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Sustainability After the Bases

Isagani R. Serrano
Vice-President
Philippine Rural Reconstruction Movement

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This presentation, requested by Takashi Iwami, organizer of this TOES-Japan symposium, is about the perspective and experience of PRRM in promoting sustainable development after removal of the US bases in 1991. The symposium agenda is for even more specific—how to get rid of the economy that is supported by military bases.

Let me warn you right off that it's one hell of a job to get rid of a negative legacy. One because our economy—as a whole—has long been dependent on foreign aid, to begin with. Two, the US bases, in Subic and Clark, are not the cause but rather a symptomatic and reinforcing element of such dependency. Three, the local economy in Bataan province and around the former base area is highly vulnerable to external and global factors.



Where the bases left off

The US military bases were removed from Philippine soil in 1991. A majority vote in a divided Philippine Senate denied any further extension of the treaty. The anti-bases citizens' movement was a key factor for influencing the decision. The actual hasty pullout from the Subic naval base and the Clark airbase was triggered by the record Mt. Pinatubo volcanic eruption which brought extensive damage to both base facilities.

The struggle to reclaim sovereignty is one story, what to do after—meaning, the huge challenge of reconstruction toward sustainability—is quite another. A review of the starting baseline should help us appreciate the difficult task ahead.

A hospitality service economy

The local economy revolved mainly around hospitality service. This meant housing the facility and its personnel, as well as feeding, transporting, and entertaining the US naval servicemen.

Vast land and territorial waters were enclosed off the local economy. Seven percent of Bataan's land area, the entire Subic Bay and its coastline were a virtual US territory [PRRM 1991]. The 1988 report on the impact of the naval base on the province prepared by Bataan's Governor Ding Roman for the US State Department quoted a "conservative estimate of \$500 million lost opportunity costs since World War II" [Broad & Cavanagh 1993].

The US naval base was self-sufficient in food, clothing, equipment—all supplied from the US. They in fact traded their surplus PX goods locally, thereby undermining local products and markets. What local purchases they contributed to the local economy seemed marginal, say in grains, fish, meat, clothing. But they helped boost the economy of entertainment and related services.

This kind of economy had many downsides. The base economy was an enclave economy with little, or nothing at all, to do with local production and trade of agricultural and industrial products. And its basic character and orientation, common in and around areas where US foreign bases are located, created so many social and cultural problems, like increased poverty, crime, gambling, smuggling, illegal drugs trade, prostitution, spread of sexually transmitted diseases, including HIV/AIDS. One account spoke of more than 3,000 abandoned streetchildren in Olongapo City, some of them were Amerasian or referred to as "souvenir babies" left behind by US servicemen [Broad & Cavanagh 1993].



Jobs lost, jobs gained

The US base complex used to be the second largest employer after government. In the peak of their operations in the 1960s and 1970s, the base employed some 53,000 engineers, mechanics, drivers, and white-collar workers [Simbulan 1985]. Jobs connected to entertainment-related services are excluded from this figure. More or less a half of these were employed in the Subic base facility. Many of the skilled workers came from Bataan and nearby areas.

This massive human resource became jobless at one go. Where they have gone after 1991 nobody knows for sure. Perhaps, to the Middle East or other labor-importing countries, joining the ranks of the “new heroes” who are helping the ailing local economy through their dollar remittances.

The former Chairman of SBMA claimed he convinced thousands of displaced base workers to hang on as volunteers to maintain the abandoned facility while waiting for big investors to come in.

Data obtained from the new SBMA regime of former Bataan Congressman “Tong” Payumo would indicate a steady rise in employment. From 6,758 in 1993, employment has grown to 26,809 by end 1999, exceeding the peak in the time of the US bases. Accumulated investments from 1992 to 1999 has totalled \$2.3 billion. This is broken down as follows: 46% in service facilities; 9% in transshipment facilities; and 15% each in manufacturing, tourism, and utilities. The export value of goods produced at Subic has gone up to \$1.012 billion in 1999 from a low of \$24 million in 1994. Tourism industry is booming, with the number of local tourists visiting the Subic Bay Freeport increasing from zero in 1992 to 1.2 million 1998 and that of foreign tourists from zero in 1992 to 96,000 in 1997. Tax revenues from corporate income remains low though increasing, from 35 million pesos in 1994 to 161 million pesos in 1998 [data sourced from SBMA, 17 July 2000].

US aid-dependent local governance

The Philippines had always been one of the largest recipients of US aid. In 1991, the year of base removal, the country came fourth after Israel, Egypt, and Turkey. Huge amount of aid went to promotion of good relations with communities around the bases. This also meant big gifts and perks for local officials. Through the Economic Support Fund (ESF) assistance, millions of dollars flowed into the provinces of Bataan and Zambales and the City of Olongapo to build schools, roads, and bridges.



And knowing what usually happens in civil works, these also served as milking cows for corrupt politicians.

US influence in local governance was taken for granted. Some local officials even took pride in being close to US Navy authorities. Others would even go to the extent of allowing US interference through intelligence operations, if not actual introduction of US troops, to quell local insurgency which then was very strong around the base perimeters.

A modern infrastructure

The US Navy left behind a modern transportation and communications facility. It has an advance infrastructure for both international shipping and world-class airport. In all, the Philippines inherited a perfect site for a freeport, thus linking this enclave to the global trading system.

But site development had to confront two major drawbacks. For one, the 1991 Mount Pinatubo volcanic eruption physically isolated the former naval base from Manila for a few years. Huge infrastructure spending was required to break the isolation and to transform the area into their envisioned freeport.

Even worse, the base lands, probably the Subic waters too, had been poisoned. Independent studies have confirmed alarming levels of toxic wastes, including nuclear wastes. Till now the US government continues to disown its responsibility for cleaning up the mess it created then passed on to its host. Detoxification entails a heavy bill.

An intact rainforest

Not everything was bad though. One positive unintended outcome of base presence was the preservation of a fairly large area of unique low-level rainforests within the Bataan Natural Park. It continues to be home to a variety of flora and fauna species.

This part of the former base used to serve as jungle training area of US Marines before deployment to the Indochina war and elsewhere. Trainings were conducted with the assistance of indigenous people, or *aetas*, who have been inhabitants of the mountains of Bataan and Zambales for centuries.



Strivings toward sustainability

Surely there's life after the bases. What kind of life, that's not very easy to describe and depends on the perspective, biases, and values of who's drawing the picture.

There's an abundance of green-speak and social-speak in the Philippines. In theory, major actors in Philippine development have committed to sustainable development expressed in Philippine Agenda 21 [PA21] and Social Reform Agenda [SRA]. But different strivings tell different stories, sometimes complementary, often contradictory.

The SBMA

One key player is the Subic Bay Metropolitan Authority (SBMA), the government agency tasked to govern and oversee the development of the former US Naval Base.

The SBMA is not simply an extension of the national government, it symbolizes national policy. And that is, a liberal policy of achieving poverty eradication and sustainable development (read sustainable growth) in a rapidly globalizing world.

The vision of SBMA is transformation of the Subic Bay Freeport into "a globally competitive, self-sustaining and environmentally-friendly center for industry, commerce, finance and tourism in the Asia Pacific Region".

To realize this dream, the SBMA sets itself on the following mission: [1] help make our investors globally competitive; [2] provide world-class infrastructure and support services; [3] provide access to effective and efficient resources; [4] expand the Freeport's economic boundaries to benefit the neighboring communities and provinces; [5] maintain a balance between development and the environment; and [6] continuously pursue the improvement of the quality of life.

To pursue its vision and mission, the SBMA has set four strategic priorities. First, port development which includes the JICA-assisted master plan built around the Subic Bay Seaport and the Subic Bay International Airport (which is currently operated by FedEx). Second, expanded horizon which means broadening linkages to nearby areas through roadbuilding, establishment of the Bataan Technology Park, and the ADB-funded Subic Bay Municipal Development Project (SBAMDP). Third, the establishment of nature theme parks as destination for local and foreign tourists. Fourth, transforming the



Freeport into an information technology center in the fashion of the Silicon Valley.

Local social movement

The social movement—NGOs, people's organizations and other progressive civic and political organizations—played a big role in the expulsion of the US bases. From the start, this movement viewed the US bases as a major affront to our sovereignty and obstacle to national development and democracy and had been mobilizing citizens in their thousands to demand immediate termination of the bases treaty. Its common view about what to do after differs widely from how government sees it.

PRRM is a newcomer in Bataan. NGO and development work are a fairly recent phenomenon in this province, usually attributed to the entry of PRRM in 1986.

But the local social movement already had come a long way. When people speak of changing society they refer to the efforts of mass movements, represented by radical organizations like BAYAN and its local sectoral affiliates like LAMBAT (a provincial federation of fishers associations) and ALMA-BA (provincial federation of farmers). These mass movements belong to the radical tradition of national democrats who have strong Maoist influence. People in Bataan casually speak of the communists (the CPP) their quasi government united front (the NDF) and their guerilla army (the NPA) as though they were next-door neighbors.

Leftwing influence runs deep in Bataan. It had its peak during martial law. People talk positively about NPA activities against the Bataan Nuclear Power Plant (BNPP) and the US bases. The radicals were a key factor in a huge cross-class social mobilization in 1985 when thousands of people took to the streets, defying armoured tanks and military might. Many homes welcomed activists and communist guerillas. People proudly look back to that time as a historic demonstration of courage and commitment, civic initiative and activism, solidarity, sharing and caring, and popular sympathy even for armed revolution. Many believe that Bataan previewed the world-famous EDSA Revolution that ended the Marcos dictatorship in 1986.

The same local social movement would be there in 1991, together with many others , to help seal the end of the bases treaty. But it would later split up over what to do next.



PRRM in Bataan

Since the 1980s the Philippine Rural Reconstruction Movement (PRRM) has been promoting equitable and sustainable development in Bataan. It looks at the peninsular province as one whole ecosystem composed of several micro-ecosystems, such as uplands, lowlands, and coastals. Programs are designed as appropriate to each microsystem. For example, agro-forestry and soil and forest protection in the uplands; sustainable agriculture in the lowlands; coastal resources management in the coastals.

Underlying all these programs is the organization of the poor and the local communities who first and foremost have to decide if they need any help at all. It's their sovereign right to tell PRRM to go away, if they so desire. These community and people's organizations will decide the success or failure of any program. As we say in PRRM, "the outsider can help, but the insider must do the job". But of course PRRM workers are a stubborn and persuasive bunch of activists. Besides, they insist that PRRM has as much right as any community or people's organization to fight for social and environmental justice and participatory development anywhere in the country.

Like many other activist NGOs and people's organizations, the PRRM sees the 'enclave approach' as represented by SBMA to be wrongly headed. In such approach, the driving forces are the big multinational corporations which are alienated from the local economy and whose drive for maximum profits usually create a pile of social and environmental costs. The costs are paid for not by these corporations but by ordinary citizen taxpayers in the form of non-payment of tariffs, tax breaks on corporate incomes, and other hidden subsidies. The approach is elitist as decisions are centralized in an authority and the voice of ordinary citizens is marginalized.

Right now, there exist two "enclaves" in Bataan—the SBMA in the north and the Export Processing Zone Authority (EPZA) in the south. What happens inside these two "enclaves" and what people do outside are quite different. It's as though two different worlds exist in Bataan. In our view these areas are zones of unsustainable development. In a world where trade is neither free nor fair, the SBMA and EPZA are likely to benefit big transnational companies far more than they would ordinary Filipinos.

But what's the alternative? PRRM's vision of a self-governing and self-sufficient Bataan is not only hard to achieve but also hard to sell. But PRRM's programs are meant to show a different path to sustainability.



Though the results of these programs are not reflected in the GNP accounts, they nonetheless help improve people's lives and in ways that strengthen the local social economy based on broad citizen participation. This sort of "chipping-off-the-base" of enclave economies, if complemented by positive changes in the policy environment and increase in public education for sustainability, can produce fundamental shifts in development thinking and action. After all, who would believe the US bases could be removed just like that? The same story could happen to our difficult strivings for sustainability.

Never mind what future lies ahead after the US bases are gone. Our lives are better off without them.

P R R M - C B I S
Philippine Rural Reconstruction Movement
Conrado Benitez Institute for Sustainability



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About the author

Isagani R. Serrano is Senior Vice President and Board Member of the Philippine Rural Reconstruction Movement (PRRM). He's written for CIVICUS the following: *Civil Society in the Asia-Pacific*, 1994; *Humanity In Trouble But Hopeful* in CITIZENS, 1995; *Profile: Philippines* for CIVIC INDEX, 1997; *Coming Apart, Coming Together* in Civil Society at the Turn of the Millennium, 1999; *A Global Citizens' Commitment*, 1999. A community organizer, educator, writer, guitarist, 'farmer', and political prisoner for seven years during martial law in the Philippines. Trained in education and literature, community organization and development management. Holds a Master of Science in Environment & Development Education (MSc in EE/DE) from the South Bank University-London.

