATIGA);

1 **WHEREAS**, Philippine sugar had long ago lost its market abroad due to the unfair rules
2 of global trade. Whatever remains of that market is no longer enough to sustain it. Because
3 of this, the industry fell into crisis in the 1980s. Though it managed to survive from that
4 crisis, it has not really recovered. Even as it had redirected the larger part of its production
5 toward the domestic market, it is in shambles right now because of the competition from
6 sugar imports, smuggled sugar and sugar substitutes. It is disintegrating into smaller plots
7 and losing hundreds of hectares to crop and land use conversion. The last thing it needs is
8 a death blow to the head. But the planned full liberalization of the industry under the terms
9 of ATIGA is exactly that because it will surely also make it lose the domestic market;

10 **WHEREAS**, liberalizing or not the sugar industry is not a painful choice, contrary to what
11 the economic managers would like to publicly present the issue. For at the bottom of
12 things, it is a simple matter of 'whose side are you on?'. If only the issue is correctly
13 presented in this manner, our economic managers will find that there are alternatives to
14 liberalization - alternatives that will not involve leaving the industry to the dogs and
15 condemning its small planters, farm and mill workers to economic extinction;

16 **WHEREAS**, among other things, the full liberalization of the industry is rationalized as
17 an anti-inflationary measure, a solution to a problem which the tax measures of the present
18 administration have created. But as a solution to inflation, it is doubtful in the light of the
19 experience of our rice industry where liberalization failed to restore rice prices to 2016-
20 2017 levels. What is certain is that this solution will create its own problems as it will
21 replicate on the sugar industry the effects of liberalization on our rice industry and its
22 farmers. It will condemn to economic bankruptcy the sugar industry's 80,000 planters and
23 the employment and livelihood loss of its 700,000 agricultural workers, 26,000 mill workers
24 and some 2 million downstream dependents. This is contrary to the administration's
25 avowals to having a heart that bleeds for the poor. This measure is not a poverty-reduction
26 measure. It is a poverty-multiplier;

27 **WHEREAS**, despite government plans to diversify the economies of our sugar-producing
28 regions and provinces in the wake of the collapse of the sugar industry in the 1980s, several
29 of these provinces have not really successfully transitioned to dependable alternative
30 industries. They have remained dependent on sugar and most of them are the poorest
31 provinces in the country;

32 **WHEREAS**, if a lesson should be learned from the liberalization experience of the rice
33 industry in the past several months, it is that liberalization solves nothing since it does not
34 root out the causes of inflation. If the administration and its economic managers truly want
35 to curb inflation, they should start looking at their own tax measures which are inflationary;

36 **WHEREAS**, the economic managers cannot rest in the assurance that the sugar industry
37 is ready for full liberalization because the government had already put in place the Sugar
38 Industry Development Act (Republic Act 10659). That assurance is false because SIDA is
39 a failure. Its programs are exclusive for big planters. It has nothing to offer to small planters,
40 agricultural and mill workers. But even big planters are complaining about their difficulties
41 in accessing its funds;

1 **WHEREAS**, most of the small planters in the industry are agrarian reform beneficiaries
2 who soldiered on in planting sugar without government support. Thrusting them to slug
3 it out with imported sugar in the domestic market without protection under a regime of
4 full liberalization will only add cruelty to government neglect;

5 **WHEREAS**, the farm workers in the industry are the lowest paid in our economy, earning
6 only an average of P115-125/day for men and P110-115/day for women and children.
7 They suffer these starvation wages because most sugar-producing provinces are
8 monoculture economies and have very narrow employment opportunities. They are the
9 people who stand to lose the most if the industry is fully liberalized. If the economic
10 managers proceed with the full liberalization of the industry, sugar farm workers will have
11 their *tiempos muertos* not only for three months but for a lifetime;

12 **WHEREFORE, LET IT BE RESOLVED THAT** this resolution be passed, urging
13 the House of Representatives and its leadership to stand behind the farm workers, mill
14 workers, and small planters of the sugar industry in opposing the plan of the economic
15 managers of the executive department to implement the full liberalization of the industry.

16

17 *Approved,*

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

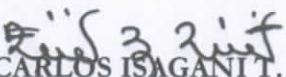
39

40

41

42

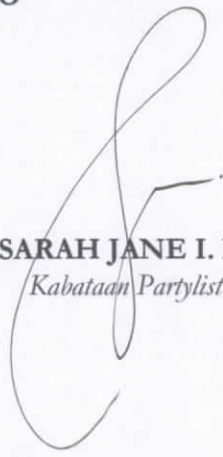

REP. EUFEMIA C. CULLAMAT
Bayan Muna Partylist


REP. CARLOS ISAGANI T. ZARATE
Bayan Muna Partylist


REP. FERDINAND R. GAITE
Bayan Muna Partylist

REP. FRANCE L. CASTRO
ACT Teachers Partylist


REP. ARLENE D. BROSAS
GABRIELA Women's Party


REP. SARAH JANE I. ELAGO
Kabataan Partylist