



By Peter Wallace  
**MANILA STANDARD**  
August 14, 2009

## We don't want you

Wouldn't you think that with somewhere around 45 million people without a half-way decent life and some 6.4 million of them without a half-way decent job, or for another 4.1 million of them without a job at all, plus 8 or 9 million who've fled because they couldn't get a job here that the leaders of this country might, just might care. And want to fix the situation by encouraging businessmen to invest and build businesses that would properly employ desperate people.

But no, that's not what they are doing. I don't think I've seen a more threatening, less enticing business environment since the crony days of Marcos. In my talks with foreign businessmen the mood is somber, concerned, disappointed.

The principal problem I see is what I'd call "surface thinking", seeing something that looks good without thinking through the inevitable repercussions, ramifications of a simplistic decision.

Nonoy Oplas of the Minimal Government Thinkers Inc., had a good point as to ramifications. The Filipino drug companies used to do quite well against the multinationals because they could undercut their prices. Now the multinationals have been forced to sell at costs that could put the local companies out of business.

Do you think a board of directors in New York, London or Paris is going to approve further investment in a country that whimsically (the correct word) forces (also the correct word) companies to halve their prices because it's a popular decision. The chief executive officer of Pfizer Jeffrey B. Kindler already made that publicly clear, they won't.

Everyone is delighted that drugs are now cheaper but, and here's the key, there were better, much more acceptable ways to do it that wouldn't have alienated the very people you want to come in and provide jobs for those 18 or 19 million who'd like one. And a well paying job in decent surroundings I might add. It's well known multinational companies pay well and look after their staff. The correct solution is to just open up the market more to generics that sell at a fraction of the cost, remove the taxes on essential drugs (if the government wants lower prices why should it be the one ADDING TO THEM) and provide free health services by the government to those who can't afford it.

That way the free market policy the Arroyo administration says is a fundamental of its policies does in fact remain so.

But it's not just the pharma companies, try the beleaguered oil companies too. Attacked almost daily by mindless people who don't bother to ever check any facts. As I've pointed out earlier gas and diesel

prices are cheaper in the Philippines than anywhere else in Asia where government doesn't subsidise, and they make less profits than do other industry sectors so what the hell are they on about?

Now we've got a strike at the ports because the President introduces a "task force" instead of just strengthening the organization responsible, the Bureau of Customs (BOC). You don't run a government like that. The dislocation to needed imports to keep business going is disastrous.

And how about a special tax on texting without allowing the companies to pass the tax on to the people who should pay any tax that is imposed on a company - the consumer. We have, perhaps, the finest cellphone system in the world because we've given the companies free reign and the money to invest in a nationwide, sophisticated system. Now government is about to hobble them. I've never heard of a government forcing (there's that word again) companies to eat the taxes they pay, yet this government does. Look what the Supreme Court did to Meralco, declared taxes weren't a business expense. Excuse me, Business 101 might be a good course for government officials and lawyers in courts to take. Of course taxes are a business expense that must be passed on to the consumer.

Security of tenure is another major turn-off (I know I've talked about all these things before, so forgive the repetition, but the message needs to get across somehow). Security of tenure has done far more harm for the worker than any good intended. It is anti-worker and if someone will pay for it I'll do the factual research to prove it. The 5 ½ month job is a well-known facet of business here. What a way to treat a person. Now Congress wants to make it even more draconian. I hire professionals for a specific time for a specific project, and if they are good hire them again when I get another project. They're happy with that and it fits my business. If I have to treat them as permanent employees that this new law would require despite I have nothing for them to do I obviously can't.

The law trying to substitute for good business sense is a proven disaster. The Philippines is the only country I know of where this misplaced concept is in force. It's a country attracting the lowest level of investment. The two are interrelated.

Not only should the new law be scrapped but the old one should be rescinded too. It is anti-worker.

Like everybody else businessmen talk, they talk of their experience and their success, or failure to achieve it. When a government puts controls on an industry the message goes out: It could happen to you. MNC's have choices, they don't have to invest in the Philippines. They go where there's a fair deal, and no artificial controls they can't predict or reasonably adapt to.

A fair deal is now in question in the Philippines, is that what its leaders want?

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I'm going to turn over the rest of my column to IBM because in talking to them I have every reason to believe they deserve a wider voice. And what is happening to them supports the contention of this column: We don't want you.

I'll do the same with GSIS if they can equally convince me of their position.

"IBM Philippines completely rejects the assertions made by the Government Service Insurance System (GSIS) against IBM and its affiliates (collectively, IBM) in paid newspaper and television advertisements. Contrary to the GSIS' allegations, IBM actively participated in resolving the issues faced by the GSIS' Integrated Loans, Membership, Acquired Assets and Accounts Management System (ILMAAAMS), despite having no contract with the GSIS and having no involvement in the supply, design or installation of the system.

IBM provided assistance as soon as it was notified of problems with the ILMAAAMS in April 2009. The GSIS has chosen to handle its data in a highly unusual way rather than following common industry practices, and these unusual database management practices were a key factor in the performance issues which the GSIS reported. IBM provided technical solutions on May 15 and May 21 that were specifically designed to help address the unusual GSIS environment. Out of goodwill, IBM Philippines also provided a database specialist to work with Questronix, the systems integrator for the ILMAAAMS.

According to Questronix, the ILMAAAMS has been operating successfully since May 26. Disturbingly, the GSIS began its campaign of public attacks on IBM days after the DB2 software solution was successfully deployed.

The overall stability of the ILMAAAMS will continue to be in question until the GSIS takes steps to address the many other issues impacting the system, a fact communicated to the GSIS by Questronix in correspondence dated May 15 and May 28. According to Questronix, the stability of ILMAAAMS remains at risk until the GSIS takes steps which include: Instituting appropriate back-up and recovery procedures; conducting appropriate performance testing and tuning in accordance with industry practice, and having certified personnel to manage complex systems on a regular basis.

In addition, IBM Philippines believes that it will be essential for the GSIS to have appropriate support and maintenance arrangements to ensure availability of the ILMAAAMS.

IBM Philippines has attempted on two separate occasions to meet with senior executives from the GSIS to discuss the issues they have raised. On the first occasion, IBM Philippines, SAP, Questronix, and a senior Government mediator appeared but the GSIS chose not to attend. The offer of a second meeting was recently declined by the GSIS.

This year, IBM Philippines celebrates its 72<sup>nd</sup> anniversary of serving our clients in the Philippines. During IBM Philippines' long history as a member of this business community, it has always attempted to resolve issues with clients in a constructive and respectful manner.

The GSIS has made that impossible here. Rather than seek to solve the problem, it has chosen to engage in a series of sustained public attacks and law suits that are based on misrepresentations and omissions of key facts. IBM Philippines has issued this statement to correct that record."

Now, would you invest in the Philippines?