

PHILIPPINES

Introduction

With a population of 50 million distributed over an archipelago of about 7,100 islands, the Philippines possesses a steadily industrializing economy with an extensive resource base. Its future is nonetheless troubled by basic problems such as a heavy dependence on imported oil, high trade deficits, a growing debt service ratio, and inflation.

Domestic Political Situation

From 1972 until January 1981, political stability was maintained through the martial law government of President Marcos. In response to growing demands for the restoration of democracy, President Marcos lifted martial law on January 17, 1981. He still retains wide powers, although he has expressed the firm intention of moving the Philippines toward full democracy and has promised parliamentary elections in 1984. On April 7 Philippine voters approved (by an official majority of about 79%) amendments to the Constitution which increased President Marcos's constitutional powers. Presidential elections were held on June 16, 1981. The main opposition party, the United Democratic Opposition (UNIDO) boycotted the election, and although there were twelve candidates running for the office of President, Marcos was the only serious contender. He won the election with 88.02% of the vote.

Resistance to the Marcos régime, however, has continued to grow, both inside the Philippines where opposition is centred on the Muslim Secessionist Movement in the South and the communist New People's Army scattered throughout the country and abroad among Filipino expatriates, chiefly in the USA.

Domestic Economic Situation

A significant part of President Marco's justification for the imposition and prolongation of martial law was the state of the Philippine economy. The stability which Marcos initially achieved contributed greatly to the impressive degree of economic growth which the country achieved in the 1970s. Led primarily by the manufacturing sector but also by metals and minerals, GDP growth fluctuated between 5% and 7% until the end of the decade. The economy managed to weather initial oil price increases in the mid-seventies because of its increased revenues from mining production (copper, gold) and agriculture (coconut products and sugar).