

The NDFP Perspective on the Comprehensive Agreement on Social and Economic Reforms (CASER)

By Randall B. Echanis

(This is a revised version of the paper read on behalf of Randall B. Echanis, member of the NDFP Reciprocal Working Committee-Social and Economic Reforms (RWC-SER), at the Peace Forum initiated by the Philippine Ecumenical Peace Platform (PEPP) in Dumaguete City, July 23, 2009.)

Introduction

I congratulate the Philippine Ecumenical Peace Platform for initiating this dialogue on the peace process. On behalf of the NDFP Negotiating Panel, I express my deep appreciation of your initiative since we share with you the fondest hopes for the resumption of the formal talks in the peace negotiations between the Government of the Republic of the Philippines (GRP) and the National Democratic Front of the Philippines (NDFP).

I am pleased to be your resource person to discuss the NDFP proposed Comprehensive Agreement on Social and Economic Reforms (CASER). It is unfortunate that I cannot be physically present and I will miss the opportunity to engage in a lively dialogue with you on this very interesting subject.

As an NDFP consultant and member of the NDFP Reciprocal Working Committee (RWC) for Social and Economic Reforms (SER), I am covered by the Joint Agreement on Safety and Immunity Guarantees (JASIG), but on January 28, 2008, the police of the GRP arrested me while I was performing my duties as deputy secretary-general of the Kilusang Magbubukid ng



Pilipinas (KMP) and facilitating a national consultation in Bago City, Negros Occidental on the Genuine Agrarian Reform Bill (GARB) attended by agricultural workers belonging to the National Federation of Sugar Workers (NFSW). The conference was part of our preparation to participate in the National Rural Congress II called by the Catholic Bishops Conference of the Philippines (CBCP) last year.

Right now I am still in prison on trumped up charges, unfairly accused of something I could not have possibly done or participated in as I was also then languishing in solitary confinement when the alleged acts took place. After my arrest last January 28, 2008, I was placed for more than a year in the Manila City Jail, one of the most crowded, dirtiest, poorly ventilated jails in the country. I am suffering from chronic hypertension and have been diagnosed to have gall stones. Last week I was transferred to Camp Crame because the GRP knows that the swine flu epidemic could prove fatal to me because of the state of my health.

Since the announcement two weeks ago of the possible resumption of formal talks in August and the GRP's promise to honor the JASIG, it is but logical that people covered by the JASIG like myself who are in prison on trumped up charges and are actually imprisoned for political reasons should be immediately released. Let us see if the GRP will keep to its own pronouncement that it will respect the JASIG and speedily act to release the political prisoners it had promised to release.

Importance of the CASER

The second item in the substantive agenda of the peace negotiations is social and economic reforms. It came second in the agenda only because there was the need to first "humanize" the armed conflict by binding the GRP to observe human rights and



international humanitarian law in the conduct of the armed conflict.

But the second item in the agenda is the main component or, as we often say, the meat of the peace negotiations. It is meant to address the root causes of the armed conflict so that both parties can come to a mutually agreed framework for institutionalizing social and economic reforms. By addressing the root causes, we lay the ground for resolving the armed conflict, ending the poverty of our people, and eventually achieving a just and lasting peace in our country.

There are two important points that must be considered when we speak of social and economic reforms. The first of these involves the question: for whom shall the reforms serve?

The reforms must address the social and economic problems of the great majority of our people. These are our farmers, workers, indigenous peoples, urban poor, and fisherfolk. For centuries, they have been at the receiving end of the misery that comes with poverty and backwardness as well as with the violence that poverty and backwardness inflict. Only by decisively addressing their problems can we pave the way for achieving a just and lasting peace.

Once we have considered this point, it leads us to the second consideration: what is the nature of the reforms to be worked out?

The reforms must not be merely superficial or cosmetic. They must be truly meaningful in addressing the root causes of poverty, backwardness and class division that plague our country. These must encompass the task of totally changing those policies, programs, and institutions of the GRP that have spawned and perpetuated poverty, backwardness and violence.

Such a task is formidable but the NDFP holds that there should not be any shrinking from it if we are to have any hope of

reaching a political settlement to resolve the roots of the armed conflict.



Background of the NDFP CASER draft

The NDFP's first version of the CASER draft was finished on February 26, 1998, one month before the signing of the Comprehensive Agreement on Respect for Human Rights and International Humanitarian Law (CARHRIHL) in The Hague, The Netherlands. At the signing of the CARHRIHL on March 16, 1998, the panels of the GRP and NDFP exchanged preliminary drafts. Then, from July 25 to 29, 1998, national consultations on the draft were held to ensure that all the issues have been covered and the concerns of the different sectors of our society have been addressed. Inputs from the different sectors as well as from the GRP were received during these consultations and the negotiations that followed between the two panels, further enriching the draft until it took its present form in 2004.

NDFP perspective on the roots of the armed conflict

In the CASER draft of the NDFP, the huge task of addressing the root causes of the armed conflict begins by identifying the social forces, institutions, and their processes that have hampered our country's progress and development and kept it backward in economic and social terms. We call these social forces, institutions, and their processes as the main problems of our society.

Foremost of these problems is the persistent domination of our country by the forces of imperialism led by the United States, with their multilateral agencies and army of foreign monopoly transnational corporations. Through impositions that in our history run the gamut from colonization, loans loaded with onerous conditionalities, "structural adjustment programs" to one-sided multilateral and bilateral trade agreements, imperialism has molded our economy into one that is export-oriented and import-





dependent. Foreign transnational corporations and their partners among the tiny local elite are favored in the allocation and exploitation of our natural resources while denying our toiling masses their rightful share of the national product and even of the fruits of their labor. Our country is rich in natural resources but our people, our toiling masses, are poor because our economy is perennially plundered by the forces of imperialism.

Foreign monopoly firms and banks draw from our shores huge amounts of repatriated profits, dividends, and royalties. Together with our mounting import bill and debt services, these huge amounts of capital outflow constitute massive capital flight causing our country to suffer chronic balance of payments crises, budget crises and debt crises. Through this systematic plunder of our national wealth, our country is deprived of the social funds for infrastructure development, education, and social services.

This explains why our economy has remained pre-industrial and agrarian. With its backward agriculture and without basic industries, our economy has no sound fundamentals and is incapable of generating adequate and decent employment for our people.

The feudal and neocolonial system has engendered grossly iniquitous social and economic relations that weigh down the great majority of our people in exploitation and violent oppression. About 40-45% of our national wealth is controlled by a tiny bloc of local big businessmen and big landlords while the majority of our toiling masses suffer from low wages, inhumane working conditions, job insecurity, landlessness, illiteracy, homelessness, and hunger.

The obscene inequality in the distribution of our national wealth is most glaringly seen in the situation of our farmers. Our farmers and agricultural workers constitute the majority of our people, comprising 70% of our population. But they are poor because of widespread landlessness. Seven out of every ten farmers



do not own the land they till. This landlessness of our farmers and agricultural workers and the monopoly of land by a few big landlords constitute the main problem of our society.

This main problem of our society has not been solved by the GRP. To date, the GRP had passed 11 agrarian reform laws but all of them failed to resolve the land problem. These laws failed because instead of satisfying the demand of our farmers “for land to the landless,” they were tailored to fit the land requirements of foreign investments expansion in our agriculture within the overall scheme of the export-oriented, import-dependent economy.

And because the domestic landlord class serves as the conduit for the land requirements of foreign investments-led production in agriculture, all agrarian reform programs implemented in the country had become mere instruments to protect the land monopoly of a few big landlords.

The recently extinct Comprehensive Agrarian Reform Program (CARP) is no exception to this indictment. The GRP itself had many times so boastfully admitted that CARP was “market-oriented” which means that, as with past agrarian reforms, it was tailored to the market requirements of an economy driven by foreign investments and the protection of the land monopoly of a few big landlords.

Given its market and landlord bias, at no time in our history have we seen so massive land grabbing and so widespread displacement of our farmers and agricultural workers than under the 20 years of CARP implementation with its provisions for exemption, exclusion, retention, voluntary land transfer and voluntary offer to sell, allowance for land use conversion, and alternatives to land distribution such as the Stock Distribution Option (SDO) and “corporative scheme.”

In the same token, at no time in our history have we seen so many massacres of farmers and agricultural workers who have resisted land grabbing and cancellation of their CLOAs and have

fought to break up the various non-distributive schemes of CARP, than in the bloody 20 years of implementation of the program. Be it noted that 60% of the more than 800 victims of extra-judicial killings were farmers or activists and organizers of militant farmers' organizations.

The result of all this is that CARP only exacerbated the landlessness of our farmers and agricultural workers that in the so-called "super regions," the ratio of landlessness has increased to eight for every ten farmers.


These root causes of the armed conflict have persisted in our society and have even become more entrenched because the GRP has been subservient to foreign interests and the interest of the dominant elite classes of homegrown big compradors and landlords. Its policies, programs, and laws shamelessly favor foreign investors and the ruling classes of big compradors and landlords even at the cost of violating its own constitution. Its reforms are cosmetic and superficial, meant only to blunt the revolutionary tendencies of our exploited and oppressed toiling masses.

At present, the GRP is desperately trying to resurrect the extinct CARP by passing Joint Resolution No. 1. This Joint Resolution is sure to aggravate even more the land problem since it extends CARP without compulsory land acquisition and leaves land distribution to the mercy of landlords.

Main content of NDFP CASER draft

Having determined these forces as the causes of our economic backwardness and of the poverty of our people, the NDFP CASER draft proceeds to identify two social virtues as its core principles in addressing the roots of the armed conflict.

One of these is the upholding of our economic sovereignty and independence. This virtue occupies a central place in the NDFP CASER because it is only by upholding our sovereignty and independence that we can hope to do what we need to do to address



the problems of our people and the demands of national development. Without it, we can not begin to mobilize, much less protect, our natural resources and patrimony in the service of national development and the welfare of our people.

The other virtue is social justice. This virtue shall guide us toward implementing a thoroughgoing redistribution of our social wealth in order to do away with the grossly iniquitous social and economic relations that bind our people to a life of exploitation, poverty, and extreme want. An important aspect of this virtue is the promotion and protection of the democratic rights of our people.

With these two virtues as core principles, the NDFP CASER next draws the two main programs which are crucial to addressing the roots of the armed conflict. These are genuine agrarian reform and national industrialization.

We must implement genuine agrarian reform in order to resolve the main problem of our society and to serve the end of social justice. Agrarian reform is the main content of the socioeconomic reforms embodied in CASER. Through genuine agrarian reform, we shall break the land monopoly of a few big landlords and implement free land distribution to our landless farmers and everyone who is willing to till the land.

Free land distribution is the cutting edge of the social justice principle of CASER since it immediately gives our farmers control of the land in terms of real ownership and directly liberates them from any burden or exaction. It complements the breaking up of land monopoly and the cutting off of all socioeconomic relations that serve as instruments for landlord and merchant exploitation and oppression of our farmers and agricultural workers. It will enable our farmers to concentrate their resources and income toward increasing their productivity, satisfying their basic needs, and raising their living standards.



For this reason, the NDFP welcomes the initiative of progressive party lists in the GRP Congress to pass the genuine agrarian reform bill pushed by militant farmers' organizations.

In genuine agrarian reform, the break up of land monopoly and free land distribution shall be complemented by the promotion of cooperativization among our farmers and agricultural workers to better release and harness their productive powers and in order to pool abundant human labor and scarce economic resources and capital in agriculture toward improving agricultural productivity.

A comprehensive program of thoroughgoing support services shall also be implemented to nurture our farmers to become sovereign self-sustaining producers that will respond to our basic needs and ensure our food security and the other requirements of national development. In this way genuine agrarian reform undergirds the development of agriculture as the foundation of our economy.

With the development of agriculture, we shall be able to implement national industrialization as the leading factor of our economy. A well developed agriculture will develop our domestic market and help nourish the rise of local manufacturing and heavy, medium, and light industries. In turn, our local industries will play its part in mechanizing and modernizing our agriculture. This reciprocal interplay will put our economy on sound fundamental footing, an economy that is capable of generating adequate and decent employment for our toiling people.

The NDFP CASER also outlines other proposals to complement its two main programs and realize the all-sided development of our country. These proposals run the gamut from economic planning through the protection of the rights of our working people, provision of livelihood and social services, monetary and fiscal policies to environmental protection and rehabilitation, and reform of economic and trade relations.



These proposals endeavor to put an end to the export-oriented and import-dependent character of our economy, achieve economic self-reliance and fiscal stability, and pursue an independent foreign trade policy with other nations on the basis of mutual respect and interest.

The current economic and financial crisis

The present crisis battering our economy should add another dimension to the urgency for the resumption of the formal talks in the GRP-NDFP peace negotiations. Within the overall comprehensive framework of resolving the armed conflict, the peace talks presents an opportunity to help in the search for immediate solutions around which our people can rally to cushion the worst imaginable impact of the global economic crisis on our already crisis-ridden economy.

As part of the global capitalist system, our country is feeling the life-and-death impact of the global economic crisis which is the deepest downturn of the world economy since the Great Depression. The neoliberal policies and programs that the GRP has been pursuing for more than two decades now have ensured the further erosion of what little manufacturing base we had to begin with. Our export industries – meaning the assembly-type electronics sector which constitutes 60% of our exports – have been particularly affected by the tremendous contraction of global trade.

With the disappearance of manufacture, jobs which pay at least the minimum wage or something approximating it are also fast disappearing. If they do not become unemployed outright, the working people are forced to become odd-jobbers or “self-employed” with practically no income or be part of “family-owned enterprises.” What the latter usually means is working on small family-owned plots, of course without payment in cash. The young are particularly hit by unemployment with the highest

rates among those aged 15 to 24. Unemployment even among college graduates is in the double-digits. The scourge that is child labor is ever growing.

It is expected that both poverty and inequality will increase tremendously as a result of the present crisis. Even in the recent periods when the gross national and domestic products were growing, poverty was also increasing! By the GRP's own statistics, poverty incidence between 2003 and 2006 increased by three percentage points. Income inequality has remained high and has also further deteriorated during this growth period.

What immediately threatens the regime is a fiscal and debt crisis on a scale that could rival or exceed in depth and intensity the 1983-1986 debt crisis which preceded the overthrow of Marcos. Even if the fiscal problem does not turn into a full-blown crisis, what is certain is that the future will bring bigger foreign and domestic debts and more taxes for the majority of our people.

One lesson the current economic and financial crisis teaches is the importance of building a healthy and diversified domestic economy. The NDFP CASER draft provides what I think is a good guide on how to go about this.

The PEPP's contributions to peace-building

The peace negotiations offer a distinct arena for laying the foundation for resolving the armed conflict and finding solutions to the fundamental defects of our economy. As such, it is also an arena for advancing the interests of our people.

Realizing the political value of the peace negotiations, the NDFP is ever willing to sit across the negotiation table in the hope of getting concessions from the GRP for the benefit of our people and for a possible political settlement of the armed conflict.

The NDFP is confident of the people's boundless energy and creative power to build the political environment necessary to

bring the GRP-NDFP peace negotiations to a successful conclusion. Your initiative to hold this dialogue is an instance of such powers.

I would like to lay down the challenge to the PEPP to reach out to as many of our people as you can in order to harness such powers. The NDFP assures you of its unconditional commitment to work hand in hand with you, with all peace advocates, and with our people.

We thank the PEPP and its Norwegian partner, the Norwegian Ecumenical Peace Platform (NEPP), and wish both great success in your work of holding education and regional workshop activities which are effective venues for church people to become active workers for a just and lasting peace in our country.

With the current global economic crisis exacerbating the suffering of the Filipino people, there is even greater need to immediately resume the formal talks so that agreements on social and economic reforms can be negotiated to alleviate this suffering and steer the country on a more sustainable course.

Regardless of the current stand of the Macapagal-Arroyo regime, the revolutionary movement is determined to persevere in leading the Filipino people's struggle for a just and lasting peace, for genuine independence, freedom and democracy. We enjoin all peace advocates to join this struggle, and help make peace based on justice a living, breathing reality.

Thank you very much and good day. ■

**Dialogue with Core Group of the Philippine
Ecumenical Peace Platform (PEPP)**

**Remarks by Julieta de Lima
Head, NDFP Reciprocal Working Committee-Social
and Economic Reforms
April 15, 2009**

Distinguished friends in the quest for peace, let me and my colleagues in the NDFP negotiating panel express our appreciation for your persistent efforts at bridge building towards the resumption of the formal meetings of the GRP-NDFP peace negotiations in the face of the extremely complicated situation of escalating acts of repression and terrorism by the armed forces of the Government of the Republic of the Philippines (GRP). The Arroyo regime sees no other logic but the logic of oppression and exploitation.

I appreciate your invitation to this dialogue. This is an occasion for listening to each other and learning from each other. Ka Randall Echanis has given you a rundown on the NDFP draft Comprehensive Agreement on Social and Economic Reforms (CASER) and the social and economic issues which are at the very root of the armed conflict.¹ CASER addresses these issues. Once forged, it facilitates the agreements on the two remaining items of the substantive agenda (political and constitutional reform; and end of hostilities and disposition of forces). The NDFP draft CASER is easily accessible for your reference.² So I have de-

¹ Echanis' paper on page 1 is a revised version of this speech.

² See page 36.

cided not to duplicate what Ka Randy has done. Let me give you instead a narrative of the work of the RWC-SER. I prefer that you raise questions about the content of the NDFP draft CASER and I shall gladly answer them as best as I can.

There are several joint written agreements that have been signed and put or to be put into effect relating specifically to the substantive agenda of social and economic reforms.

The first major breakthrough in the exploratory talks, The Hague Joint Declaration of September 1, 1992, includes the recommendation for the substantive agenda, with socioeconomic reforms as the second of the four of its substantive items.

The declaration laid the framework for the GRP-NDFP peace negotiations. It stated the mutually acceptable principles, including national sovereignty, democracy and social justice, as the guide to the peace negotiations. It also made clear that no precondition shall be made to negate the inherent character and purpose of peace negotiations.

The mutually acceptable principles need to be underscored because these are constantly negated by the policy of “neoliberal globalization” and its logic of monopoly corporate greed and rapacity that increasingly rules the world today and is sweeping away all the democratic gains – social, economic and political – or the whole body of civil and political rights won by the working people through hard struggle for centuries.

The GRP attempted to unmake The Hague Joint Declaration by forming the National Unification Commission. Thus, it took almost two years before the Breukelen meeting between the GRP Panel and NDFP representatives could be held. The GRP side tried to reverse The Hague Joint Declaration but eventually co-signed the Breukelen Joint Statement of June 14, 1994 in which the two sides agreed to hold further discussions, among others, on the ground rules of formal meetings, on safety and immunity guarantees and the work of the reciprocal working committees.

The next round of discussions in February 1995 yielded the JASIG, signed on February 24, 1995, and the agreement on the ground rules of formal meetings of the two panels, signed two days later on February 26.

The Joint Agreement on the Formation, Sequence and Operationalization of the RWCs, was signed at the formal opening of the peace negotiations in Brussels, Belgium on June 26, 1995, together with an agreement on additional implementing rules pertaining to the documents of identification.

After this the NDFP National Executive Committee appointed the members of the NDFP negotiating panel, selected the chairperson, members, consultants and resource experts of the RWC-SER and assigned people to do the research and come up with the specific points or articles of tentative drafts for each major heading of an NDFP version of a Joint Agreement on Socioeconomic Reforms.

A long lull occurred in the holding of formal talks due to military operations and arrests made by the GRP military forces that interfered with the consultations in the field conducted by the NDFP among its constituency to prepare for the peace negotiations. The issue was resolved in March 1997 and the first meeting of the formal peace negotiations yielded on March 18 a supplemental agreement to the Joint Agreement on the Formation, Sequence and Operationalization of the RWCs (in short RWC Agreement). The supplemental agreement stated: “the RWC on SER shall meet for the first time and endeavor to complete the tentative comprehensive agreement assigned to them within two weeks of continuous work within April 1997.” With this optimism the NDFP RWC-SER started to put together and reconcile the parts submitted by those tasked to write out separate parts or key points of the main headings of the SER agreement. This was at the height of the Southeast Asian financial crisis and the bursting of the construction bubble in the Philippines and what better

time to come up with formulations that would address the effects on the people of occurrences of this nature.

We had several working sessions and we were ready with our first draft in April 1997 and had three more working sessions in August of the same year. In January 1998, we submitted our preliminary draft of the NDFP for the comprehensive agreement on social and economic reforms to the NDFP National Council through the chairperson of the NDFP negotiating panel. Our memorandum of submission dated January 1998 stated:

“We submit to you the preliminary draft of CASER for your approval prior to the exchange of drafts between the GRP and the NDFP negotiating panels.

“This draft has undergone a series of revisions after two consultative meetings with the presence and participation of mass organizations in the Philippines and, in between these, one consultative meeting of the RWC in the Netherlands after we as a committee reconciled the proposed revisions and additions on various topics pertaining to social and economic reforms.

“We wish to recommend that this draft be disseminated and used for further nationwide consultation meetings with mass organizations and people’s institutions with a view of making the provisions truly reflective of the interests of the people and the country but with due consideration of the current level of the balance of forces between revolution and counterrevolution.

“We wish to recommend further that this draft be disseminated to all other interested parties and that we welcome comments, suggestions and criticisms from all quarters. These may take the form of a comprehensive critique or additions and rewrites of particular portions or points for our study and consideration and may be sent by email, fax or post to the addresses of the NDFP Negotiating Panel below. We believe that this step would help to popularize our [the NDFP] position [on the issues covered by CASER] and galvanize public opinion in favor of it.

“A Tagalog version of this draft shall follow shortly. We recommend that for purposes of the nationwide consultations, the draft be further translated into the other major Philippine languages.”

My purpose for quoting the memo is to give you an idea of how the NDFP has been working hard and how we propose to move on despite the absence of formal negotiations. You might see a similarity in our purpose with that of yours. Our aim is to understand the needs and demands of the people, engage their active participation in advancing these and their help in forging with the GRP a binding document of agreement that truly reflects their interests and demands. Only an informed and enlightened citizenry can uphold, defend and advance their rights and interests.

After another round of editing and revisions, we were ready for the exchange of drafts with the GRP at the signing of the CARHRIHL in The Hague on March 16, 1998. One of the two other agreements that had been worked out for signing on the same day and that had something to do with the agreement on social and economic reforms was the joint agreement in support of socioeconomic projects of private development organizations and institutes (the possibility of which in alleviating the people’s economic difficulties now as a result of the global economic crisis we can discuss briefly in our conversation).

Soon after Estrada became president, he signed the CARHRIHL. But a heated public debate occurred between the Estrada regime and the NDFP over the Visiting Forces Agreement between the US and the Philippine governments. This led the regime to terminate the JASIG and therefore the peace negotiations. As you all know, Estrada was unable to finish his 6-year term, ousted by the people’s uprising in 2001 after having been exposed for corruption, bankruptcy and arrogant reliance on a military solution to civil war or armed conflict.

Gloria's rise to the presidency seemed to augur well for the peace negotiations but only for a short while. The peace negotiations were resumed with a facilitator, the Royal Norwegian Government, and in a new venue, Oslo. Formal meetings or working sessions were held on April 27-30 which produced the April 30 Oslo Joint Communique. The sessions of the two RWCs SER started the task of formulating a common draft. In the sessions, we could not go beyond discussions of the preambular points to reconcile the opposing points of view even as we were supposed to be discussing mutually acceptable principles. Every word was contended, including articles and prepositions and even punctuation.

The next RWC-SER joint sessions in June 2001 was unfortunately cut short with the abrupt withdrawal of the GRP panel from the formal talks. In the 3-year lull that followed, NDFP RWC-SER continued to study the two drafts and had occasional exchanges on the work of the SER while informal consultations were being made for the resumption of the formal talks in the GRP-NDFP peace negotiations.

A breakthrough came a few months before the presidential elections of 2004. The GRP and the NDFP negotiating panels met in Oslo in January 2004 and issued the January 13 joint statement to resume formal talks and resolve outstanding issues, among them the terrorist listing of the NDFP chief political consultant and the CPP/NPA in 2002 upon the behest of the Arroyo regime, in its futile bid to force the NDFP on to the path of capitulation.

In line with the statement, formal talks were resumed in the February 4-10 sessions. The results are reflected by the February 14 Oslo Joint Statement. The RWCs on SER had bilateral meetings and reviewed the status of their work and affirmed common positions reached (which were not many) prior to the suspension

of bilateral meetings. A timetable was proposed for accelerated work (NDFP)/enhanced process (GRP).³

The next sessions of formal talks were held in Oslo on March 30 to April 2, 2004. Results of the sessions are reflected in the Second Oslo Joint Statement of April 3, 2004. To this day the GRP has not acted on any of the indicated actions it had promised on the key outstanding issues.

The NDFP RWC-SER held one unilateral working session in July 2004 to improve on the NDFP draft CASER. So far we have made improvements on the first four headings but need to proceed on to the rest of the main headings (5-11). We need to review the draft and make improvements and changes on it to be able to address the short-term and long-term effects of the current global economic crisis on the lives of our people. This has to be done as we wish to have a draft that the organized forces of the people can use as a resource for formulating and acting on their demands to improve their social and economic condition.

From the time of the presidential election to this day, Gloria and her clique have slid further and further down the path of greed, corruption, puppetry, oppressiveness and mendacity. She has eschewed the peace negotiations and stuck to the military and psy-war solution rife with unconscionable violations of human rights. The Arroyo regime lobbied the US and the European Union to put the CPP, NPA and the NDFP chief political consultant on the so-called terrorist list. In the Oslo Statements I and II the GRP promised to work for the delisting of said entities or to adopt with the NDFP other remedies. But the GRP refused to comply with the Oslo statements. When the NDFP postponed the slated August 2005 formal meeting to give time to the GRP to comply with its obligations, the GRP reacted by “suspending”



³ See page 22.

the JASIG, in effect terminating it and the peace negotiations. Never have the prospects for the resumption of the peace negotiations been as dark as at this time.

However, the global economic crisis and its extremely dire effects on the livelihood of our people have further stoked their desire to change the ruling system. There are opportunities and possibilities for substantial reforms within the ruling system provided the people are sufficiently aroused, organized and mobilized to push for these reform. There are also opportunities and possibilities offered by the elections in 2010, again provided the people, especially the working classes, are sufficiently aroused, organized and mobilized and some political parties arise to adopt platforms for substantive social, economic and political reforms worthy of the people's support. In this regard we offer our draft CASER as a resource for political parties in drafting their social and economic platform.

Your persistence in studying and discussing the issues relating to the peace negotiations demonstrates the importance you give to having a comprehensive understanding of the entire subject of peace negotiations in the context of the conditions in our country to (in your own words) "enhance your capacity at peace advocacy and become ever more active bridge builders for peace." For that comprehensive understanding, let me refer you to and urge you to study the two articles under the general title "The People's Struggle for a Just Peace" in Volume 1 of Prof. Jose Ma. Sison's recently published book, *For Justice, Socialism and Peace*.

Preparing these articles entailed a lot of research, study and consultations on past and present peace negotiations in the Philippines as well as in other countries. More importantly, it has entailed consultations regarding social investigations various organized forces have undertaken in connection with the peace negotiations (or to be precise, the so-called ceasefire talks) in 1986-87 after the fall of Marcos and subsequently to prepare the resump-



tion of the peace talks after various peace initiatives, including those of the Multisectoral Peace Advocates (MSPA), of which some of you here in the core group may be familiar, gained the attention of the public and initial mutual feelers by some well-placed NDFP functionaries and high government officials started to bring some results in exploratory talks, though painfully slow and puny. I need not mention details as these are all in the two articles.

Now let us proceed with our conversation. ■

**Revised Guidelines for the Work of RWCs-SER
and their Sub-Committees**

**Revised & Adopted June 24, 2004
For approval & signing by the GRP & NDFP Panels**

The Reciprocal Working Committees on Social and Economic Reforms shall be governed by the following agreements previously agreed upon by the Negotiating Panels of the GRP and the NDFP:

- a. The Hague Joint Declaration of September 1, 1992
- b. Joint Agreement on the Formation, Sequence and Operationalization of the Reciprocal Working Committees (RWCs) of June 26, 1995
- c. Supplemental Agreement to the Joint Agreement on the Formation, Sequence and Operationalization of the Reciprocal Working Committees (RWC Agreement) of March 18, 1997
- d. Agreements in numbers 4 and 7 of the Oslo Joint Statement of February 14, 2004

**Nature and Scope of Sub-Committees
Per Heading of SER Draft Agreements**

A. Rationale and Need

1. To help accelerate the drafting of a tentative common SER agreement and accomplish it according to target date of completion.
2. To maximize the participation of Philippines-based experts and sectoral representatives as resource persons in assisting the RWCs on SER.

3. To conduct hearings among interested organizations and persons in the Philippines and consider proposals and recommendations on the subject matters covered under SER.

B. Relationship of Sub-Committees to RWCs

1. The sub-committees are subordinate to their RWCs. They submit their recommendations and the product of their work to their respective RWCs.

2. The sub-committees have consultative and recommendatory functions. Their activities are in support of and do not form part of the formal negotiations.

3. The sub-committees shall be terminated after they have completed their functions under A (1), A (3) and B (1) above.

C. On safety and immunity guarantees¹

1. In addition to RWC members who are entitled to the safety and immunity guarantees stipulated in the Joint Agreement on Safety and Immunity Guarantees (JASIG) dated February 24, 1995, all staff, consultants and resource persons of the RWC-SER and its sub-committees shall likewise be entitled to the same safety and immunity guarantees.

2. In this regard, the Chairperson concerned shall forthwith issue the corresponding acknowledgement for the Documents of Identification issued by the Party contracting said staff, consultants and resource persons.

D. Rules on the Conduct of Sub-Committee Work

1. All sub-committees are formed for specific subject matters that correspond to particular SER headings.

¹ Provisions added hewing to what has been agreed upon in the 22-24 June formal meeting of the two panels.

2. All sub-committees shall conduct their work simultaneously in the Philippines, in The Netherlands or wherever it may deem necessary to expedite their work.

3. The sub-committees constituted by the GRP RWC and the NDFP RWC shall conduct public hearings separately and independently of each other.

E. Mode and Venue of Meetings

1. Sub-committees of the two RWCs may meet for consultations, subject to the agreement of the two RWCs and upon the prior approval of their respective panels, to facilitate reformulation of common formulations of provisions on certain contentious issues and concerns.²

2. The sub-committees may, if necessary, assist the RWCs when the latter hold the meetings abroad to polish the pertinent part of the SER agreement. (Note: The GRP and NDFP RWCs on SER shall hold their formal meetings at mutually acceptable sites agreed upon by the Negotiating Panels. The RWCs on SER may meet in tandem with or separately from the Panels under the latter's supervision.)

E. Time Table³

1. The RWCs-SER at every joint meeting shall review the pace of their work and draw up schedules of succeeding joint meetings to make up for delays that have occurred in order to accelerate the completion of the common draft of the comprehensive agreement on social and economic reforms.

2. The RWCs-SER agree to accelerate their work and shall on best effort basis endeavor to submit the complete common draft of the comprehensive agreement on social and economic re-

² Discussed and agreed upon at the level of the panel on 24 June 2004.

³ Revision being submitted for consideration of the panel.

forms within a period of six months after the next bilateral meeting of the GRP and the NDFP panels. The revised timetable shall be drawn up and approved before the adjournment of every formal joint meeting of the two RWCs-SER. ■



Report of NDFP RWC-SER Work on the Preamble

April 1, 2004

PREAMBLE

1. *Recognizing* the need for basic social and economic reforms to uphold the national rights, interests and welfare of the people of the Philippines and the democratic rights and interests of the people including civil, political, economic, social and cultural rights and a comprehensive agreement along this line as decisive in laying the ground for a just and lasting peace;

2. *Acknowledging* that widespread poverty and structural inequity on account of domestic industrial and agrarian underdevelopment rooted in the colonial history of the country and in its unequal economic relations with the highly developed world economic powers have impeded the social and economic development of the Philippines and engendered social unrest and armed conflict.

4. *Realizing* that the Philippines with its competent labor force, technologically adept managerial and entrepreneurial forces and a comprehensive natural resource base, will make itself economically self-reliant.

6. *Subscribing* to the idea that the protection and promotion of social, economic and cultural rights are essential for the full realization of civil and political rights based on universally accepted principles of human rights.

7. *Cognizant* of the need for the people and their organizations, especially the basic sectors, to actively participate and pur-

sue their interests in the formulation and implementation of national socio-economic plans and programs in order to build a just and prosperous society.

8. *Assuming* common and separate duties and responsibilities for upholding social and economic reforms.

9. *Upholding and complying* with mutually acceptable principles as well as the common goals in The Hague Joint Declaration of September 1, 1992, the Breukelen Joint Statement of June 14, 1994 and pertinent joint agreements hitherto signed; and

10. *Fully aware* of the need for sound policies and effective mechanisms and measures for upholding, protecting and promoting social, economic and cultural rights and carrying out social and economic reforms.

11. *Now therefore*, the Parties, without reservations, do hereby solemnly enter into this Comprehensive Agreement on Social and Economic Reforms. #

Include in Final Provisions of CASER:

Assuming common and separate duties and responsibilities for upholding social and economic reforms in accordance with their respective political principles, organization and circumstances until they have reached final resolution of the armed conflict.



The following provisions remain unresolved:

3. *Upholding* national economic sovereignty and a self-reliant and independent economy and aiming to protect, conserve and, as far as practicable, recover the national patrimony, protect the environment, carry out agrarian reform and *national* industrialization and thus bring about comprehensive and sustainable social and economic development;

Note difference between GRP and NDFP on phrase “national industrialization”; NDFP maintains “national”; GRP wants to omit “national.”

5. *Affirming* the people’s rights to social justice, peace, dignity, prosperity and freedom from exploitation; and aiming to protect the rights and interests of workers, peasants, women, children, *indigenous peoples* and ethnic minorities and other disadvantaged sectors, and national entrepreneurs.

Note NDFP reservation on “peoples” in “indigenous peoples.” NDFP proposal is “indigenous and minority communities.” GRP reservation on “minorities” in “ethnic minorities.” ■



Declaration of Principles

April 2, 2004

Article 1. The Parties are governed by the framework of negotiating and agreeing under mutually acceptable principles of national sovereignty, democracy and social justice and with no precondition that negates the character and purpose of peace negotiations, as stipulated in the Hague Joint Declaration and reaffirmed in the Breukelen Joint Statement and subsequent agreements.

Article 2. The Parties forge this comprehensive agreement on social and economic reforms to solve the fundamental problems of exploitation, underdevelopment and widespread poverty in order to establish the basis for a just and lasting peace.

Article 3. The Parties shall endeavor to forge the unity of the Filipino people in order to eliminate the primary obstacles to economic self-reliance, national independence and social emancipation.

Article 4. The Parties shall *resolve to review and, as necessary, reverse* all economic policies, programs, laws, agreements and treaties that have negated the objective of social and economic development and adversely affected the lives of the Filipino people.

Article 5. The Parties assert the need to harness the full potential of the people particularly the workers, peasants and other basic sectors, and their organizations by respecting, upholding, and promoting their right to effective participation at all levels of social, political and economic decision making.

Article 6. The Parties uphold the welfare of the people, especially the workers, peasants and **indigenous people's and ethnic minorities** and other basic sectors as the primary consideration in the **sustainable** utilization of national patrimony to bring about social and economic development.

Note: GRP-NDFP: Same reservations in preamble apply re standing issue on indigenous people's and ethnic minorities.

Article 7. The Parties agree to undertake forthwith common and separate measures to carry agrarian reform in order to dismantle land monopoly and to distribute land to the tillers for free.

Note: GRP-NDFP: Refer to Panels

Article 8. The Parties shall pursue a policy and program of industrialization and agricultural development aimed at creating the basic conditions for a comprehensive, well-balanced and nationally self-reliant economic development.

Article 9. The Parties recognize the need for a policy to eliminate the practice of using public office for private, individual or collective gain, to prohibit or regulate private domestic and foreign monopolies and to prohibit or regulate private domestic and foreign monopoly control of the economy

Article 10. The Parties agree to conduct economic reconstruction and development along the principle of securing the people's welfare, maintaining ecological balance, assuring continuous regeneration of renewable natural resources and judiciously using nonrenewable resources.



Article 11. The Parties commit to promote and protect the rights and welfare of workers, peasants, women, children and youth, the urban and rural poor, migrant workers, ethnic minori-

ties, the elderly, persons with disability, and other exploited, disadvantaged and discriminated sectors.

Note: GRP-NDFP: Same reservations in preamble apply re standing issue on indigenous people's and ethnic minorities.

Article 12. The Parties are aware that the current social and economic situation in the Philippines and the historical people necessitate the application of the principles of international law on social, economic and cultural rights and the faithful compliance therewith by both parties. The Parties therefore forge this agreement in order to affirm their constant and continuing mutual commitment to respect social, economic and cultural rights and hereby recognize either party's acts of good intention to be bound by and to comply with such principles and rights.

Article 13. The Parties hereby forge this agreement in order to assume their constant and continuing commitment to carry out social and economic reforms and to respect and effect the people's social, economic and cultural rights. ■



Economic Sovereignty and National Patrimony

July 29, 2004

Our country and its people have suffered foreign economic exploitation for more than four centuries, first under Spanish colonial masters, then US colonial and imperialist masters and now by foreign multinational corporations and multilateral agencies of the dominant capitalist powers, particularly the United States, Japan and the European Union. Every year, foreign monopoly firms and banks draw from our shores huge amounts of capital in the form of repatriated profits, dividends, royalties and capital.

Together with the mounting import bill, amortization of loans and interest payments to foreign entities, these huge amounts of capital outflow have resulted in chronic balance of payments deficits.

The lack of economic opportunity and the depressed economic conditions in our country compel our workers and professionals to seek jobs and a better life in the increasingly exploitative, oppressive and inhospitable working and living conditions of other countries, thereby draining our human resources.

The Philippine environment has been wantonly violated and degraded. This disaster impelled by the exploiters' greed for profit has caused displacement of hundreds of thousands of our people from their habitation, among them the national and ethnic minorities from their ancestral lands. The rapacious activities of foreign corporations and their local partners take no heed of the well-being of our people and their environment.

Under these circumstances, the Parties recognize that the will and unity of the Filipino people must be forged to promote and

achieve economic sovereignty and secure our national patrimony. To this end, the Parties, jointly and separately, assume the duties and responsibilities in effecting the Articles hereunder.

Article 1. The Parties recognize the need for the Filipino people to liberate the economy from foreign dominance and pursue a program of national economic development that harnesses both the public and private sectors.

Article 2. All resources of the public domain, including land, waters, minerals, coal, petroleum and other mineral oils, all forces of potential energy, fisheries, forests, wildlife, flora and fauna and other natural resources shall not be alienated. In this regard, the legitimate rights of settlers and national and ethnic minorities shall be fully respected.

Article 3. All mining operations shall be regulated with the objective of ensuring the domestic processing of mineral resources up to the secondary and tertiary stages of industrial production while at the same time guaranteeing environmental protection, social compensation for disturbance and damage caused as well as democratic consultation with, and the consent of, the people in the communities immediately and directly affected by such operations.

Article 4. Logging for export shall be prohibited until sufficient forest cover for the country has been regenerated. Logging for domestic use shall be regulated. All logging shall be reserved exclusively for Filipino citizens. A program of forestry management and rehabilitation, including massive reforestation and afforestation campaigns, assured of adequate budgetary appropriations, shall be carried out.

Article 5. The nation's marine wealth in its archipelagic waters, territorial seas and exclusive economic zone shall be protected and its use shall be reserved exclusively for Filipino citizens. Cooperative fish farming, subsistence fishermen and

fishworkers in rivers, lakes, bays and lagoons shall be assured of preferential rights thereto.

Article 6. Measures to decisively transfer and promote technology to Filipino enterprises from foreign entities supplying machinery, equipment and technical processes shall be undertaken.

Article 7. A policy to develop our human resources and generate employment for all Filipino citizens shall be adopted. The policy shall be to promote the productivity and skills of working people through scientific and technological research, development and education.

Article 8. Filipino scientists, technologists and workers shall have first priority of employment in all enterprises. However, where no Filipino experts are qualified, foreign experts may be hired on contract for no more than five years within which steps shall be undertaken to ensure substantial and effective transfer of knowledge and skills to Filipinos.

Article 9. Research on the cultural heritage of the Filipino people shall be promoted and the spirit of patriotism promoted. The outstanding cultural legacies of our people, including the signal achievement of being the first to wage a revolution against Western colonialism and aspire to establish a democratic republic in Asia, shall be promoted through research, the arts and other cultural activities.

Article 10. Appropriation by private and foreign agencies through intellectual property conventions such as patenting of the genetic properties and technological processing of commonly available and wild varieties of flora and fauna shall be prohibited. Where allowed, patenting of flora and fauna on Philippine territory shall be the exclusive privilege of Filipino citizens.

Article 11. All existing laws, treaties and other issuances adverse to the preservation and protection of our national patrimony such as, but not limited to, the Mining Act of 1995, the Foreign Investments Act of 1991, the Land Lease Law of 1995,

the RP-Japan Treaty of Amity, Commerce and Navigation of 1975 and the Privatization Act of 1989 shall be reviewed and as necessary immediately repealed, abrogated or rescinded. ■

Comprehensive Agreement on Social
and Economic Reforms Between the Government
of the Republic of the Philippines (GRP)
and the National Democratic Front
of the Philippines (NDFP)

NDFP Draft - February 26, 1998

The GOVERNMENT OF THE REPUBLIC
OF THE PHILIPPINES,
hereinafter referred to as GRP
and
The NATIONAL DEMOCRATIC FRONT
OF THE PHILIPPINES,
hereinafter referred to as NDFP
Hereinafter referred to as “the Parties”

PREAMBLE¹

Recognizing the need for basic social and economic reforms to uphold the national and democratic rights and interests of the broad masses of the people and for a comprehensive agreement along this line as decisive in laying the ground for a just and lasting peace,

Considering that the persistent subordination to imperialism, the industrial backwardness and agrarian character of the Philippine economy and the consequent grossly iniquitous social and

¹ See common draft of GRP and NDFP RWCs on page 26.

economic relations and massive poverty are the fundamental causes of the prolonged armed conflict,

Acknowledging that the aforementioned national and social problems are engendered and perpetuated by the drive of the foreign monopoly corporations and banks, multilateral agencies and the dominant foreign economic powers led by the United States, and their domestic allies - the big comprador or trading bourgeoisie, the big landlords and the big bureaucrat capitalists - to extract the utmost profit from the country and its people,

Upholding economic sovereignty and independence against foreign monopoly capitalism and aiming to recover, conserve and defend the national patrimony, protect the environment, carry out national industrialization and land reform and thus bring about self-reliant and all-round social and economic development,

Realizing that the Philippines is endowed with abundant natural resources, a competent labor force, and technologically adept managerial and entrepreneurial forces to make itself economically self-reliant,

Affirming social justice and aiming to protect the rights and interests of the people, especially the toiling masses of workers and peasants, women and the ethnic minorities, and including national entrepreneurs,

Reaffirming protection and promotion of social, economic and cultural rights to complement civil and political rights guaranteed by international covenants,

Cognizant of the need for the basic masses, the workers and peasants, and their organizations, to assume decisive role in the formulation and implementation of national socioeconomic plans and programs and for all patriotic and democratic classes and sectors to contribute to the building of a just and prosperous society,

Assuming common and separate duties and responsibilities for upholding social, economic and cultural rights and carrying out social and economic reforms under their respective constitutions and under international law,

Complying with mutually acceptable principles as well as the common goals in The Hague Joint Declaration of September 1, 1992, the Breukelen Joint Statement of June 14, 1994 and pertinent joint agreements hitherto signed, and

Fully aware of the need for sound policies and effective mechanisms and measures for upholding, protecting and promoting social, economic and cultural rights and carrying out social and economic reforms,

SOLEMNLY ENTER without reservation into this Comprehensive Agreement on Social and Economic Reforms.

Part I. DECLARATION OF PRINCIPLES²

Article 1. The Parties are governed by the framework of negotiating and agreeing under mutually acceptable principles of national sovereignty, democracy and social justice and with no precondition that negates the character and purpose of peace negotiations, as stipulated in The Hague Joint Declaration and reaffirmed in the Breukelen Joint Statement and subsequent agreements.

Article 2. The Parties uphold the principles of mutuality, reciprocity and parity in the conduct of the peace negotiations and in the implementation of this Agreement and all other agreements which they may enter into in accordance with The Hague Joint Declaration.

Article 3. The Parties recognize that the foundation of the social, political and cultural life of society is its economy.

² See common draft of GRP and NDFP RWCs on page 29.

Article 4. The Parties are motivated to forge a comprehensive agreement on social and economic reforms by the need to solve the fundamental problems of exploitation, oppression, backwardness and massive poverty and thereby lay the ground for a just and lasting peace.

Article 5. The Parties affirm the basic task of forging the unity of all patriotic and freedom-loving Filipinos in order to eliminate imperialist dominance, feudal backwardness and comprador-bureaucrat exploitation and oppression which constitute the primary obstacles to the attainment of national liberation and social emancipation.

Article 6. The Parties resolve to reverse the current policy of liberalization, deregulation and privatization that has exacerbated the current socioeconomic crisis and in its stead adopt a patriotic and democratic standpoint in the formulation and implementation of all socioeconomic plans and programs.

Article 7. The Parties assert that in order to harness the full potential of the workers, peasants and other producers and small traders socioeconomic planning must be undertaken in democratic consultations with organs of people's power from the grassroots level upward.

Article 8. The Parties affirm and uphold the welfare of the Filipino people, especially the basic toiling masses of workers and peasants and the ethnic minorities as the primary guiding principle in the utilization of the national patrimony to bring about social and economic development.

Article 9. The Parties agree to undertake forthwith, jointly and separately, an agrarian reform program to dismantle feudal and semifeudal relations by expropriating landlord property as the method breaking land monopoly in the countryside and to distribute the land to the direct and actual tillers for free.

Article 10. The Parties agree to immediately adopt a policy and draw up a program of national industrialization, with heavy

industries as the leading factor and agriculture as the base, to create the basic conditions for a comprehensive, well-balanced and nationally self-reliant economic development.

Article 11. The Parties agree on the expropriation of imperialist, comprador-bourgeois and bureaucrat capital as a crucial factor for self-reliant economic development in order to prevent capital drain from the country and to eliminate foreign monopoly control of the economy.

Article 12. The Parties recognize the plunderous character of the globalization drive of foreign monopoly capital as demonstrated by recurrent economic crises and shall adopt policies to stop the foreign monopoly banks and firms from further exploiting and plundering our human and other resources.

Article 13. The Parties agree to conduct economic reconstruction and development along the principle of securing the people's welfare, maintaining ecological balance, assuring continuous regeneration of renewable natural resources and judiciously using nonrenewable resources.

Article 14. The Parties affirm, uphold and support the rights and welfare of women, children and youth, the urban and rural poor, migrant workers, national and ethnic minorities, the aged, the disabled and other exploited, oppressed, disadvantaged and discriminated sectors.

Article 15. The Parties agree to assume obligations for the full realization of the rights consistent with such generally accepted principles and instruments of international law as the International Labor Convention of 1948 on Freedom of Association and Protection of the Right to Organize, the International Covenant on Economic, Social and Cultural Rights of 1966, International Covenant on the Rights of Migrant Workers and the Members of their Family and other similar or relevant international covenants.

Article 16. The Parties hereby forge this Agreement in order to assume their constant and continuing commitment to carry out social and economic reforms and to respect and effect the people's social, economic and cultural rights.

Part II. BASES, SCOPE AND APPLICABILITY

Article 1. The provisions of this Agreement address the concrete semicolonial and semifeudal conditions and the fundamental question of national and social liberation through social and economic reforms.

Article 2. The main objectives of this Agreement are: a) to uphold, protect, defend and promote economic sovereignty, b) to conserve the national patrimony and protect the environment, c) to carry out agrarian reform and national industrialization, and d) to advance the rights of the working people, women, national and ethnic minorities and other exploited, oppressed, discriminated and disadvantaged sectors of society.

Article 3. In entering into this agreement, the GRP is guided by its Constitution and the NDFP by the Guide for Establishing the People's Democratic Government. Accordingly, the Parties hold themselves responsible jointly and separately in implementing this Agreement.

Article 4. The Parties are guided by such universally accepted principles and instruments of international law as the International Covenant on Economic, Social and Cultural Rights of 1966, the International Labor Convention of 1948 on Freedom of Association and Protection of the Right to Organize and other similar or relevant international covenants.

Article 5. The Parties shall confront, remedy and prevent the most serious violations of economic, social and cultural rights. They shall uphold the principle that no state, nation, class or group is allowed to invoke the right of the individual in the abstract in order to oppress and exploit another state, nation,

class or group; and that their overriding objective is social justice and the common good. They shall work to redress the injustices and discrimination inflicted on the working people, women, national and ethnic minorities and other exploited, oppressed and discriminated sectors.



Article 6. The Parties agree to constitute or cause the formation of a political authority enjoying the trust and confidence of the people and empowered to ensure that both Parties carry out this Agreement in full. Such political authority shall be the subject of negotiations between the Parties under the agenda of political and constitutional reforms in accordance with The Hague Declaration and other subsequent agreements.

Article 7. The Parties as well as the political authority to be constituted under their joint initiative shall respect the inviolability of contracts, without prejudice to the review, renegotiation and rescission of contracts contrary to or in circumvention of this Agreement. All contracts deemed contrary to, or in circumvention of, this Agreement shall be forthwith reversed, renegotiated or rescinded.

Part III. ECONOMIC SOVEREIGNTY AND NATIONAL PATRIMONY³

Our country and its people have suffered foreign economic exploitation for more than four centuries, first under Spanish colonial masters, then US colonial and imperialist masters and now by foreign multinational corporations and multilateral agencies of the dominant capitalist powers, particularly the United States, Japan and the European Union. Every year, foreign monopoly firms and banks draw from our shores huge amounts of capital in the form of repatriated profits, dividends, royalties and capital. Together with the mounting import bill, amortization of loans

³ See redraft on page 32.



and interest payments to foreign entities, these huge amounts of capital outflow have resulted in chronic balance of payments deficits. The lack of economic opportunity and the depressed economic conditions in our country compel our workers and professionals to seek jobs and a better life in the increasingly exploitative, oppressive and inhospitable working and living conditions of other countries, thereby draining our human resources.

The Philippine environment has been wantonly violated and degraded. This disaster impelled by the exploiters' greed for profit has caused displacement of hundreds of thousands of our people from their habitation, among them the national and ethnic minorities from their ancestral lands. The rapacious activities of foreign corporations and their local partners take no heed of the well-being of our people and their environment.

Under these circumstances, the Parties recognize that the will and unity of the Filipino people must be forged to promote and achieve economic sovereignty and secure our national patrimony. To this end, the Parties, jointly and separately, assume the duties and responsibilities in effecting the Articles hereunder.

Article 1. The Parties recognize the need for the Filipino people to liberate the economy from foreign dominance and pursue a program of national economic development that harnesses both the public and private sectors.

Article 2. All resources of the public domain, including land, waters, minerals, coal, petroleum and other mineral oils, all forces of potential energy, fisheries, forests, wildlife, flora and fauna and other natural resources shall not be alienated. In this regard, the legitimate interests of settlers and national and ethnic minorities shall be fully respected.

Article 3. All mining operations shall be strictly regulated with the objective of ensuring the domestic processing of mineral ores up to the secondary and tertiary stages of industrial production while at the same time guaranteeing environmental protec-

tion, social compensation for disturbance and damage caused as well as democratic consultation with, and the consent of, the people in the communities immediately and directly affected by such operations.

Article 4. Commercial logging shall be prohibited until sufficient forest cover for the country has been regenerated. All logging shall be reserved exclusively for Filipino nationals. A program of forestry management and rehabilitation, including massive reforestation and afforestation campaigns, assured of adequate budgetary appropriations, shall be carried out. Municipal logging by communities adjacent to the forests shall be allowed with adequate measures and supervision to ensure proper culling.

Article 5. The nation's marine wealth in its archipelagic waters, territorial seas and exclusive economic zone shall be protected and its use shall be reserved exclusively for Filipino nationals. Cooperative fish farming, subsistence fishermen and fishworkers in rivers, lakes, bays and lagoons shall be assured of preferential rights thereto.

Article 6. The Parties, jointly and separately, as well as the political authority constituted under their initiative shall adopt measures and take decisive steps to achieve genuine technology transfer to Filipino enterprises from foreign entities supplying machinery, equipment and technical processes. These shall include, among other measures, practices such as compulsory licensing, compulsory disclosure, limited duration for patents and purchase of patents.

Article 7. A policy to develop our human resources and expand secure and well-compensated job opportunities for all Filipino nationals shall be adopted. The policy shall undertake to encourage intellectuals and scientists in the conduct of scientific and technological research, development and education through adequate budgetary and other support.

Article 8. Filipino scientists, technologists and workers shall have first priority of employment in all enterprises; however, where no Filipino experts are qualified, foreign experts may be hired on contract for no more than five years within which they shall transfer full and complete knowledge and skills to Filipinos.

Article 9. Research and preservation of the positive cultural heritage of the Filipino people shall be strongly supported. The outstanding cultural legacies of our people, including the signal achievement of being the first to wage a revolution against Western colonialism and aspire to establish a democratic republic in the region, shall be promoted through research, the arts and other cultural activities.

Article 10. Commonly available and wild varieties of flora and fauna shall not be the subject of appropriation by private and foreign agencies through intellectual property conventions such as patents and licenses. Where allowed, patenting of varieties of flora and fauna on Philippine territory shall be the exclusive privilege and preserve of Filipino nationals or entities. The patenting of all human genes shall be prohibited.

Article 11. All existing laws, treaties and other issuances adverse to the preservation and protection of our national patrimony such as, but not limited to, the Mining Act of 1995, the Foreign Investments Act of 1991, the Land Lease Law of 1995, the RP-Japan Treaty of Amity, Commerce and Navigation of 1975 and the Privatization Act of 1989 shall be immediately repealed, abrogated or rescinded.

Part IV. AGRARIAN REFORM AND AGRICULTURAL DEVELOPMENT⁴

The problem of landlessness among tillers of the soil has persisted since the Spanish era. The Spanish encomienda system as

⁴ See redraft on page 82.

transplanted to our shores led to the dispossession of the native peasants. The hacienda system introduced by the Spanish religious orders in 1644 further entrenched the feudal structure imposed by the Spanish colonialists and has remained up to the present. The impact of 19th century capitalist development started the transformation into a semifeudal economy by encouraging the production of export crops such as sugar, coconut and hemp.

The impingement of foreign monopoly capitalism has preserved the semifeudal character of the Philippine economy. As of 1996, tenancy existed in 35 percent of all Philippine farms and in 26 percent of the total farm area, compared to 26 percent tenancy rate of all Philippine farms in 1980. This indicates that all past “land reform” exercises of successive Philippine administrations have not eliminated, but have even worsened, the semifeudal character of the economy.

There is the overwhelming resistance of the big landlord class to any significant breakup of their land monopoly in favor of their landless tenants. All GRP-legislated land reform schemes have catered to the wishes of the landlords and have thus reduced land reform to real estate business transactions.

Agrarian reform is the main content of the demand for social justice and is the key component of democratization in our country because it lays the ground for the economic, political, social and cultural liberation of what continues to be the most numerous class in Philippine society.

With this in perspective, the Parties agree to assume separate and joint duties and responsibilities in effecting the following program for genuine agrarian reform in the Philippines to address the age-old problem of landlessness of the tillers:

Article 1. Land monopoly shall be broken up and safeguards against land remonopolization or refeudalization shall be instituted. The expropriation of all agricultural lands and other

agricultural means of production owned by landlords shall be undertaken. The expropriated land shall be redistributed for free to the tillers, with preference given to those who have been occupying their lands as tenants and leaseholders. The sale, mortgage or any other encumbrance or mode of transfer of all expropriated land shall be prohibited, except to the peasant associations or the political authority constituted under the initiative of the Parties, in cases where the owner-tillers can no longer till the land for one reason or another.

Article 2. The policy of compensation shall be adopted to encourage landlords, whose lands and other agricultural means of production are expropriated, to invest in industrial and other productive enterprises.

Article 3. The policy of expropriation with compensation shall apply to landlords who have a proven record of actively supporting progressive land reform. The relevant or effective organ of political power in the area, in close democratic consultation with the peasant associations, shall determine the specific applicability, amount and methods of compensation, according to the general guidelines outlined in this Agreement or in a new agrarian law to be subsequently agreed upon by the Parties.

Article 4. Landlords are proven to have engaged in land-grabbing and proven guilty of serious crimes such as extrajudicial executions, maintaining private armies, etc., particularly in connection with agrarian disputes, shall have their land subjected to outright confiscation. Abandoned agricultural lands and other lands not put into productive use shall be subject to expropriation without compensation. Such expropriation shall be undertaken by the effective organ of political power in the area, in democratic consultation with the peasants and their associations.

Article 5. Land shall be distributed for free to enable the poor peasants, farm workers and lower-middle peasants to achieve

the status of middle-middle peasants. In the distribution of land, the principle of equity shall be applied based on the following consideration:

- a. the total amount of land available for distribution in the area;
- b. the size and labor power of the beneficiary family or household;
- c. the quality and location of the land, and
- d. the type of crop to be planted.

Article 6. The policy of expropriation shall extend to land used by capitalist farms. Subject to negotiations based on national interest, Filipino owners of capitalist farms may retain ownership of their non-land assets like farm machinery, warehouses, buildings, offices and vehicles, and engage the new owners of agricultural land in joint corporate or cooperative relationship, or may be encouraged to sell or lease the aforementioned properties to the new owners.

Article 7. All nontilling small landowners with holdings not exceeding 15 hectares shall not be subject to expropriation but shall be encouraged to sell their land. The purchase value of their lands shall be equivalent to the value assessed for previous tax payments, except in the case of nontilling small owners who purchased the land within the last ten years and who shall be paid the going market price.

Article 8. Owner-peasants of middle-middle status may be given some share of the land being distributed free, subject to land availability, in order to raise their level of livelihood, provided they themselves shall till the land and that their land share does not give them the status of rich peasants.

Article 9. Workers, handicraftsmen, peddlers and other poor nonpeasants who are willing to till the soil may be given, subject to land availability, a share of the land being distributed

free. Should they continue to have means of livelihood other than tilling the soil, their land share shall be correspondingly adjusted.

Article 10. Work animals, farm implements and other property expropriated from the landlords shall be distributed free based on the principle of equity or turned over to the peasant association for administration and common use.

Article 11. Surplus landholdings and other means of production of rich peasants and upper-middle peasants shall not be subject to expropriation. These peasants shall be enjoined and persuaded to raise the wages of the farm workers they hire or reduce the rent paid to them by their tenants in accordance with standards set by the peasant association.

Article 12. Homes, industrial and commercial enterprises, artisans' shops, schools, religious houses, plazas, public playgrounds and the like shall be allotted their necessary land sites, which shall actually, directly and exclusively be used for such purposes.

Article 13. Pending the free distribution of land, all tenants shall be assured of ownership of free home lots from their landlord.

Article 14. Landlords may be allotted part of their land to the same extent and quality given to the poor peasants and lower-middle peasants, provided that they shall till the land themselves. Landlords with a proven record of actively supporting progressive land reform shall be allowed to retain a piece of land equivalent to that owned by a rich peasant.

Article 15. Persons of good standing who have left their home barrios shall upon their return be given due share of the land being distributed, provided that they shall till the land themselves.

Article 16. The lease and leaseback arrangements with foreign corporations involving vast tracts of land or plantations such as Dole (Philippines) and Del Monte (Philippines) in

Mindanao, shall be immediately terminated and the contracts rescinded. These plantations shall be nationalized and run by the workers and peasants under cooperative or national corporate management.

Article 17. Expropriated haciendas cultivated by wage workers shall be converted into workers' cooperatives or collectives upon democratic consultation with the workers tilling the land. However, tenanted haciendas shall be subject to free land distribution to their tenants.

Article 18. Leased lands devoted to ranches and cattle farming shall be expropriated and transformed into workers' cooperatives or collectives, upon democratic consultation with the peasants and workers on these lands. The compensation, if any, for cattle, horses and other livestock on these ranches and farms shall be determined through consultation between the peasants and workers on these lands and the current owner/s of the livestock. Lands suitable for tillage but covered by leases for ranches and cattle farms shall be redistributed to landless tillers.

Article 19. Land formerly occupied as military bases and other military reservations or parts thereof which are suitable for agriculture may be redistributed to landless tillers.

Article 20. Nonowner-operated privately-owned fishing areas, including those in marine and inland waters, shall be expropriated and all private leases of the same shall be immediately terminated. These areas shall revert to the public domain and shall be used mainly as communal fishing grounds. Municipal fishing grounds shall be protected from encroachments by big local and foreign fishing boats.

Article 21. Land used as fishponds, including prawn farms, shall be covered by land reform. Where tenancy relations operate, fishponds shall be distributed for free to the tenants. Where wage relations operate and partitioning will adversely affect productivity, fishponds shall be transformed into publicly-owned

farms or into cooperatives or collectives, subject to democratic consultations with the workers therein.

Article 22. The welfare of all agricultural workers in terms of adequate wages, satisfactory working conditions, retirement and other benefits shall be promoted and undertaken.

Article 23. The right of national and ethnic minorities to their ancestral domain shall be recognized and their communal property rights shall be guaranteed under this Agreement. The demarcation of their ancestral and communal lands shall be determined through democratic consultation with them and their associations.

Article 24. Peasant cooperatives and collectives shall be formed and promoted to consolidate the gains of agrarian reform and raise agricultural and all related production. They shall also be encouraged and assisted by the public sector in establishing and operating tree farms, orchards, fishponds, livestock farms, pasture land, carpentry shops, farm machinery depots, pools of work animals and rural industries that are beyond the work or ownership scale of single households.

Article 25. The cooperatives and collectives shall be run through peasants' associations in their respective areas or localities. Peasants who have been granted free land shall have the choice to either individually work on their lands or be organized into cooperatives or collectives.

Article 26. Owner-peasants who are not beneficiaries of free land redistribution shall be encouraged to form cooperatives through such incentives as technical assistance and credit privileges.

Article 27. A program shall be implemented to attain self-sufficiency in food production through extensive capital investment in the countryside. Agricultural production shall be primarily geared to domestic demand in order to achieve food self-reli-

ance and to supply raw materials for domestic industrial production.

Article 28. Land-use conversion of prime agricultural land devoted to food production shall be prohibited. Economic or agrarian schemes or policies of the GRP legitimizing the conversion of prime agricultural lands into so-called industrial estates, urban-housing estates and subdivisions, golf courses or for the cultivation of export luxury crops shall be immediately terminated and reversed.

Article 29. The public sector shall ensure food security in grain, protein sources and cooking oil and maintain prices at a level beneficial and encouraging to the peasant producers. Usury and other unduly exploitative practices in the trading of agricultural inputs and produce shall be combated, prohibited and eventually eliminated.

Article 30. To increase productivity in the agricultural sector, financial assistance in the form of subsidies for the purchase or rent of farm machinery and equipment shall be extended to co-operatives and collectives. Low interest or interest-free credit within definite periods of time shall likewise be offered to peasant associations to enable them to expand their production and raise productivity to assure the urban areas of a stable supply of food and other agricultural products.

Article 31. The provision of more farm technicians, agricultural credit to the tillers, post-harvest facilities, marketing agencies, irrigation systems and farm-to-market roads shall be an integral part of the agrarian reform program.

Article 32. Fair farmgate prices shall be paid for the peasants' produce. Such prices shall be determined in democratic consultation with peasant associations on the basis of affording the peasants a stable and decent standard of living.

Article 33. Rural banks shall be established and their primary clientele shall be the agricultural cooperatives and collectives.

Article 34. In line with this Agreement, a new agrarian law shall be enacted to breakup land monopoly by a small number of big landowners and prevent land remonopolization; to redistribute agricultural lands for free to the broad masses of the peasants and farm workers; and to set up cooperatives and collectives among the peasants and farm workers for the purpose of raising production in agriculture and side occupations. Such law shall also contain provisions guaranteeing the reform of the fishing sector to benefit the broad masses of the fisherfolk. The new agrarian law shall be subject to negotiations between the Parties.

Article 35. A Joint Agrarian Institute whose personnel are to be nominated by the peasant associations shall be established. The Institute shall supervise the implementation of agrarian reform in close cooperation with the peasant associations. Peasant associations shall be at the forefront in the implementation of the new agrarian law referred to in the immediately preceding article. The Joint Agrarian Institute shall be subject to negotiations between the Parties.

Article 36. The participation of peasant associations and other nongovernmental people's organizations shall be given full play in supporting the realization of agrarian reform and agricultural development.

Part V. NATIONAL INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT

The Parties recognize that national industrialization is the key to the establishment of a modern and diversified industrial economy that can secure the livelihood of the masses, guarantee the satisfaction of their basic needs, ensure rapid and sustained

economic growth and achieve economic independence from imperialist domination.

National industrialization entails maximum self-sufficiency in the industrial production of capital, intermediate and consumer goods for domestic needs based on national potential. Its objective is to break the neocolonial pattern of production, investments, and trade based mainly on the export of agricultural and extractive raw materials, the importation of surplus finished goods, agricultural commodities and capital, and the re-export of reassembled or repackaged imported manufactures.

Economic development can avail of the comprehensively rich natural resource base, the skilled forces of production, including the workers, peasants, pool of scientists and technologists and the rest of the Filipino people, who at the same time are the primary consumers. Likewise, the development of industry, science and technology can reverse the drain of highly competent and skilled human resources for whose development huge investments have been expended from the social product.

The monopolization of capital and domination of the economy by the combined forces of the foreign capitalists and the domestic big compradors and the consequent exploitative national and social relations have resulted in maldevelopment and widespread poverty. The Parties recognize that the development of the domestic forces of production requires as a precondition the dismantling of such monopolization and dominance.

In cognizance of the above, the Parties agree to assume separate and joint duties and responsibilities to pursue national industrialization and self-reliant economic development in accordance with the following:

Article 1. The Parties agree to break the dominance of foreign monopoly capitalists and the comprador big bourgeoisie over the means of production and the economy, mainly through expropriation of foreign-monopoly and big-comprador assets.

Article 2. The Parties agree to undertake the expropriation and nationalization of the direct investments and other profit-making assets of US, Japanese and other foreign monopoly capitalists in vital and strategic industries. Where necessary, the manner of compensation as well as exceptions to this policy shall be subject to negotiation. Exemptions shall be made only in cases of exceptional record with respect to contributions to the national economy, in terms of technology transfer, worker policy and access to products or markets as defined by a specific economic plan. However, in no case shall foreign equity exceed 40 percent in these enterprises.

Article 3. Assets of big compradors and bureaucrat capitalists shall be expropriated. Their cartels and big monopoly commercial operations shall be dismantled. However, the disposition of their productive assets or enterprises used as base for their commercial operations shall be subject to negotiation based on national interest. Ill-gotten assets of bureaucrat capitalists shall be subject to immediate confiscation.

Article 4. The Parties agree that public-sector enterprises, variations of joint public-private venture, cooperative and individual entrepreneurship shall all be recognized as legitimate modes of ownership of enterprises. As a primary emphasis, production and distribution shall be oriented towards achieving overall social and economic goals.

Article 5. The Parties agree that the public sector shall assume ownership and operation of vital and strategic enterprises, the main sources of raw materials, and the main lines of distribution. The public sector shall be wholly responsible for all utilities (power, water and sanitation, communications-telecommunications and postal services, and mass transport) and social services (housing, health, education, social security). Comprehensive plans shall be drawn up and implemented to improve the provi-

sion of public utilities and services to all the people and to preclude profit-determined allocations.

Article 6. All industrial enterprises and mechanized farms shall have workers' councils whose representatives shall sit in the board of directors or trustees and participate in policy making and management. The policy and decision-making authority of the workers' councils shall cover production, marketing, and overall organizational management. Workers' participation in running industry shall be further strengthened through encouragement of and incentives for collective ownership and control of enterprises.

Article 7. Where there are unions in an enterprise, the workers shall have the option to organize the workers' council through the union or to directly organize a separate workers' council alongside the union.

Article 8. Cooperatives of small and medium-scale manufacturers shall be encouraged and supported.

Article 9. The national bourgeoisie and smaller private owners of the means of production shall be given support for their creativity and efforts. They shall be given the necessary incentives and support in areas where their private initiative will be most productive.

Article 10. State-owned real estate, buildings and facilities are public assets and their disposition shall be determined according to the requirements of the general program of national industrialization.

Article 11. Savings for industrial development shall be generated by setting definite limits on the allocation of public funds for the military and police, imported equipment for the use of offices and infrastructure projects that are not directly related to industrial and agricultural development.

Article 12. Foreign investments and loans shall be availed of only in cases of clearly unreplicable advantages in terms of tech-

nology transfer or access to capital, products or markets as defined by specific economic plans.

Article 13. Foreign corporations and entities in manufacturing enterprises may be allowed a minority equity share. Safeguards shall be adopted against such devices or schemes as the use of dummies, interlocking directorates and shell corporations.

Article 14. The retail trade industry shall be exclusively in the hands of Filipino nationals. The moves towards “liberalizing” or opening retail trade to aliens shall be reversed and measures taken to stop the pervasive violation and circumvention of this agreed policy of limiting retail trade exclusively to Filipino nationals.

Article 15. All foreign capital shall be subject to strict regulation and supervision with regard to employment practices, access to capital, pricing, profit remittances and capital repatriation. Regulation shall particularly focus on the entry of all forms of foreign speculative capital, on capital repatriation in whatever form (profits, royalties, franchises, or through transfer-pricing) and on access to domestic capital and shall have the objective of reversing the continuous drain of capital from the country.

Article 16. The Parties agree to acquire and develop the capacity for producing the industrial goods necessary for industrialization and to break the prevailing economic structure designed along the needs of foreign monopoly capital and having the effect of keeping domestic industry backward.

Article 17. The Parties agree to adopt social planning for the purpose of ensuring balanced and well-proportioned economic development, with heavy industry as the leading factor, agriculture as the base and light industry as the bridging factor of the economy for immediately producing basic consumer goods for the entire people and producer goods needed by agriculture.

Article 18. All economic plans shall, on the basis of the concrete situation at any given time, specify the phasing of industrial

development and shall ensure that priorities are adhered to. Strategic industrial objectives shall be the overriding consideration in the formulation and implementation of such economic plans.

Article 19. Measures to ensure and encourage national industrialization, including but not restricted to tariffs, tax exemptions, foreign exchange controls, credit and investment incentives, quotas or outright import prohibitions, shall be adopted and used to encourage production in the import-substitution industries, which are essential to the creation of a domestic industrial base.

Article 20. Favored and protected industries under Article 19 immediately above shall be subject to controls aimed at preventing monopolistic behavior and ensuring productivity improvements. Performance requirements shall be drawn up and strictly implemented.

Article 21. Importation of necessary capital goods shall be undertaken, especially in the initial stages of industrialization, with a view to building the country's capital goods industry and ending import-dependence as soon as possible.

Article 22. The development of industry shall be programmed in accordance with the availability of resources and with due consideration of the capability and wellbeing of the people, especially the worker and peasant masses.

Article 23. The Parties agree to develop heavy industry as the leading factor in a comprehensive and well-balanced development of the economy and shall be guided by the following:

a. Priority shall be given to the creation and/or expansion of a modern industrial sector producing capital and intermediate goods. Basic heavy and medium industries shall be built for the production of base metals, basic chemicals, petrochemicals, pharmaceuticals, machinery, precision instruments, electronics, and consumer durables. These shall ensure that the industries producing the consumer goods and rural producers' goods, in-

cluding farm machinery and equipment, post-harvest storage and processing facilities, are sustained in the long-run. Special emphasis shall be given to maximum use of locally available raw materials.

b. The public sector shall be responsible for ensuring the production and provision of energy sources. It shall likewise ensure the provision of utilities and infrastructure, and of essential social services needed by industry.

c. Higher-stage and end-product domestic processing of such raw materials as coconuts, sugar, metal ores and the like shall be encouraged and given priority in lieu of the current preference for and practice of raw-material production-for-export.

d. Ecological considerations in industrial development shall be given due emphasis and attention in order to counter or eliminate the destructive effect on the people's health and the environment of certain heavy industrial processes. Measures to ensure the protection and efficient utilization of the country's renewable and non-renewable resource base shall be instituted.

Article 24. The Parties agree to make agriculture the base of the economy. In order to realize the goal of national industrialization, genuine agrarian reform shall be undertaken in the agricultural sector. This shall be developed to perform its critical role as a source of investible surplus direct from the peasants to national industry, as a vast market for the consumers' and producers' goods yielded by the industrial sector and as a source of raw materials for industry.

a. Industrial production shall aim at adequately meeting the consumption and production needs of the peasantry, as a goal in itself and insofar as the domestic market serves as the anchor of industrialization efforts, especially in the early stages when it is difficult to compete internationally.

b. Industrial production shall be geared towards agricultural mechanization, modernization, and productivity increases

to effect maximum accumulation of capital as well as to ensure food security.

c. Rural industrialization shall build on the expansion of rural markets and on agricultural modernization to increase manufacturing activities and generate employment opportunities in the rural areas. Initially, foundries and metal workshops are to be set up and blacksmithing revived. All rural industries shall maximize all forms of linkages to the urban areas.

Article 25. The Parties agree to reorient light industry, which for a long time has consisted mainly of import-dependent low value-added processing of goods for export, towards its development as the bridging factor for immediately producing the basic consumer goods for the entire people and such producers' goods as agricultural inputs, tools and light machinery needed by the agricultural sector.

a. While due emphasis given to developing heavy industries, the primary concern of economic planning shall be to serve the basic needs of the people, especially the basic masses. This is to ensure mass support for the industrialization drive as a major goal of development.

b. Basic and essential consumer goods industries shall be expanded as rapidly as possible to ensure widespread access to consumer necessities. Priority shall be given to light industry including the processing of grains, cereals, fruits and vegetables, beverages and dairy products, meat and poultry; aquaculture and fisheries, clothing-footwear, textile and garment industries and mass housing.

c. Industrial capacity in the production of rural producer goods shall be immediately established as the first stage in the process of agricultural mechanization and increasing agricultural productivity. Priority shall be given to light industry in the production of agricultural equipment, including hand tools,

farm implements, light motors, biomass-based fertilizers, improved seed varieties and feeds.

Article 26. The Parties shall take appropriate steps to reverse the current practice of corporations, particularly foreign, of concentrating industries in a few urban trading centers and without linkages to the rural sector.

Article 27. The Parties agree to give a high premium on the development of the country's capabilities in science and technology as an essential requirement for rapid and sustained expansion of productive capacity. Measures shall be taken to break the foreign monopoly capitalists' exclusive control over key industrial technologies that enable them to perpetuate domination and control over particular industrial subsectors and over the entire economy as well as to keep domestic industrial processes backward.

Article 28. The Parties shall adopt measures to promote research and development in the basic and applied sciences. Conscious and sustained investment in developing science and technology shall be undertaken, together with protective measures, in the active effort to develop domestic productive capacity. To this end:

a. The historical and prevailing neglect of the country's science and technology infrastructure shall be corrected and adequate resources shall be allocated to programs geared towards its development.

b. An adequate supply of skilled, competent and progressive human resources geared towards domestic needs and priorities rather than those of foreign corporations shall be ensured by:

i. Developing and propagating comprehensive curricula in the basic sciences, engineering, modern agricultural techniques and management.

ii. Setting-up the necessary implementing infrastructure, including teachers and instructors, schools and other learn-

ing centers and facilities; and, in particular, expanding scientific, engineering, and vocational-technical schools.

iii. Granting incentives to students in the form of scholarships and other required support and providing outlets for their skills that are in the national interest.

Article 29. The Parties shall conduct a survey of indigenous technologies that are relevant and appropriate, particularly with respect to the domestic processing of agricultural and industrial raw materials, with a view to their harnessing, expanded use and upgrading.

Article 30. The Parties shall take measures to augment the domestic stock of technological knowledge by selectively tapping personnel and equipment from abroad, by entering into technology-sharing and technology-development agreements with other countries and by actually sending Filipinos overseas to learn technological advances with a view to adapting these to our needs and capacities.

Article 31. The Parties shall ensure that delivery mechanisms for science and technology research outputs are set up to encourage economic enterprises to utilize the results of research and translate these into greater opportunities for economic development genuinely aimed at improving the general well-being of the people. The active participation of productive enterprises and mass organizations in science and technology development, as users and themselves as sources of innovation, shall be encouraged and stimulated.

Article 32. The Parties recognize the expediency of 'appropriate technologies', without prejudice to the need for overall technological development and for a long-term orientation of judiciously developing and using high technology.

Article 33. The GRP agrees to repeal or rescind all its laws, orders and issuances allowing the foreign exploitation of the

Philippine economy. (Refer to Annex B: List of Iniquitous GRP Laws to be provided.)

Part VI. ECONOMIC PLANNING

Under the guidance of a genuinely patriotic, democratic and socially-responsible national leadership, the economy can be consciously geared towards serving the needs of the Filipino people, especially the basic masses of workers and peasants, through social planning to delineate a state sector, a cooperative and collective sector, and a private sector.

The objective is to break free from the neocolonial pattern of production, investments, and trade based mainly on the export of agricultural and extractive raw materials, the import of finished goods, agricultural commodities and capital, and the re-export of reassembled or repackaged imported manufactures; and establish a modern and diversified economy that secures the livelihood of the mass of the people and guarantees the satisfaction of their basic needs.

The strategic plan is to make heavy and basic industries the leading factor, with agriculture as the base and light industry as the bridging factor to satisfy the basic needs of the people and cause rapid accumulation of funds for investment.

The so-called free market, which is in fact dominated by and subject to the drive of the foreign monopoly capitalists, the dominant capitalist powers and their multilateral agencies to further globalize their profit-extraction and profit-taking, runs counter to national economic planning. The monopoly capitalists' "free market" has only served the selfish interests of the economically powerful whose main aim is profit and has exacerbated widespread poverty and gross social inequality. Thus, the necessity of a deliberate policy of subordinating the market to social objectives. The market can serve social goals only if geared to do so within the framework of an overall economic development plan.

In appreciation of these facts, the Parties commit themselves to pursue, jointly and separately, national economic planning in accordance with the following:

Article 1. The Parties agree to adopt measures to break the domination and control of the foreign monopoly capitalists and their local agents over domestic economic policymaking and planning and put these in the hands of the Filipino people through their mass organizations and their patriotic and progressive leaders.

Article 2. The Parties recognize that the unfettered operation of the “free market” will work against any national economic plan having the welfare of the majority of Filipinos as its primary concern and agree to pursue overall economic and social goals effectively through economic planning that takes systematic account of the availability of labor power and required skills, land and capital; technology; gestation periods; scale economies; forward and backward linkages; environmental implications and competing claims on investible resources at an economy-wide level.

Article 3. The Parties shall tap and direct the country’s human and natural resource potential to benefit the majority of the people, as opposed to allowing its appropriation by parasitic foreign and local exploiting classes, and shall ensure that domestic patterns of production and consumption are determined according to domestic needs and capacity.

Article 4. The Parties shall actively and consciously strive to redirect the economy away from its current agrarian and pre-industrial level of development, taking into consideration the multiple objectives of eliminating poverty, reducing income inequality, and rationalizing consumption, investment and growth.

Article 5. The Parties shall adopt definite measures designed to prevent destructive imbalances in the economy through economic plans characterized by the following:

a. Well-balanced growth among heavy industry, agriculture, and light industry, with heavy industry as the leading factor, agriculture as the base of the economy and light industry as the bridging factor primarily for immediately producing basic consumer goods for the entire people and producer goods needed by agriculture and secondarily for producing a surplus for export,

b. Well-balanced growth between capital investment and social welfare-with investment laying the basis for developing industry as the leading sector and the primary means to economic development but satisfying the basic needs of the people, especially the workers and peasants, as the main content of economic development,

c. A proper mix between centralized, regional, and local development and balanced geographic dispersal of the benefits of economic progress. The objective is to disperse industries to various regions in order to make social and economic development nationwide and in order to decongest the cities.

Article 6. The Parties agree on the necessity of having strategic economic plans in five-year periods and making yearly and timely adjustments, giving the highest priority to national industrialization as well as of using the public sector in allocating the funds for establishing or expanding heavy and basic industries. Production target quotas shall be set for all enterprises: individual, cooperative and collective. Administrative decentralization and enterprise flexibility shall be encouraged, among others, through the operations of the market, which shall however not preclude overall coordination according to the economic plan.

Article 7. In line with the objectives of general economic planning, the Parties agree to adopt a national land use policy to determine and develop the sections of land suitable for agricultural, industrial, reservation, recreational and other uses as well as to prevent the alienation of lands, marshes, rivers, and the like

in order to ensure sustained and self-reliant development as well as ecological balance.

Article 8. The Parties shall encourage the people through mass organizations and mass campaigns and mobilizations to be vigilant in ensuring that economic policy-making and enforcement is in line with their national and democratic aspirations. The objective is to guarantee active and genuine participation of all democratic classes and the direct involvement of the people and the mass organizations of workers, peasants, fisherfolk, women, national and ethnic minorities, youth, cultural workers and others.

a. At one level, participation shall mean that the political authority constituted under the initiative of the Parties be genuinely representative of and accountable to the people. At another, it means that the people in the enterprises and the communities themselves shall take part in planning and decision-making through democratic consultation.

b. The available information technology, e.g., telecommunications for enhancing efficiency of people's participation in socioeconomic planning and management, shall be applied extensively for this purpose.

Article 9. The Parties agree on the use of directive incentives and sanctions at the industry and firm levels to ensure adherence to plan priorities and to institute schemes specifically directed at encouraging productivity improvements.

Article 10. The Parties shall undertake vigorous campaigns in all civil agencies, institutions and organizations against all forms of graft, corruption and inefficiency, inasmuch as these grossly undermine the effectivity of the various tools of planning as well as contribute to massive bureaucratic waste.

Article 11. The Parties agree to adopt a comprehensive and balanced national policy for the country's natural resources and their all-round exploration, conservation, and development to

redress the pattern of neocolonial exchange of raw materials and manufactures that has resulted in the reckless depletion and intensified extraction of the country's natural resources. They shall institute measures to ensure a healthy natural environment, giving due regard to the protection and efficient utilization of the country's renewable and non-renewable resource base.

Article 12. The Parties shall undertake rational planning and zoning for urban and rural areas, coupled with proper environmental planning for the construction of roads, public transport facilities and buildings to alleviate congestion and pollution in every area and region.

Article 13. The GRP shall immediately stop its practice of using privatization as a means to generate public sector resources and shall create sustainable sources of revenue that do not impose undue burden on the people, especially the workers and peasants. Furthermore, it shall repeal or rescind all its existing laws, orders and issuances that run counter to a patriotic and pro-people orientation in socioeconomic planning such as RA 7721 which liberalizes the entry and scope of operations of foreign banks and the Comprehensive Tax Reform Program.

Part VII. RIGHTS OF THE WORKING PEOPLE, LIVELIHOOD AND SOCIAL SERVICES

In consonance with their respective constitutions and with international conventions, the Parties undertake to uphold, protect and promote the collective and individual human rights of the working people, including the workers, peasants and intelligentsia, support their means of livelihood, raise their standard of living and make social services available to them to improve the quality of life.

The Parties commit themselves to creating the conditions for increasing socioeconomic opportunities, such as jobs, free education and medical services, cultural development, etc., for the

people so that they can develop their full potentials and lead meaningful lives. The GRP shall undertake to reverse its policy of privatization of social services and government corporations in vital and strategic industries in order to increase its capability to assume its responsibility of promoting the people's welfare.

Article 1. The Parties shall promote full employment and equality of employment opportunities and shall guarantee the right of workers to work, organize themselves into unions, federations and confederations, engage in collective bargaining, to strike and engage in other concerted activities in advancing their rights and interests.

Article 2. The Parties shall adopt measures to guarantee for the workers security of tenure, humane conditions of work and a decent living wage indexed to the rising cost of living, as well as to guarantee the right to sufficient relief or unemployment allowance in case of disemployment and assistance in returning to work.

Article 3. The Parties shall encourage government employees, including military and police personnel, to form unions.

Article 4. The Parties shall guarantee for the peasants, farm workers, fishermen, national and ethnic minorities and other rural poor the enjoyment of democratic rights as well as support and assistance for them to increase production and raise their standard of living.

Article 5. The Parties shall likewise guarantee for the intelligentsia, whether self-employed or employed by others, the enjoyment of democratic rights and assistance for them to develop their skills and abilities and raise their standard of living.

Article 6. The Parties shall work for the protection of the rights and welfare of Filipino overseas workers and to this end enter into agreements and arrangements with foreign governments and international agencies while taking the necessary mea-

asures at home to reverse the problem of migration and the current labor-export policy. A viable program for the repatriation of Filipino overseas workers and for their participation in nation-building shall be effected.

Article 7. Women shall enjoy equal opportunities as men in work, shall receive equal pay for equal work and shall enjoy guarantees against discrimination and harassment. Social services to lighten housework shall be provided, such as low-cost meals, cheap public laundry services and affordable day-care centers and nurseries. Working women shall be entitled to maternity leave with pay and guaranteed the support of their partners who shall also be entitled to paternity leave with pay. Single parents and female household heads shall be assured benefits, including children's education and health care.

Article 8. Positive measures shall be undertaken to redress the discrimination suffered by gays and lesbians and such other discriminated groups and categories.

Article 9. Positive measures shall likewise be undertaken in favor of national and ethnic minorities to redress the long history of their discrimination and neglect, to respect their right to self-determination or autonomy and their cultures and to help them to lift themselves to the level of the common good and common progress of the entire nation.

Article 10. An economic research office to register all the unemployed and underemployed in the labor force shall be established with the objective of guiding the political authority and the economic planning agency in adopting measures to generate employment and expand the infrastructure for social services.

Article 11. Urban renewal and public housing shall be undertaken to service the housing needs of the working people and the urban poor. No relocation of the urban poor shall be carried out without prior democratic consultation with them and without provision for adequate assistance in transferring, public housing

and livelihood in the area of resettlement. Otherwise, urban poor settlers shall temporarily be allowed to remain in the land that they occupy until such provisions can be met.

Article 12. The public health system shall be expanded and improved and a comprehensive public health and medical care system providing free and subsidized services and medicines for all shall be established. It shall pay attention to preventive medicine, better nutrition and family planning and shall give priority to delivering health care and medicine to the impoverished sick, aged, disabled, women and children. The policy of privatization of hospitals and health services, which discriminates against the low-income sectors, shall be immediately stopped and reversed.

Article 13. Education shall be a primary responsibility of the political authority constituted by the Parties and shall be made accessible to all Filipinos. Free education shall be ensured at the primary and secondary level while affordable and eventually free education shall be provided at the tertiary level. Private educational institutions shall be allowed provided these are administered according to the program of public education and shall be eventually assimilated into the public education sector. The GRP privatization of state colleges and universities shall be immediately stopped and reversed. A national, scientific and democratic education shall be established to develop among students a sense of cultural identity and national self-confidence, critical thinking and social commitment.

Article 14. The right of children to proper care and education shall be protected and upheld. A program of comprehensive child care to be fully or partially subsidized, whichever is possible, shall be established. The present situation where thousands of children become sick or die or become street children must be immediately addressed with extensive social welfare programs for them.

Article 15. Proper care for the aged shall be instituted and pension benefits for all retirees increased, calibrated to the rate of inflation and the cost of living. The aged shall be provided the necessary financial and social support to enable them to live with dignity. Families with aged members to care for shall be allocated subsidies. Old-age homes shall also be established and subsidized. Retirees shall be assured of fulfilling lives and given opportunities to continue to be active and productive.

Article 16. Social services and productive training for the handicapped shall be established and expanded and opportunities created for them to be productive and to find fulfillment along various lines where their special potentials and abilities are optimized.

Part VIII. ENVIRONMENTAL PROTECTION, REHABILITATION AND COMPENSATION

The profit-driven nature of capitalist production, with the particular neocolonial pattern of production and trade, that overrides social and ecological considerations has been the main factor in the devastation of the Philippine environment and the consequent disasters that have plagued the country. The strategy of export-led economic growth has opened the country's natural resources to control and plunder by the foreign monopoly capitalists, big comprador bourgeoisie and bureaucrat capitalists. As the imperialists and the local exploiting classes freely siphon off the nation's natural wealth, they leave behind a ravaged environment. Industrial wastes like mine tailings and carbon monoxide emissions and unsafe agricultural products pollute and destroy the environment. The GRP Mining Act of 1995 means the wholesale delivery of the national patrimony to the unbridled exploitation by foreign investors. It opens the door wider to the destruction of the environment and the displacement of the national and ethnic minorities from their ancestral lands. The Parties taking

cognizance of the fact that the increasing degradation of the environment continues to exacerbate the immiseration of a growing majority of the people, therefor assume separate and joint duties and responsibilities in adopting measures to ensure the following:

Article 1. Environmental protection, conservation and wise use of natural resources shall be pursued for the well-being of the Filipino people.

Article 2. Economic development shall be pursued with due regard for the protection and efficient use of the country's renewable and non-renewable resources. Ensuring ecological balance shall be an important component of economic development planning. Ecologically sound farming and industrial practices shall be promoted.

Article 3. Ecologically destructive practices such as open-pit mining, monocrop production for export, the wanton clearing and leveling of land for golf courses, resorts and real estate development shall be prohibited and penalties imposed on perpetrators for destruction caused.

Article 4. Only with sufficient provisions for environmental protection and recovery shall mining be undertaken. The people in communities affected by mining operations shall be democratically consulted and asked to participate in the determination of just and appropriate social compensation.

Article 5. The US military forces shall be prohibited from continued use of the Philippines as a military exercise area and arsenal for armaments and munitions under the guise of transit, visit, acquisition of supplies and forward deployment. The United States government shall be held accountable for the toxic waste pollution of the land and environment in the former US military bases in the country.

Article 6. No country shall be allowed to use the Philippines as a storehouse for all kinds of war materiel or armaments and

munitions including nuclear, biological and chemical and other weapons of mass destruction.

Article 7. The dumping by advanced industrial capitalist countries of their toxic wastes such as computer scraps, used batteries, PVC scraps and nuclear wastes in Philippine territory shall be stopped and compensation shall be demanded for damage caused to the people and their environment.

Article 8. The entry of hazardous technologies and pollutant industries, which the industrial capitalist countries are relocating from their homegrounds, and likewise the entry of hazardous agricultural products shall be banned.

Article 9. Military actions that target civilian population and devastate the environment, such as indiscriminate aerial bombardment and artillery fire, poisoning of water sources, use of biochemical weapons, and burning of crops, shall be banned and the perpetrators made criminally liable. The party responsible shall be made to pay compensation for injuries and loss of lives and for the destruction or damage to property and assets. Victims or their surviving relatives shall receive full compensation.

Article 10. The GRP practice of setting up power generation and other infrastructure projects such as hydroelectric dams and nuclear plants, without regard to environmental impact and which cause displacement especially of peasants and national and ethnic minorities, shall be stopped.

Article 11. Rehabilitation and development of natural resources shall be carried out. Commercial logging shall be prohibited until sufficient forest cover has been regenerated. Marine resources that have been depleted, polluted or destroyed by multinational firms and foreign fishing vessels shall likewise be regenerated and their continued exploitation banned.

Article 12. A program addressing the problem of pollution, waste control and disposal and lack of safe water supply shall be developed.

Article 13. Education to promote environmental consciousness and ecologically sound practices shall be undertaken among the people through their mass organizations, the mass media and the school system.

Article 14. The GRP shall immediately repeal or rescind all its laws, orders and issuances and put a stop to its programs which facilitate landgrabbing by foreign monopoly firms and local bureaucrats, such as the National Integrated Protected Areas System (NIPAS) and imperialist-funded programs such as the Natural Resource Management Program (NRMP)-Integrated Forest Management Agreement (IFMA).

Part IX. MONETARY AND FISCAL POLICIES

The financial system is the heart of the economy of any nation. The control of this system can spur growth in chosen sectors of the economy by directing investible agricultural surplus towards industry and by allocating resources along investment priorities. It provides a state with the capacity to distribute equitably capital resources to its nationals. The domination of private interests in banks and the money market works as a factor of inflation and depression of an economy. An egalitarian utilization of capital can result in the construction of more housing for the poor, the building of more schools and hospitals and the expansion of other social services which are of primary importance to the majority of the people.

The semicolonial and semifeudal conditions do not only generate a low savings-to-investment ratio but also a misallocation of resources away from areas of greater social benefit. All GRP expenditures are routinely padded to create bureaucrat capitalist profits for those in bureaucratic authority. The biggest single expenditure item in the GRP budget is the servicing of the public debt which has been bloated by the assumption of private foreign

debt guaranteed by the GRP and by the public borrowings intended to implement tight-money conditionalities of the IMF and to enrich participating financial houses. The external debt has been further increased due to increasing official development assistance (ODA) borrowings entered into by GRP to fund projects mainly benefiting big business.

The GRP policy of privatization includes assets of social service agencies in obedience to imperialist demands to hand over the involved enterprises to the imperialists and their domestic partners. As a result, hospitals, schools and various utilities have been or are being privatized. On the other hand, expenditures for the military continue to increase. Despite the increase in revenues due to the privatization of state assets and the decrease in needed expenditures due to the same privatization, GRP regressive taxation system has continued to increase the tax burden on the people.

Recognizing the vital role that monetary and fiscal policies play in the development of the economy, the Parties agree to assume separate as well as joint duties and responsibilities to effect the following measures:

Article 1. The financial system, including banks, insurance and investment houses and bond companies, shall be owned and controlled by the public sector and Filipino nationals.

Article 2. The expropriation of foreign equity in financial institutions, with or without compensation, shall be undertaken. The manner of compensation as well as any exception to this policy shall be subject to negotiation based on national interest.

Article 3. Strict measures shall be undertaken to regulate the entry and operation of foreign speculative capital.

Article 4. The GRP's central bank and all its other financial institutions shall be reorganized and redirected to support and assist the policy and program of national industrialization and agrarian reform. They shall give priority to the industrial projects

of the public sector and Filipino entrepreneurs. The GRP's Land Bank and rural banks shall likewise be reorganized and redirected to support and assist genuine agrarian reform, as contemplated by this Agreement, cooperatives, collectives, peasant associations and agricultural production in general.

Article 5. In every financial institution, there shall be a workers' council whose representatives shall sit in the board of directors or trustees and shall participate in policy making and management in order to ensure the realization of the policy and program of national industrialization and agrarian reform. The scope of their participation in policy making shall cover investment decisions, debt management and other monetary policies.

Article 6. Public finance, including taxation, credit policy, public and fiscal spending, shall be directed towards maximizing funds for the realization of the strategic plan of economic development, especially national industrialization and agrarian reform and eliminating bureaucratic, military and other counter-productive expenditures. Credit windows in banks shall be opened for low-interest or no-interest loans for small enterprises and to assist poor families to meet their basic necessities.

Article 7. Foreign exchange earned by exports and remittances of Filipino migrant workers and other overseas Filipinos shall be directed towards financing the importation of necessary industrial equipment and the fulfillment of the strategic economic plan. Import financing for consumer products that are luxury goods or that can be produced in the country shall be phased out.

Article 8. Foreign borrowing shall be reduced, except to finance deferred payments for the importation of equipment and technology for the establishment and development of heavy and basic industries.

Article 9. Fiscal policy shall be a function of social planning which shall in turn be oriented towards continually expanding social welfare. Priority in expenditures shall be given to social in-

frastructure, state investment in priority productive sectors, education and other social services. Public expenditures for infrastructure and the productive sectors of the economy shall be directed towards generating more employment for the people.

Article 10. The budgetary allocations for the military shall be drastically trimmed and the savings redirected to allocations for social services such as education, health, public housing, mass transportation, and the like.

Article 11. Taxation shall be progressive. All regressive taxes such as the value-added tax on basic consumer goods shall be abolished.

Article 12. As an immediate corrective measure, the GRP's law on automatic appropriation for the public portion of the foreign debt service shall be repealed.

Article 13. All past foreign debts shall be immediately reexamined to determine which are to be canceled, frozen, renegotiated or litigated. All fraudulent and behest loans shall be repudiated and renegotiations of all other onerous loans shall be undertaken. Those who have previously incurred or used these foreign debts and privately benefited from them shall be prosecuted and made criminally and civilly liable.

Article 14. The GRP policy and program of privatization instigated by the International Monetary Fund shall be reversed and repudiated.

Article 15. The GRP shall undertake to repeal or rescind all its laws, orders and issuances which are inconsistent with or contrary to the above policies and measures such as the Banking Law of 1994, and the Presidential Decree on Offshore Banking.

Part X. FOREIGN ECONOMIC AND TRADE RELATIONS

The trade policy of the Philippines has always served the demands of its different colonizers and neocolonizers since the 16th century. The Spanish colonial regime in the Philippines engaged

in the galleon trade, serving the needs of Mexico, up to 1813, and later in the tobacco monopoly, which supplied tobacco to Spain.

The US adopted free trade in the Philippines in 1909, taking advantage of the abundant resources in the Islands, particularly hemp, sugar and coconut. Throughout the periods of the three Philippine republics, the United States, first as a colonial master and after World War II as a neocolonial master, transformed the Philippines first into an export-oriented and import-dependent colonial and later semicolonial economy through various agreements with US-influenced and dominated economic institutions, the International Monetary Fund (IMF), the World Bank (WB) and, more recently, the World Trade Organization (WTO). Through all these periods, the Philippines has suffered mounting trade deficits from year to year. The promised trade surplus through an “export-oriented industrialization” (EOI) program, promoted by the IMF-WB, has not materialized.

With a mounting import bill generated by the imposition of greater import liberalization through the constant reduction of tariffs mandated by Philippine membership in the WTO, small Filipino enterprises have closed down or retrenched, causing the impoverishment and unemployment of thousands of workers. The policy of “globalization” favors the multinational corporations and banks doing business in the Philippines and puts small and medium-sized domestic enterprises at a disadvantage. These enterprises are the first ones to close down in the face of undue disadvantage in the competition with the foreign corporate giants. By the end of 1995 alone, 32,000 workers had lost their jobs due to the trade liberalization policy of the GRP. The recurrent financial crises have caused disemployment to rise exponentially. Acknowledging that the long-standing export-oriented and import-dependent trade policy has worsened the lot of the overwhelming majority of Filipinos as well as the general economic conditions of the country, the Parties agree to assume

separate as well as joint duties and responsibilities to adopt the following trade policy:

Article 1. The Parties shall halt and reverse the further denationalization of the economy through the policies of deregulation and liberalization of trade and investments which have been dictated by dominant capitalist countries and by their multilateral agencies like the IMF, WB and WTO.

Article 2. The export-oriented program as promoted by the IMF-WB shall be reversed. Industrialization shall not be tied to exports and the attraction of foreign investors to engage in export activities. Export-processing zones and industrial enclaves which perpetuate the neocolonial character of the economy shall be closed or converted for use in self-reliant production of goods to meet domestic needs.

Article 3. A policy of protection of enterprises owned and controlled by Filipino nationals, which entails the discontinuation of the liberalization program, shall be adopted and pursued. The GRP policy of import dependency that has led to the stagnation of Philippine technology and the dumping of surplus goods and obsolete technology into the country, particularly from the US and Japan, shall be repudiated.

Article 4. The highest priority shall be given to the importation of industrial equipment and technology to advance the program of national industrialization. Trade and investment policies that have reduced the country to a mere exporter of raw materials, low value-added manufactures and human resources shall be terminated.

Article 5. A trade policy that is geared to pushing the Philippines along the path of industrialization shall be adopted. This means a policy of limiting imports to the following: (a) technology which the economy is incapable of creating at present and which can be improved later on by Filipino scientists and engi-

neers; and (b) other essential items which cannot be sufficiently produced domestically for the meantime.

Article 6. Adequate protection against dumping by foreign interests as well as incentives shall be provided to Filipino-owned industrial enterprises and agricultural producers.

Article 7. The policy of promoting economic independence and industrial development by engaging in close economic relations and cooperation with neighboring countries in East Asia and other countries throughout the world and by taking advantage of the increasing competition among the major industrial capitalist countries shall be adopted.

Article 8. Membership in international economic institutions such as the WTO and APEC which aim to protect the economic interests of the advanced capitalist countries shall be withdrawn.

Article 9. A policy to diversify trade relations to break the country's trade dependence on the United States and Japan and to enable it to effectively bargain for the best terms in the international market shall be adopted.

Article 10. The activities of foreign trading companies allowed to operate in the Philippines, particularly with regard to their policies towards workers shall be regulated.

Article 11. The Parties shall make their respective representations and submit reports and recommendations to the UN Economic and Social Council, the International Labor Organizations and other pertinent agencies of the United Nations on economic, social and cultural matters within the scope of this Agreement.

Part XI. FINAL PROVISIONS

Article 1. This Agreement shall be approved by the principals of the GRP and the NDFP within one month after signing and finalization by their negotiating panels and shall take full and immediate effect upon approval by the principals.

Article 2. The Parties shall be bound by this Agreement to take the necessary unilateral steps to enable them to carry out any provision which entails a modification or amendment of their respective constitutions, policies and laws.

Article 3. The Parties agree that, irrespective of the course and outcome of the peace negotiations, the provisions of this Agreement that uphold the economic, social and cultural rights of the people shall remain in force and in effect.

Article 4. The Parties agree on the importance and urgency of approving this Agreement in order to address the social and economic roots of the prolonged armed conflict and to open the way to negotiations on political and constitutional reforms.

Article 5. This Agreement shall be binding upon the GRP and the NDFP and their respective successors. Any change in the form of the political structure, government and authority within the GRP shall not affect the validity and binding nature of this Agreement.

Article 6. To enhance and strengthen the legal and moral force and effect of this Agreement, the representatives of the governments hosting the formal negotiations as well as those of the UN Secretary General, the UN Economic and Social Council and the UN Commission on Human Rights shall sign this Agreement as witnesses upon the signing of the same by the negotiating panels of both Parties.

WITNESS, we sign this Agreement this day of _____, -_____ at _____



**Part IV. AGRARIAN REFORM
AND AGRICULTURAL DEVELOPMENT**

NDFP Draft - July 29, 2004

The problem of landlessness among tillers of the soil has persisted since the Spanish era. The Spanish *encomienda* system as transplanted to our shores led to the dispossession of the native peasants. The *hacienda* system introduced by the Spanish religious orders in 1644 further entrenched the feudal structure imposed by the Spanish colonialists and has remained up to the present. The impact of 19th century capitalist development started the transformation into a semifeudal economy by encouraging the production of export crops such as sugar, coconut and hemp.

The impingement of foreign monopoly capitalism has preserved the semifeudal character of the Philippine economy. As of 1996, tenancy existed in 35 percent of all Philippine farms compared to 26 percent in 1980. This indicates that all past “land reform” exercises of successive Philippine administrations have not eliminated, but have even worsened, the semifeudal character of the economy.

The integration of the domestic economy to global capitalist system under the regime of the World Trade Organization (WTO) has further worsened the agrarian problem in the country. Vast tracts of prime agricultural lands are converted for production of export crops. Trade liberalization has paved the way for massive appropriation of lands from the hands of Filipino peasants. Onerous trade arrangements and massive dumping of cheap foreign agricultural products on our domestic market have put our

agriculture on the brink of collapse and worked to the detriment of peasants, fisherfolk and other rural producers.

All GRP-legislated land reform schemes have catered to the wishes of the big landlords and comprador bourgeoisie and have thus reduced land reform to real estate business transactions.

Agrarian reform is the main content of the demand for social justice and is the key component of democratization in our country because it lays the ground for the economic, political, social and cultural liberation of what continues to be the most numerous class in Philippine society. Conditions of poverty and underdevelopment place peasant women in the most backward and discriminatory condition. There is a need to recognize their productive share in the rural economy, guarantee their equal rights as partners in the social and economic development of the country.

With this in perspective, the Parties agree to assume separate and joint duties and responsibilities in effecting the following program for genuine agrarian reform and a comprehensive program of rural development to address the age-old problem of landlessness and rural poverty, render social justice and democracy to the majority in Philippine society and serve as a strong base for national industrialization and progress.

Article 1. Definition of Terms. Landlords are owners or lessors of sizeable tracts of agricultural land and derive the main bulk of their income not from direct cultivation of these but by exacting land rent from tenants and other supplementary laborers who cultivate the land. Aside from land rent they also derive income from such other practices of exaction as usury, nonpayment or underpayment of wages, cheating on accounts, renting out farm animals and implements and money lending of surplus income.

Rich peasants are owners or lessors of small tracts of land not exceeding ___ hectares and derive their main income from direct

cultivation of the land with or without engaging supplementary labor power as well as other income through such practices as renting out farm animals and implements and money lending of surplus income.

Middle peasants are generally owners or lessors of land that they cultivate directly and from which they derive income sufficient for their livelihood. They are further categorized into:

(a) Upper-middle peasants - derive some income beyond the cost of subsistence and engage in exploitation of farm labor from which they derive over 15% to 30% of their total income.

(b) Middle-middle peasants have sufficient income for subsistence, generally do not suffer direct landlord exploitation and do not engage in exploitation. However, some middle-middle peasants engage slightly or occasionally in exploitation, with income derived from such exploitation ranging from 1% to 15% of their total income.

(c) Lower-middle peasants are generally unable to derive sufficient income for subsistence and production from the land that they cultivate and have to sell part of their labor power so that wages constitute a secondary part of their total income. They are on the verge of becoming poor peasants and are subject to exploitation by others in the form of land rent and loan interest.

Poor peasants – are wholly or mainly tenants of landlords. They have no land at all, or if they have, only a very small portion of the land that they cultivate. Sometimes, they lack adequate farm implements and have no farm animals at all. It is necessary for them to sell their labor power for certain periods.

Agricultural workers – generally own no land and farm implements and they depend wholly or mainly on selling their labor power for their means of livelihood. Farm workers fall under this category. They work in capitalist or semicapitalist farms or hire their labor to rich peasants and especially in planting, weeding, harvesting and other related farm work.

Cooperatives – socioeconomic organization of peasants, often producers and service workers who pool together on a loan basis part or whole of their individually-owned resources in order to work jointly in the service of their members primarily.

There are two types of cooperatives among peasants:

- (a) cooperatives whose members engage in labor-exchange with each other to cultivate their respective lands;
- (b) cooperatives whose members both engage in labor exchange and exchange of instruments of production to cultivate each other's land. However, these peasants retain individual ownership of their particular piece of land.

The surplus value produced by the cooperative is distributed proportionately among the members. In the case of credit cooperatives, each member has equal borrowing rights.

Collectives – socioeconomic organization of peasants who own land and instruments of production in common and who are divided into work groups to work the land. Peasant members of a collective derive their particular shares from the output of the land according to their contributed labor. After the distribution of such shares, any remaining surplus are spent to improve the social services of the collective, such as health centers, schools and other benefits for the members. Collectives are both economic and political entities engaging in activities such as raising the social and political consciousness and participation of their members.

Article 2. Land monopoly shall be broken up and safeguards against land remonopolization shall be instituted to achieve social justice. All agricultural lands owned by landlords shall be expropriated. The expropriated lands shall be distributed for free to the tillers, with preference given to those who have been occupying their lands as tenants and leaseholders, as well as peasant women and rural workers who are willing to till the land.

Article 3. Regardless of tenurial arrangement and commodity produced, agrarian reform shall cover all private and public agricultural lands including lands of the public domain suitable for agriculture.

Specifically, the following lands shall be covered:

- a) All private lands devoted to or suitable for agriculture including plantations and large-scale commercial farms covered by leasehold agreements, management and service contracts;
- b) All alienable and disposable lands of the public domain; idle and abandoned lands; all private lands suitable for agriculture which were foreclosed, sequestered and acquired by the GRP through its agencies and instrumentalities;
- c) All commercial farms, which are private agricultural lands devoted to production of export crops, including those previously exempted from the GRP's agrarian reform program;
- d) All pasture lands and ranches;
- e) All fishponds, prawn farms, corporate fishpens and aquaculture farms including those previously exempted from coverage from the GRP's land reform program.

Article 4. Surplus landholdings and other means of production of rich peasants and upper-middle peasants shall not be subject to expropriation. These peasants shall be required to raise the wages of the farm workers they hire in accordance with the standards set by the peasant associations.

Article 5. Subject to negotiations based on national interest, Filipino owners of capitalist farms shall be encouraged to sell or lease their non-land assets like farm machinery, warehouses, buildings, offices and vehicles to cooperatives or enter into joint ventures or cooperative relationship with the new owners.

Article 6. Landlords and big fishpond owners proven to have engaged in landgrabbing and proven guilty of serious crimes such as extrajudicial executions, maintaining private armies, and eviction of peasants and fisherfolks, particularly in connection with

agrarian disputes, shall have their lands subjected to outright confiscation.

Article 7. Land shall be distributed for free to enable the poor peasants, farm workers and lower-middle peasants to achieve the status of middle-middle peasants. In the distribution of land, the principle of equity and democratic consultation shall be applied based on the following considerations:

- a. the total amount of land available for distribution in the area;
- b. the size and labor power of the beneficiary family or household;
- c. the quality and location of the land; and
- d. the type of crop to be planted.

Article 8. The sale, mortgage or any other incumbrance or mode of transfer of all expropriated lands shall be prohibited.

Article 9. Workers, handicraftsmen, peddlers, unemployed and underemployed and others who are willing to till the soil may be given, subject to land availability, a share of the land being distributed free.

Article 10. Pending the free distribution of land, all tenants shall be assured of ownership of free home lots from their landlord.

Article 11. Owners of expropriated lands shall be allowed to retain up to five (5) hectares provided they till these lands themselves and do not practice tenancy.

Article 12. In determining compensation, the following shall be considered: the history of tenancy, the cost of acquisition of the land, the current value of like properties, its nature, actual use and income, tax declarations, the rentals, other earnings and contributions by the peasants and farmworkers to the property and unpaid taxes, loans and other liabilities.

Article 13. The compensation shall be made in any combination of the following modes:

- a) Cash payment;
- b) Shares of investment in industrial or commercial enterprises;
- c) Tax credits which can be used against any tax liability;
- d) Set-off of unpaid loans secured from any GRP financial institution.

Article 14. Low-income employees, workers, professionals and retirees who have acquired landholdings not exceeding 15 hectares during the last 10 years shall be compensated at current market value.

Article 15. The lease and leaseback arrangements with foreign corporations involving vast tracts of land or plantations such as Dole (Philippines) and Del Monte (Philippines) in Mindanao, shall be immediately terminated and the contracts rescinded. Plantations operated on leased public lands shall be turned over to cooperatives or nationalized.

Article 16. Expropriated haciendas cultivated by wage workers shall be converted into workers' cooperatives or collectives upon democratic consultation with the workers tilling the land. However, tenanted haciendas shall be subject to free land distribution to their tenants.

Article 17. Leased lands devoted to ranches and cattle farming shall be expropriated and transformed into producers' cooperatives or collectives, upon democratic consultation with the peasants and workers on these lands. The compensation, if any, for cattle, horses and other livestock on these ranches and farms shall be determined through consultation between the peasants and workers on these lands and the current owner/s of the livestock. Lands suitable for tillage but covered by leases for ranches and cattle farms shall be redistributed to landless tillers.

Article 18. Land formerly occupied as military bases and other military reservations or parts thereof, which are suitable for agriculture, may be redistributed to landless tillers.

Article 19. Fisheries and aquaculture, including but not limited to fishponds, fishpens and fish corrals, shall be covered by this agrarian reform program, with aquatic reform as an inseparable and salient component of the entire agrarian reform program. Fish corrals, fishpens and fish cages not operated by their owners shall be expropriated and reverted to the public domain and shall be used mainly as communal fishing grounds. Municipal fishing grounds extending to 15 kilometers from the shoreline shall be protected from big commercial operators with vessels more than ten (10) gross tons.

Article 20. Land used as fishponds, including prawn farms, shall be covered by land reform. Where tenancy relations operate, fishponds shall be distributed for free to the tenants, who are to be organized into fishing cooperatives. Where wage relations operate and partitioning will adversely affect productivity, fishponds shall be transformed into publicly-owned farms or into cooperatives or collectives, subject to democratic consultations with the workers therein.

Article 21. Owner-operated fisheries and aquaculture areas not exceeding three (3) hectares shall not be subject to expropriation. This mode of tenure will be given support by the state in terms of technology. Owner-operators will be encouraged to provide adequate and equitable compensation to their laborers. Adequate and equitable compensation to laborers shall also be ensured in publicly-owned fishponds.

Article 22. Expropriated fishery equipment such as fish corrals, fishpens and large fish cages shall be distributed to producer cooperatives or collectives of the fish pen, fish corral and large-fish-cage laborers.

Article 23. The use of inland and marine waters, including the use of communal fishing grounds, shall be regulated and supervised in accordance with the principles of sustainable development and social equity.

Article 24. The welfare of all agricultural and fishery workers in terms of adequate wages, satisfactory working conditions, health and safety, retirement and other benefits shall be promoted and undertaken.

Article 25. The right of national and ethnic minorities to their ancestral domain shall be recognized and their communal property rights shall be guaranteed under this Agreement. The demarcation of their ancestral and communal lands shall be determined through democratic consultation with them and their associations and other affected sectors and communities.

Article 26. Cooperatives and collectives shall be formed and promoted to consolidate the gains of agrarian reform and raise agricultural and all related production. The cooperatives and collectives shall be managed by peasant associations in their respective areas or localities. They shall also be encouraged and assisted in establishing and operating tree farms, orchards, fishponds, livestock farms, pasture land, carpentry shops, farm machinery depots, pools of work animals and rural industries. Peasant cooperatives and collectives shall consciously involve women as members who are to be given equal share in the planning and decision making of these organizations.

Article 27. Peasant beneficiaries shall be encouraged to organize themselves into cooperatives or collectives.

Article 28. Credit and marketing cooperatives shall be set up for the peasants and other agricultural producers in order to break up trade monopolies in the various crop areas.

Article 29. Rich peasants shall be encouraged to cooperate with peasant cooperatives and collectives to promote rural development.

Article 30. Women shall be encouraged to participate fully in the development of the rural economy and in social and political affairs.

Article 31. A program shall be implemented to attain self-sufficiency in food production particularly in the staple crops through extensive capital investment in the countryside to raise the productivity of the peasants in their cooperatives and collectives. Agricultural production shall be primarily geared to domestic demand in order to achieve food self-reliance and to supply raw materials for domestic industrial production.

Article 32. Conversion of prime agricultural land devoted to food production shall be prohibited. Policies or programs facilitating the conversion of prime agricultural lands into so-called industrial estates, urban-housing estates and subdivisions, tourist resorts, golf courses or for the cultivation of export crops shall be suspended, reviewed and as necessary reversed.

Article 33. Food self-sufficiency and security shall be ensured. Prices shall be set at a level beneficial and encouraging to the farmers and other agricultural producers.

Article 34. To increase productivity in the agricultural sector, financial assistance in the form of adequate and equitable discounts for the purchase or rent of farm machinery and equipment shall be extended to cooperatives and collectives. Low interest credit or subsidies shall likewise be extended to peasant, fisherfolk and other associations of producers to enable them to expand their production and raise productivity to assure the urban areas of a stable supply of food and other agricultural products.

Article 35. The provision of more farm technicians, post-harvest facilities, marketing agencies, irrigation systems, farm-to-market roads and research and development shall be an integral part of the agrarian reform program.

Article 36. Rural banks to primarily serve agricultural cooperatives and collectives shall be established.



Article 37. Usury and other exploitative practices in the trading of agricultural inputs and produce shall be combated and eliminated.

Article 38. Fair farmgate and fish landing prices shall be paid for the products of peasants and other small producers to increase their income for production and consumption. Such prices shall be determined in democratic consultation with peasant associations.

Article 39. The massive importation of foreign agricultural and fishery products under the regime of WTO that threatens the livelihood of Filipino farmers and domestic production shall be terminated.

Article 40. A Joint Agrarian Institute whose personnel are to be nominated by both Parties of this Agreement in close cooperation with peasant associations shall be established. The institute shall conduct researches and recommend policies in line with this Agreement and monitor the implementation of agrarian reform.

Article 41. The GRP assumes the responsibility to repeal the Comprehensive Agrarian Reform Law (CARL), Fisheries Code, Indigenous People's Rights Act (IPRA) and all other laws, decrees, orders, decisions and issuances that are inconsistent with this Agreement. ■



Revolutionary Guide to Land Reform

Central Committee Communist Party of the Philippines

Note: This *Revolutionary Guide to Land Reform*, first issued in September 1972, was ratified by the 11th Plenum of the Central Committee in 2002. It has been revised in accordance with the *Introductory Remarks of Chairman Amado Guerrero* on April 20, 1977 and the decisions of the 10th Plenum of the Party Central Committee, Executive Committee of the Central Committee 1994 and the 11th Plenum of the Central Committee.

Chapter I. The Main Content of the People's Democratic Revolution

Section 1. The main content of the people's democratic revolution is the fulfillment of the peasants' demand for land and the eradication of the various forms of feudal and semi-feudal exploitation.

Section 2. It is therefore the prime duty of the people's democratic government to fulfill the aforementioned demand by implementing a comprehensive land reform program whose essential goal is the free distribution of land to the poor peasants and the lower-middle peasants and the promotion of productive cooperation among the peasant masses.

Chapter II. The Land Reform Program

Section 1. This land reform program shall have as its minimum goal the drastic reduction of land rent and the elimination of usury; and as its maximum goal the confiscation and national-

ization of the estates of landlords and their distribution for free to the tillers who have no land or who do not have enough land. This program shall also have as its constant goal the betterment of wage and living conditions of farm workers in landed estates operated on a capitalist basis.

Section 2. The maximum objective of confiscation of the estates of landlords, their nationalization, their distribution for free to the tillers who do not have land or do not have enough land shall be carried out upon the victory of the people's democratic revolution nationwide.

Section 3. While the people's democratic revolution has not yet achieved nationwide victory, the confiscation of lands shall only be done in the case of despotic landlords who have committed serious crimes against the peasant masses and the revolutionary movement.

Section 4. While the people's democratic revolution has not yet achieved nationwide victory, lands which have been confiscated as well as logging areas and land which are idle and abandoned or which have come under the control of the revolutionary movement through one means or other shall be turned over for free for tilling to landless peasants or peasants who do not have enough land for them.

Section 5. The Party Committee in the region has the authority to decide on the confiscation of lands of landlords who have serious counterrevolutionary crimes and in the distribution of the lands which are under the disposition of the revolutionary movement. The Party Central Committee shall monitor and review the decisions regarding confiscation and distribution of the said lands. The Party Committee in the region may formulate the necessary guidelines in the administration and use of abandoned and idle lands.

Chapter III. Rent Reduction and Elimination of Usury

Section 1. In lands where feudal relations exist, land rent shall be reduced to 50 percent of the prevailing rate as an initial step. The rent may be paid in either cash or kind.

Section 2. The rent shall continuously be reduced step by step until it becomes 10 percent or even lower of the net harvest as the Communist Party of the Philippines, the New People's Army, the people's democratic government, the peasant associations and other mass organizations, the people's militia and the local guerillas continue to expand and strengthen themselves.

Section 3. The net crop shall be arrived at by deducting from the gross crop all agricultural costs incurred by the tenant. Costs for ploughing, harrowing, rent or depreciation of farm animals and implements, irrigation, seeding and seedlings, planting, weeding, fertilizers, pesticides, harvesting, hauling, threshing and milling shall be in the category of agricultural costs. Such shall be determined according to the price standards set by the peasant association and shall be according to current prices.

Section 4. Usury shall be completely eliminated by four methods:

- a. encouraging the peasant masses to keep personal savings;
- b. letting the peasant association operate as a cooperative association in order to accumulate savings and other income;
- c. lowering the interest on loans to 50 percent of the existing rate as an initial step. This will continuously be reduced until it becomes only slightly higher than the prevailing rate charged by banks; and
- d. canceling all unjust debts and recomputing old debts as far back as five years according to the rates set (only slightly higher than the prevailing rate charged by banks) and with the agreement of the general assembly of the peasant association.

Section 5. Any agricultural cost, especially seed grain, which may be shouldered by the landlord shall be paid for without profit or interest and shall be deducted from the gross crop. The peasant association shall inquire into every loan agreement between a landlord and a tenant and shall not allow any landlord to compel a tenant to receive any loan from him or from any known usurer, especially when the interest rate charged is more than the interest rate permitted by the peasant association.

Section 6. Rent on work animals and farm implements which are both landlord property shall be reduced upon the decision of the peasant association after careful consideration. The rich peasants and upper-middle peasants shall also be persuaded to reduce rent on their work animals and implements.

Section 7. No landlord, administrator or overseer shall be allowed to demand any kind of tribute from the tenant families, whether this be in the form of labor, menial service, fees or anything else in kind from the main or side occupations of the tenants.

Section 8. Rich peasants and upper-middle peasants shall be persuaded to increase the wages of the farm workers that they hire or reduce the rent paid to them by their tenants or subtenants¹ in accordance with standards set by the peasant association. Such standards shall not make the rich peasants and upper middle peasants lose their status.

Section 9. In case of any calamity like floods, drought, crop disease, fire, enemy action or the like, where at least twenty percent of the crop is destroyed, the tenant shall not pay any land rent to the landlord. Should the calamity damage the crop to the extent of at least fifty percent, the tenant shall not pay any land rent for the incumbent crop and also for the next crop.

¹ Included here are the tenants of rich peasants and upper-middle peasants in their own lands and in the lands they rent from their landlords.

Payments or debts previously incurred on destroyed crops shall be justly settled by decision of the peasant association according to concrete circumstances. The peasant association may decide to cancel the debts to an extent parallel to the amount of destruction, especially if those debts were incurred from landlords and other private moneylenders.

Section 10. If for any reason a tenant forfeits his right to till the land, it shall be the responsibility of the peasant association to determine tenancy rights. The tenancy rights shall be passed on to an immediate relative of the previous tenant or to someone else who is a farm worker or poor peasant.

Section 11. The simple method of withholding information from the landlord about the actual harvest may be employed to reduce land rent drastically in areas where the minimum program of land reform is not yet widely implemented. In such a case, one half of the land rent that should have gone to the landlords shall be given to the people's democratic government through the peasant association or the New People's Army and the other half shall accrue to the income of the tenants.

Section 12. On the eve of the confiscation of landlord property and free distribution of the same, simple nondelivery of land rent to the landlord shall be made concertedly by the tenant masses. One half of the land rent that should have gone to the landlords shall automatically be given to the people's democratic government through the peasant association or the New People's Army and the other half shall accrue to the income of the tenants. This shall be method of sharing until the free distribution of land shall have been implemented in the barrio.

Section 13. The peasant associations and their committees shall conduct mass meetings on land reform, and shall continuously study and discuss and eventually agree on how to distribute the lands to be confiscated from the landlords. Such activities

shall facilitate the current as well as future work of the land reform committees.

Section 14. Any landlord who resorts to violent means or any counterrevolutionary action in order to counteract and sabotage the campaign to reduce the land rent and eliminate usury shall be punished according to the gravity of the crime, shall have his land confiscated and shall have the loans he has lent canceled without further compensation. However, other members of his family shall be given the opportunity to have a means of livelihood, including land cultivation, provided they obey the laws of the people's democratic government.

Section 15. Every effort shall be made to raise the production of the peasant masses through mutual help or cooperation and mutual labor exchange and the launching of livelihood projects and the improvement of agricultural services which will benefit the peasant masses.

Chapter IV. Free Distribution of Land

Section 1. Lands of landlords shall be confiscated and nationalized and distributed free to the poor peasant and lower-middle peasant families, who shall have priority in the disposition of the piece of land that they already till but who shall at the same time agree to certain readjustments for the purpose of ensuring that each family has sufficient land to till so that the common welfare is promoted.

Section 2. Land shall be distributed according to the principle of equalizing landed property and enabling the poor peasants and lower-middle peasants to achieve the status of middle-middle peasants. The system of distribution will be in accordance with the *per capita* system. Due consideration shall be given to the following:

- a. the total amount of land available for distribution in the area;

- b. the size and labor power of every family or household receiving the land;
- c. the quality, location and size of the land; and
- d. the type of crop.

Section 3. Dependents of revolutionary martyrs, cadres and Red fighters shall enjoy priority in receiving a share of the land being distributed free. In cases where they lack sufficient labor power, the people's democratic government shall see to it that the peasant association in their locality gives them all necessary co-operative assistance in cultivating their land.

Section 4. The middle-middle peasants shall be given some share of the land being distributed free in order to raise the level of their livelihood to some extent, provided that his land share does not give him the status of upper-middle peasants or rich peasants.

Section 5. Workers, handicraftsmen, pedlars and other poor nonpeasants who are willing to till the soil shall be given a share of the land being distributed free. Should they continue to have means of livelihood other than tilling the soil, their land share shall be properly adjusted.

Section 6. Work animals, farm implements and other property confiscated from the landlords shall be distributed free on the basis of equalizing property or turned over to the peasant association for administration and common use.

Section 7. Orchards, fishponds, ranches and other such property which are landlord property but which cannot be divided without prejudicing their productivity shall be turned over to the people's democratic government for appropriate purposes. Houses, buildings and other confiscated structures shall be used by the people's democratic government for the appropriate purpose.

Section 8. Municipal fishing grounds shall be protected against the entry of big local and foreign fishing boats.

Section 9. Depending on concrete conditions, one to ten percent of the land confiscated from landlords shall be set aside for public use; for production plots of the New People's Army, the peasant associations and other mass organizations; for experimental farms and also as reserve for future readjustments in land distribution.

Section 10. The surplus land and other means of production owned by the rich peasants and upper-middle peasants shall not be confiscated. However, these rich peasants and upper-middle peasants shall be persuaded to further increase the wages of the farm workers that they hire or reduce the rent paid to them by their tenants in accordance with standards set by the peasant association. In cases where the rich peasants and middle peasants rent lands from the landlords, such land shall be considered landlord property and shall be subject to confiscation. In the free distribution of land, the rich peasants and upper-middle peasants shall get their due share in the free distribution of land.

Section 11. The land of revolutionary martyrs, cadres, Red fighters, school teachers, professionals and workers which do not exceed the limits of the landholdings of rich peasants shall not be considered landlord property and shall not be confiscated, provided they are tilled by relatives of the owners and provided further that the local masses agree.

Section 12. Homes, industrial and commercial enterprises, artisans' shops, schools, religious houses, plazas, public playgrounds and the like shall be allowed their necessary land sites. Even before the free distribution of land, all tenants shall be assured of ownership of their home lots without paying any amount to their landlord.

Section 13. The members of the enlightened gentry who support the people's democratic government and agree with its land reform program shall not be subjected to any punishment or humiliation, and each shall be allowed to keep his own house, per-

sonal facilities and industrial and commercial business or a piece of land which is roughly equivalent to the piece of land owned by a rich peasant, provided that they themselves till the land.

Section 14. Landlords who have not committed any serious crime against the people shall be allotted land to the same extent and quality given to the poor peasants and lower-middle peasants, provided that they are willing to till the soil and to reeducate themselves through their own labor.

Section 15. Persons of good standing who have left their home barrios for one reason or another shall upon their return be given land for them to till so long as they express their willingness to till the land.

Section 16. Enemy soldiers and officers who have mutinied against or deserted the enemy shall be absolved of responsibility for past actions committed under orders of their superiors and shall therefore be allowed to enjoy the benefits of land reform.

Section 17. Any landlord who resorts to violent means or any counterrevolutionary action in order to sabotage or counteract the campaign to distribute land for free shall be punished according to the gravity of his crime. However, other members of his family shall be given the opportunity to have a means of livelihood, including the right to own and till a piece of land, provided that they obey the laws of the people's democratic government.

Chapter V. The Peasant Association as a Cooperative Association

Section 1. The peasant association shall at the barrio level and upwards function as a cooperative association mainly of poor peasants, middle peasants and farm workers, unless there is some particular need for a cooperative association that is distinct from the peasant association.

Section 2. The peasant association shall always foster and undertake among its members such elementary forms of coop-

eration as mutual aid and exchange of labor in order to promote the common welfare, raise production, reduce certain production costs and eliminate the need for credit from the usurers.

Section 3. As a cooperative, the peasant association will determine the equivalent in shares of the grain or cash that is contributed by the members of the association. Once every three months, the association shall calculate the amount and profit of shares. Any member of the association may buy any amount of shares over and above the minimum number of shares. But no matter the amount of shares owned by a member of the cooperative, the policy of "one member, one vote" shall be followed. Those who are not qualified to be members of the association shall only be allowed to lend capital to the cooperative.

The peasant association shall see to it that the products of its members can be sold at the best possible price and shall combat exploitative merchant manipulations. It shall deal fairly with the merchants and allow them a fair rate of profit.

Section 4. The contributions shall be used for any of the following purposes:

- a. for acquiring work animals, farm implements, equipment and facilities that otherwise cannot be afforded by a single person or family;
- b. for setting up a store that buys basic commodities as well as seeds, fertilizers and pesticides in bulk and that consequently sells to the local people at retail prices lower than if the goods were otherwise purchased;
- c. for developing side occupations;
- d. for storing medicine for common illnesses as well as for getting adequate medical and dental services;
- e. for supporting educational and cultural activities and also recreational projects and facilities.
- f. for the improvement of transport and communication facilities; and

g. for burial expenses.

Section 5. The peasant association shall see to it that the products of its members are sold at the best possible price and the association shall combat exploitative merchant manipulations. The association shall deal fairly with merchants and shall allow them a fair rate of profit.

Section 6. The peasant association may acquire such modern equipment as irrigation pumps, tractors and threshing and milling machines but before any such acquisition it shall demand more efficient and cheaper service from owners of equipment already in operation.

Section 7. When credit is explicitly extended to particular members, the peasant association shall not charge an interest rate higher than the interest allowed by the association and shall accept land, the next harvest, farm animals, implements or some useful personal property as collateral commensurate in value to the amount of credit extended. Credit can be extended only for productive or other worthwhile reasons. The peasant association shall have the right to inquire any time into the actual use of the loan.

Section 8. The peasant association shall decide according to concrete conditions how to recover expenses, maintain levels of financial sufficiency and draw a fair rate of return on investment.

Section 9. The peasant association shall apply cooperative efforts in helping the dependents of revolutionary martyrs, cadres and Red fighters cultivate their fields or earn a living in some other way.

Section 10. The peasant association shall develop on a cooperative basis such side occupations as cultivation of orchards and vegetables, poultry-raising, hog-raising, cattle raising, lumbering, carpentry, collection of wood fuel, fishing, fish-farming, fish processing, handicrafts, tailoring and dressmaking, blacksmithing,

transportation (tricycles, jeepneys and motor boats), motor repair shops and others.

Section 11. The peasant association shall acquire lands for cooperative purposes and shall during the free distribution of land have its own share. The lands owned cooperatively shall serve as the base for reaching higher levels of cooperation and their income shall be used to acquire surplus lands of rich peasants and others permitted to own surplus lands and also the lands acquired before the distribution by beneficiaries of land reform who for one reason or another want to sell these lands.

Section 12. Members of the peasant association shall be entitled to an equal share of labor and likewise to an equal share of income in the cultivation of the lands owned cooperatively. However, the peasant association shall devise a system of work points in order to give the proper due to the difference in the quality and quantity of work done by the members. This system shall be the basis of compensation of the members. The members shall be compensated accordingly.

Section 13. Peasant associations of a number of barrios, towns, districts or provinces may undertake joint cooperative projects under the direction of a committee and upon the approval of the people's democratic government at an appropriate level.

Chapter VI. Better Wage and Living Conditions of Farm Workers in Capitalist Farms

Section 1. In farms operated on a capitalist basis, full support shall be extended to the formation of workers' unions and exercise of democratic rights among the farm and other workers. Full support shall also be extended to the efforts of unions to improve their work conditions and livelihood and to acquire other benefits. The unions have the right to look into the book of accounts of the company so that they will have solid ground to de-

mand the improvement of their work conditions and livelihood, and to acquire other benefits.

Section 2. Better working and living conditions and other benefits shall mean job security, a fair minimum wage, a higher wage rate for overtime work and for more dangerous work, equal pay for equal work without discrimination on the basis of gender, a wage scale based on efficiency and length of service without discrimination on the basis of gender, better work facilities, better housing facilities, vacation privileges, paid vacation leaves to women workers who have given birth and during menstrual periods, pension plans, operation of store cooperatives to assure them of basic commodities at low prices, free medical and dental services for the worker's entire family, free elementary and high school education for their children, compensation for death or accidents, free burial expenses, and the like.

As much as possible, farm workers shall be allotted private lots to enable them to undertake side occupations with which to supplement their consumption needs as well as income.

Section 3. Since farm workers, especially those categorized as nonregular and nonpermanent workers in capitalist farms, are drawn from the ranks of the peasant masses, the peasant association shall examine and take appropriate action on any contract or plan by which a landlord, administrator, overseer or labor contractor seeks to recruit farm workers from a locality.

The peasant association shall safeguard the political and economic rights of the farm workers who may at the same time join the workers' union in their place of work.

Section 4. Anyone who recruits farm workers shall be prohibited from violating fair contracts, practicing usury, getting cuts on wages, cheating on accounts and other exploitative practices. Anyone who violates this prohibition shall be subject to punitive measures.

Section 5. The agricultural workers' union or the peasant association in the vicinity of a capitalist farm shall see to it that idle or excess parts of a landed estate operated on a capitalist basis shall be distributed for cultivation. In the case of ranches, the area shall be correlated with the actual number of cattle.

Section 6. Depending on concrete circumstances, the people's democratic government may completely take over landed estates operated on a capitalist basis or allow the landowners to continue ownership and management of these under such strict conditions like the improvement of working and living conditions of the workers and to pay taxes mainly in cash to the people's democratic government.

Section 7. Big foreign capitalists shall be strictly prohibited from owning to any extent or controlling in any manner agricultural lands and therefore they, together with their running dogs, shall be subject to punitive measures should they violate this prohibition.

Section 8. The owners, administrators, overseers, labor contractors, including their running dogs, who use private armed guards or enemy troops or police to guard landed estates and oppress the farm workers and the people shall be subject to punitive measures.

Section 9. Agricultural lands operated on a capitalist basis shall ultimately be nationalized by the people's democratic government. The unions and mass of workers shall be oriented towards this goal.

Chapter VII. The Poor Settlers and National Minorities in Frontier Areas

Section 1. In frontier areas, the poor settlers and national minorities shall be organized into peasant associations in order to look after their common interests, foster cooperation and combat feudal and semi-feudal exploitation. Unity and under-

standing between the settlers and the original inhabitants shall be promoted.

Section 2. The rights of national and ethnic minorities to ancestral lands and to their right to communal ownership shall be recognized. The boundaries of ancestral and communal lands will be determined by democratic consultation with them and their associations.

Section 3. The poor settlers and national minorities in logged over areas, forest clearings, pasture lands or reclaimed areas, shall be assured of the right to their homestead or the lots that they cultivate and shall be encouraged to further develop these.

Section 4. Resettlement of landless peasants in frontier areas shall be promoted in order to make up for land scarcity in certain areas. However, no infringement whatsoever of the equal rights of the national minorities or original inhabitants shall be allowed.

Section 5. The people's democratic government, together with the peasant association, shall be responsible for the amicable settlement of land disputes in frontier areas.

Section 6. Big capitalists, landlords and comprador-bureaucrats shall be prohibited from grabbing lands in frontier areas and therefore they, together with their running dogs, shall be subject to punitive measures should they violate this prohibition.

Section 7. Restrictions shall be placed on logging and in implementing this policy due attention shall be given to the general welfare and without prejudice to the welfare of the poor settlers and national minorities.

Chapter VIII. Implementation of the Land Reform Program

Section 1. The people's democratic government shall establish land reform committees at every level in order to supervise land reform work. These land reform committees shall be given

the authority to decide on problems related to land reform. Units of the New People's Army shall assist them.

Section 2. The peasant associations and their leading organs shall mobilize the peasant masses in achieving land reform. Aside from conducting mass meetings, they shall make a class analysis of households in their locality; determine the amount of labor power and number of dependents in every family or household; draw up an accurate map of the lands to be confiscated including the adjoining lands thereof; and indicate the quality and sizes of parcels as they are before the free distribution of land and as they will be when free distribution of land shall have been made.

Section 3. Mass meetings shall be conducted as often as necessary in order to strengthen the resolve of the peasant masses to conduct and win the struggle for land. These shall promote the general line of the people's democratic revolution and the current line on land reform in every area; give full play to the pouring out of grievances against imperialist, feudal and bureaucrat oppression; point out the solution of current problems; and foster the spirit of productive cooperation.

Section 4. Despotic landlords and their running dogs who violently oppose land reform shall be arrested by the militia, local guerillas or regular units of the New People's Army for trial by the people's court.

Section 5. Landlords shall be classified as either despotic or nondespotic; enlightened or nonenlightened gentry; and big, medium or small prior to and in the course of land reform. They shall be treated accordingly, with the most powerful assaults of the peasant masses concentrated on despotic landlords who are in authority and have big landholdings.

Section 6. The basic unit area for both minimum and maximum goals of land reform shall either be the municipality, a large contiguous landed estate or even a barrio.

Chapter IX. Agricultural Taxes

Section 1. The success of land reform shall be the key to the self-reliance of the people's democratic government.

Section 2. The people's democratic government or its representatives shall collect a tax on the peasant masses after every harvest. Tax collection shall be on the basis of family heads or households. Tax payments may be made in kind or cash.

Section 3. Peasants of middle-middle status before the implementation of land reform, including those who acquired middle-middle peasant status as a result of being given land, should pay an agricultural tax equivalent to five percent (5%) of their net harvest.

Section 4. Tenants who have benefitted from the reduction of land rent should pay an agricultural tax equivalent to two percent (2%) of their net harvest after paying rent to the landlord.

Section 5. Rich peasants, upper-middle peasants and other non-cultivator owners of agricultural lands comparable in size to those owned by rich and middle peasants shall be required to pay an agricultural tax equivalent to ten percent (10%) of their net crop.

Section 6. Peasant associations shall contribute every month to the funds of the people's democratic government an amount equivalent to two percent of their monthly net income.

Section 7. Agricultural capitalists, corporately and individually, shall pay a graduated income tax annually ranging from a minimum of ten percent to fifty percent of their net income in accordance with the following table (this part will still be reviewed and amended):

Net Income in Pesos	Tax (%)
Over 5,000 up to 10,000	10
Over 10,000 up to 20,000	15
Over 20,000 up to 40,000	20

Over 40,000 up to 80,000	25
Over 80,000 up to 160,000	30
Over 160,000 up to 320,000	35
Over 320,000 up to 640,000	40
Over 640,000 up to 1,280,000	45
Over 1,280,000	50

Section 8. Agricultural workers shall pay a monthly tax equivalent to five up to ten percent of wage increases gained as a result of the assistance of the people's democratic government or the New People's Army. This tax shall be apart from dues paid to their unions.

Section 9. Only for definite reasons, such as the intensification of the war effort or support of refugees, shall the agricultural tax be raised and the added tax should not be more than double the usual rate.

Chapter X. Class Status in the Countryside

Section 1. A landlord is one who owns land but does not engage in labor or only engages in supplementary labor and who depends entirely or mainly on land rent for his means of livelihood. Land administrators, overseers, labor contractors and local bullies who are at least better off than the middle-middle peasants are also in the category of landlords. They depend on the exploitation of peasants as the main source of income. Aside from exploiting the peasants, mainly through the collection of land rent, landlords also engage in usury, non-payment or hiring of labor, cheating on accounts, renting out farm animals and implements, operation of modern agricultural equipment and various forms of extortion.

Section 2. A rich peasant generally owns land although in many cases he also rents land. He can be distinguished from the landlord in that he depends mainly on his own labor and tillage of the soil for his means of livelihood. He can also be distin-

guished from the upper-middle peasant in that he depends on the exploitation of others to the extent of over thirty to fifty percent (30%-50%) of their total income. He engages in such exploitative practices as hiring wage labor and renting out farm animals and implements and has surplus funds to enable him to engage in money-lending.

Section 3. Many middle peasants own land, although in other cases they rent land. They depend wholly or mainly on their own labor for their means of livelihood and generally they do not sell their labor power to others.

a. The upper-middle peasant engages slightly or occasionally in exploitation. But income from such exploitation ranges from over fifteen up to thirty percent (15%-30%) of their total income.

b. The middle-middle peasants generally do not suffer direct landlord exploitation and they themselves do not engage in exploitation. However, some middle-middle peasants engage slightly or occasionally in exploitation, to an extent that their income derived from such exploitation ranges from one percent to fifteen percent (1%-15%) of their total income.

c. The lower-middle peasants sell their own labor to some degree or occasionally so that wages constitute a secondary part of their total income. They are on the verge of becoming poor peasants and are subject to exploitation by others in the form of land rent and loan interest. Their income from the sale of their labor power may reach twenty-five percent (25%) of their total income.

Section 4. The poor peasants are wholly or mainly tenants of landlords. They have no land at all or, if they have any, only a very small portion of the land that they cultivate. Sometimes, they lack adequate farm implements and have no farm animal at all. It is a necessity for them to sell their labor power for certain periods. They derive from twenty-five to fifty percent

(25%-50%) of their total income from the sale of their labor power.



Section 5. The workers in the countryside generally own no land and farm implements and they depend wholly or mainly on selling their labor power for their means of livelihood. Farm workers fall under this category. They work for capitalist or semi-capitalist farms and also for rich peasants and to a lesser extent for upper-middle peasants. Many farm workers earn a living simply by going around with no definite single employer and taking part in agricultural work, especially planting, weeding and harvesting, here and there.

Section 6. In making firm the above classifications, the people's democratic government, the peasant associations and land reform committees shall always take into full consideration the number of family dependents and the actual surpluses that every family or household has.

Chapter XI. Supplementary Rules and Regulations



Section 1. The Party Central Committee shall make the appropriate decisions to modify or supplement this general guide on the basis of further social investigations and actual experience in land reform work.

Section 2. The Executive Committee and the Political Bureau of the Central Committee may draft rules and regulations as well as explanations and clarifications in accordance with this guide. The regional Party Committee may draft rules and regulations as well as explanations and clarifications to supplement this guide for land reform. All these shall be subject to approval by the Party Central Committee. ■



**The NDFP Reciprocal Working
Committee (RWC) Perspective on Social
and Economic Reforms**

Education Series No. 2
NDFP Human Rights Monitoring Committee
August 2009







Preface


The NDFP Human Rights Monitoring Committee is putting out this publication on social and economic reforms (which encompasses human rights) as part of its education efforts regarding major issues in the peace negotiations. It is very timely since social and economic reforms are now the current subject of the negotiations.



When the formal talks in the GRP-NDFP peace negotiations broke down in 2004 due to the GRP's failure to deliver on its commitments in the Oslo I and II statements, the Reciprocal Working Committees on Social and Economic Reforms (RWC-SER) of both parties had been able to take up and more or less agree on the text of two sections of the working draft (actually the NDFP draft) of the Comprehensive Agreement on Social and Economic Reforms (CASER). These are the "Preamble" and the "Declaration of Principles."

The NDFP RWC-SER for its part, despite the absence of formal talks, continued its work and redrafted two sections of its own draft. These are the sections on "Economic Sovereignty and National Patrimony" and "Agrarian Reform and Agricultural Development." All these documents are now brought together here in this publication which then serves as a sort of report on the progress of the work on the second item in the agenda of the peace negotiations.

Included in the compilation is the "Revolutionary Guide to Land Reform" which shows how the NDFP has been carrying out social and economic reforms during the last 40 years or so. More importantly, it shows that even without formal talks, social and economic reforms are being done in the areas where the revolutionary movement possesses sufficient economic and political power.

As NDFP RWC-SER member Randall Echanis puts it in his speech which introduces this collection, social and economic reforms constitute "the meat of the peace negotiations." They are meant to address the root causes of the armed conflict and lay the ground for resolving the armed conflict, and end the poverty of our people and achieve a just and lasting peace in our country. It is abso-





lutely necessary for the GRP and NDFP to agree on the social, economic and political reforms before the modalities of ending hostilities can be discussed.

The compilation puts into convenient form the latest version of the draft CASER so that it can be easily disseminated for use in further nationwide consultation meetings, with both the organized forces and the non-organized forces of the Filipino people. In fact, there is the explicit order that this draft be disseminated to all other interested parties and that the NDFP welcomes comments, suggestions and criticisms from all quarters whether in the “form of a comprehensive critique or additions and rewrites of particular portions or points for study and consideration.”



As the head of the NDFP RWC-SER Julieta de Lima states in her remarks at the dialogue with the Philippine Ecumenical Peace Platform, also included in this publication, the NDFP’s aim in coming out with this publication “is to understand the needs and demands of the people, engage their active participation in advancing these and their help in forging with the GRP a binding document of agreement that truly reflects their interests and demands.”

In this connection, we hope to be able to come out soon with translations of this publication into Filipino and other major Philippine languages.

Even in its present form, the draft CASER is a useful resource to the organized forces of the people to help them formulate and act on their demands to improve their social and economic condition in the face of the current global economic crisis.

It is also being offered as a reference material to political parties and coalitions that seek to present in the 2010 elections substantive social and economic reforms that are responsive to the needs and demands of the people.

Alvin Firmeza, Editor
Co-Chief of Staff, NDFP RWC-SER
August 15, 2009





Contents

The NDFP Perspective on the Comprehensive Agreement
on Social and Economic Reforms (CASER) 1

By Randall B. Echanis
July 23, 2009

Dialogue with Core Group of the Philippine
Ecumenical Peace Platform (PEPP) 13

Remarks by Julieta de Lima
April 15, 2009

Revised Guidelines for the Work of RWCs-SER
and their Sub-Committees 22

Report of NDFP RWC-SER Work on the Preamble 26

Declaration of Principles 29

Economic Sovereignty and National Patrimony 32

Comprehensive Agreement on Social and Economic
Reforms Between the Government of the Republic
of the Philippines (GRP) and the National
Democratic Front of the Philippines (NDFP) 36

NDFP Draft - February 26, 1998

Part IV. Agrarian Reform
and Agricultural Development 82

Revolutionary Guide to Land Reform 93

