



FREEDOM FROM DEBT COALITION

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Consolidating Consensus, Advancing People's Struggles and Building Alternatives

RCEP — Myopic Solution to the Deeper Malaise of PH Agri Sector

By: Nazareth Del Pilar

President Ferdinand “Bongbong” Marcos Jr. in his recent pronouncements seeks to fast-track the ratification of the Regional Comprehensive Economic Partnership (RCEP). After his trip to the World Economic Forum at Davos, Switzerland, the calls for RCEP have never been more aggressive given its perceived prospects constantly mentioned by the ‘investors’ he met.

As a background, this is the largest Free Trade Agreement sealed by the ten ASEAN states and other nations including Australia, China, Japan, South Korea, and New Zealand in 2020. The RCEP technically aims to liberalize agricultural products and services while promoting a competitive atmosphere for all the party-states. This FTA also targets to expand cooperation and economic growth within the region. While being a signatory, the Philippines is yet to ratify the said agreement.

President Marcos and his pool of economic advisers reaffirm the importance of RCEP in safeguarding the agricultural sector and the country in general from food security issues. Ironically, his sister Sen. Imee Marcos, who chairs the Committee on Foreign Relations, raised her concerns about the said agreement as it would affect millions of farmers upon its ratification and called for another hearing to convene the Technical Working Group to address the underlying issues from the stakeholders.

Several groups of agricultural stakeholders and trade justice advocates strongly condemn this proposition as it would be a sequel of the World Trade Organization fiasco in the Philippines. Since the country’s commitments with the WTO in 1995, it failed to transform the agricultural sector as it promised to be – globally competitive and productive. It even exposed the country to vulnerabilities as the consecutive administrations neglected it; evident in the unequal playing field experienced for the local farmers and producers, agricultural outputs thumped by the imported ones, and subjected the farmers to ballooning debt that cannot be paid. Further, the National Government’s paradigm in trade relations has always been shorthanded and selective, and almost apparently favors the importers.



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The clear manifestation why the Philippines should not accede to RCEP is because of the uncertainties it poses whether its perceived advantages can supersede or override its foreseen disadvantages. In assessing the current material conditions, worst practices and circumstances can be observed. First, the **issue of smuggling** has been sitting for decades already. There is no oversight or even an effective and efficient monitoring system that can root out these schemes. Would better border control be ensured under RCEP? The answer is already quite obvious. Second, there is **no adequate subsidy and research and development programs** to make PH's farm outputs globally competitive. Another problem to be considered when entering into trade agreements is the **capacity of the country to provide safety nets** for the affected sectors when an upswing of imports happens. Most notably, the research of the United Nations Commission on Trade and Development (UNCTAD) reveals that the sole country to reap the greatest benefits from RCEP is China, being the largest food basket in the region.

On the other hand, the Department of Trade and Industry (DTI) contends that the basic agricultural products such as rice and corn would be excluded from the tariff measures so as not to affect the local farmers and producers. However, roughly around 90% of the agri outputs are to be subjected to zero tariffs. This will surely put Philippine agriculture down the drain as import surge. Even without the RCEP, laws like the Rice Tariffication Law already killed the rice industry with the majority of the Filipino farmers suffering from its aftermath.

The foregoing only goes to show that **RCEP is only a short-handed and myopic solution to the deeper malaise of the country's agricultural sector**. As Dr. Rene Ofreneo of the Freedom from Debt Coalition puts it, this measure would only invoke "shallow integration" to intra-regional trade. The revival of the RCEP discourse redounds to the highest call of targeting the root cause of the problem, which is the insufficient fundamental support for the farmers and the regressive programs and policies that killed the agriculture and industry.

The Freedom from Debt Coalition, together with its allies within the agricultural sector and trade justice, strongly calls to stop the ratification of RCEP as it would only worsen the present miserable conditions of Philippine agriculture. In this light, the following measures are proposed:



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- Push for an alternative development paradigm – the People's Economy. Among its tenets integrates rebuilding and restructuring the economy to put agriculture as the foundation of its economy.
- Pass a comprehensive Land Use Act that has been neglected in the Congress for decades already.
- Stop the land conversions and all the corrupt-driven practices impeding Filipino farmers to perform their productive endeavors
- Uphold the highest priority to domestic products and re-assess the tariff and non-tariff measures that can affect millions of agricultural stakeholders