

**COMPREHENSIVE AGREEMENT ON SOCIAL AND ECONOMIC REFORMS  
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND  
THE NATIONAL DEMOCRATIC FRONT OF THE PHILIPPINES  
NDFP DRAFT AS OF JANUARY 12, 2017**

**The GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES,**  
Including the executive department and its agencies

hereinafter referred to as the GRP

*and*

**The NATIONAL DEMOCRATIC FRONT OF THE PHILIPPINES,**  
Including the Communist Party of the Philippines (CPP)  
and the New People's Army (NPA)

hereinafter referred to as the NDFP

Hereinafter referred to as "**the Parties**"

**PREAMBLE**

*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;

*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;

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

*Upholding* national economic sovereignty and a self-reliant and independent economy and aiming to protect, conserve and 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;

*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 and people's rights;

*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, national and ethnic minorities (indigenous peoples), the Bangsamoro (Moro people), and all other disadvantaged sectors, including national entrepreneurs;

*Cognizant* of the need for the people and their organizations, especially the basic sectors, to actively participate and pursue their interests in the formulation and implementation of national socioeconomic plans and programs in order to build a just and prosperous society;

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

*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

*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.

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

## **PART I. DECLARATION OF PRINCIPLES**

**Section 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.

**Section 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.

**Section 3.** The Parties recognize that the unity of the Filipino people is essential to eliminate the primary obstacles to economic self-reliance, national independence and social emancipation.

**Section 4.** The Parties recognize the need to review and, as necessary, reverse all economic policies, programs, laws, agreements and treaties that negate the objectives of social and economic development and adversely affect the lives of the Filipino people.

**Section 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.

**Section 6.** The Parties uphold the welfare of the people, especially the workers, peasants, national and ethnic minorities and the Bangsamoro (Moro people) and other basic sectors as the primary consideration in the sustainable utilization of the national patrimony to bring about social and economic development.

**Section 7.** The Parties realize the need for immediate common and separate/unilateral measures to undertake agrarian reform in order to dismantle land monopoly and to distribute land to the tillers for free.

**Section 8.** The Parties affirm the need to pursue a policy and program of national industrialization and agricultural development aimed at creating the basic conditions for a comprehensive, well-balanced and nationally self-reliant economic development.

**Section 9.** The Parties recognize the need for policies: to eliminate the practice of using public office for private, individual or collective gain; to control or regulate private domestic and foreign monopolies; and to prohibit private domestic and foreign monopoly control of strategic sectors of the economy.

**Section 10.** The Parties affirm the need for economic reconstruction and development along the principle of securing the people's welfare, maintaining ecological balance, developing oil, natural gas, methane deposits and other energy sources, assuring continuous regeneration of renewable natural resources and judiciously using non-renewable resources.

**Section 11.** The Parties commit to advance, promote and protect the rights and welfare of workers, peasants, women, children and youth, the urban and rural poor, migrant workers,

national and ethnic minorities (indigenous peoples) and the Bangsamoro, the elderly, persons with disability, and all other exploited, disadvantaged and discriminated sectors.

**Section 12.** The Parties are aware that the current social and economic situation in the Philippines and the historical experience of the Filipino people necessitate the application of universally acceptable principles of international law on social, economic and cultural rights and the faithful compliance therewith by both parties.

**Section 13.** The Parties therefore forge this agreement to affirm their constant and continuing commitment to respect people's (social, economic and cultural) rights; and hereby recognize each other's acts of good intention to be bound by and to comply with such principles and rights.

## **PART II. BASES, SCOPE, APPLICABILITY AND OUTCOMES**

**Section 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.

**Section 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 (indigenous peoples) and the Bangsamoro, and other exploited, oppressed, discriminated and disadvantaged sectors of society.

**Section 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 and the Program for a People's Democratic Revolution of the Communist Party of the Philippines. Accordingly, the Parties hold themselves responsible jointly and separately in implementing this Agreement.

**Section 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.

**Section 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 with the paramount goal of

achieving 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 (indigenous peoples) and the Bangsamoro, and all other exploited, oppressed and discriminated sectors.

**Section 6.** The Parties forge this comprehensive agreement on social and economic reforms with the end in view of eradicating Philippine poverty and reducing inequality in all their aspects and dimensions for the people to have productive, decent and dignified lives. Towards achieving all these, the outcomes of the comprehensive reforms shall include:

1. Independent and sovereign economy and national patrimony conserved and developed for the benefit of the Filipino people;
2. Sovereign, self-reliant, planned and industrialized national economy;
3. Genuine agrarian reform and rural equality and development, including food self-sufficiency and security through higher production in agriculture, sideline occupations and related industries;
4. Financial, monetary and fiscal policies aligned with national development through national industrialization and land reform under the guidance and within the framework of this Agreement (GRP-NDFP Comprehensive Agreement on Social and Economic Reforms);
5. GRP and NDFP cooperation in implementing the program of national economic development, through commissions in charge of national industrialization and agrarian reform;
6. Protected and rehabilitated environment, just compensation for affected populations, and sustainable development;
7. Promotion of the people's social, economic and cultural rights<sup>1</sup> and elimination of discriminatory policies and practices;<sup>2</sup>
8. Adequate employment and living incomes for all, including the promotion of cooperatives, self-employment and small and medium enterprises;
9. Accessible, affordable and quality public utilities and public services including improved and expanded public infrastructure and facilities between rural and urban areas (including farm-to-market and factory-to-market transport and communications); and

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1 The rights to self-determination, work, just and favorable work conditions, unionize, social security, of families to protection and assistance, adequate standard of living, food, housing, health, and education are to be included in appropriate Parts.

2 Covering women, children and youth, the urban and rural poor, migrant workers, ethnic and national minorities, the elderly, persons with disability, and other exploited, disadvantaged and discriminated sectors.

10. Sovereign foreign economic policies, including trade and investment relations, supporting national industrialization and rural development.

**Section 7.** In furtherance of the above outcomes, including the established commissions in charge of national industrialization and genuine agrarian reform under the guidance and within the framework of CASER and GRP-NDFP cooperation, 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.

**Section 8.** 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 or rescission of such contracts that are contrary to or in circumvention of this Agreement.

### **PART III. DEVELOPING THE NATIONAL ECONOMY**

The Philippine economy remains trapped in semifeudal and semicolonial backwardness. The neoliberal free market policies of globalization imposed by United States (US) imperialism and other big economic powers since the 1980s has only worsened the country's underdevelopment and the plight of the Filipino people.

The country has vast agriculture, forestry, aquatic, and energy resources. It is among the most mineral-rich countries in the world with many of the basic minerals needed for industrial development. Our population is also a huge prospective productive labor force and domestic market.

Yet the economy remains backward, agricultural, and with an insignificant Filipino industrial sector. The pattern of production is neocolonial with the economy mainly supplying foreign capital and economies with cheap labour, exporting agricultural and extractive raw materials, re-exporting reassembled or repackaged imported manufactures, and importing industrial inputs, capital equipment, finished goods, and agricultural commodities.

The agricultural sector has fallen to its smallest share of the national economy in history. Manufacturing is down to what it was in the 1950s with tens of thousands of manufacturing firms shutting down in the last decade alone. There is also massive denationalization of manufacturing with foreign transnational corporations and subcontracting accounting for the overwhelming majority of manufacturing output.

The economy became a shallow service and trading economy more than a producing economy in the 1990s and remains so today. It is already disproportionately dependent on cheap labour export to boost domestic demand and to raise foreign exchange. There are 12 million Filipinos forced to work abroad on whom huge social investments have been expended.

These cause the overwhelming majority of Filipinos to be poor including tens of millions of peasants, workers, semi-workers, and other working people in extreme poverty. Peasant landlessness remains widespread and the rural economy backward. The economy is facing its worst crisis of joblessness in its entire history with more Filipinos that are unemployed, in poor quality informal work, and forced abroad than there has ever been. Real wages are falling with rising prices of basic food and other necessities. Small entrepreneurs are pushed into marginal and low productivity activities. The Philippine environment has also been wantonly violated and degraded. The rapacious activities of foreign corporations and their local partners take no heed of the well-being of our people and the environment.

National and ethnic minorities, or indigenous peoples, and the Bangsamoro who comprise around 16 percent of the population suffer worsening denial of their rights to their ancestral land and territories. They endure growing foreign and corporate plunder of natural resources in their communities, GRP neglect and national oppression, and discrimination which only fuels resistance and their struggle for self-determination to overcome harsh poverty, marginalization and exclusion.

The exploiters have meanwhile ensured that the benefits from the economy concentrate and accumulate in them. Foreign monopoly firms and their domestic partners exploit Filipino workers and the peasantry, dominate markets and over-price products, and amass huge amounts of capital which they speculate locally or drain from the economy and send abroad. The so-called free market is in fact dominated and controlled by foreign monopoly capitalists and their domestic comprador counterparts. This serves the selfish profit-seeking interests of the economically powerful and exacerbates widespread poverty and gross social inequality.

Trade, investment and financial liberalization have only intensified the domestic crisis and the neocolonial character of the economy. Industrial and technological backwardness has worsened, foreign domination and local subcontracting that subordinates domestic producers have grown, and job creation and income generation have weakened. The economy is still marked by stagnation, recessions and underdevelopment.

Developing the national economy to serve the people requires systematic responsible state intervention and the democratic participation of the Filipino masses within the framework of a strategic economic program of self-reliant Philippine development. This entails real agrarian reform, rural development, and national industrialization that give due consideration to the environment. Among others it is also urgent to break foreign monopoly control of the

economy, develop human resources and technology, build government competence and efficiency, and subordinate the market to socioeconomic development that benefits the majority of the people.

In appreciation of these facts and how a more democratic and sovereign economy that benefits the majority of Filipinos is the foundation of a just and lasting peace, the Parties commit themselves to pursue, jointly and separately, a comprehensive program for developing the national economy.

### **A. AGRARIAN REFORM AND RURAL DEVELOPMENT**

The necessary first step to achieving peace and development in the country is addressing the most basic problems of rural Philippines. This includes pervasive poverty, peasant landlessness, heavy indebtedness, severe hunger, malnutrition, land monopolization, and gross inequality in income and wealth distribution. Eradicating rural poverty and its attendant effects is not just a matter of social justice but also sound economic policy.

Agrarian reform along with rural development lays the ground for the economic, political, social and cultural liberation of the most numerous class in Philippine society, particularly rural women who suffer the double burden of poverty and underdevelopment under discriminatory conditions. It is a precondition for releasing productive forces in the countryside and for achieving rural and national industrialization.

Philippine agriculture remains backward. The absence of a genuine agrarian reform and rural development program, the continuing land monopoly, virtual foreign ownership of our lands and resources, and the neoliberal policies in agriculture have exacerbated landlessness and poverty of farmers and the general rural population.

Indigenous communities are doubly victimized. Not only are they often by-passed when it comes to development programs, their ancestral lands have also been the target for land grab and resource extraction by corporate interests both local and foreign.

The nature of successive governments that have ruled the country through decades is such that the privileges, power, and wealth of the ruling classes (landlords, compradors, comprador-capitalists and bureaucrat capitalists) are maintained. Thus, the working classes, particularly the peasants and rural workers, continue to be exploited and their rights and welfare sidelined. This explains why no Philippine administration ever had the political will to undertake programs (e.g. a thoroughgoing agrarian reform) to benefit the working people as this would undermine the existing power structure.

The government remains true to its class interests, and continues to be subservient to US monopoly capitalism. Agricultural policies perpetuate the monopoly control and ownership



of lands and other means of production by big landlords and compradors and promote agricultural practices that rely heavily on farm inputs and technologies imposed by powerful multinational corporations.

About 32 percent or 9.671 million hectares of the country's land area are agricultural lands of which big landlords still control hundreds of thousands. The GRP's Comprehensive Agrarian Reform Program (CARP) targeted 7.8 million hectares for distribution. It claims that a cumulative 7.2 million-hectares have been distributed from 1972 to 2015. This is a deceptive claim by the Department of Agrarian Reform (DAR) as it includes areas covered by cases filed by landowners for land-use conversion and other anomalous exemptions.

Haciendas and plantations remain intact, and hectares of distributed lands under the government's various land reform programs have reverted back and re-concentrated into the hands of big landlords and foreign agro-corporations under various schemes as the agribusiness venture arrangements (AVAs).

Vast tracts of lands are being opened to land speculation through the government's Public-Private Partnership (PPP) projects. Moreover, projects supposedly for production or generation of renewable or alternative energy sources are taking away land and livelihood from thousands of tillers and their families with no provisions for their welfare and livelihood.

The country's more than two decades of membership to the World Trade Organization (WTO) with its adherence to neoliberal policies of trade liberalization has aggravated the fundamental problems of backwardness and underdevelopment of Philippine agriculture. Under the WTO regime, the country has increased its dependence on food and other agricultural imports, especially rice; abandoned state subsidies for food production and devoted large areas of lands and water resources for export-crops, mostly under the effective control of agribusiness transnational corporations; and intensified land-use conversion, and land speculation by real estate developers.

Farmers are provided with little or no government support. Thus landlords and other exploiters such as loan sharks and even so-called rural banks victimize them through usurious rates on production loans, high cost of inputs, land rents, irrigation fees. These burdens are made even heavier on top of low farm-gate prices amid high market prices even as government funds allocated for agricultural development and support for farmers end up in the pockets of corrupt bureaucrats and their business partners.

In the countryside where the People's Democratic Government (PDG) are operative, a revolutionary agrarian reform program is being implemented and realized through the collective efforts of the organs of political power, the New People's Army, the revolutionary

mass organizations of peasants, rural women and youth, indigenous communities, and the support and participation of the broad masses of people.

The program includes land rent reduction, increased share of farm produce and wages for tenants and farm workers, reduction of the hours of work, higher prices for farm produce and elimination of usury. In cases of despotic landlords, lands are confiscated and subsequently distributed to existing tillers of the land--the landless tenants and farm workers.

Under the program, various forms of cooperation in agricultural production among the peasants and indigenous communities are encouraged through, among others, the establishment of communal farms and marketing cooperatives. Additionally, indigenous communities are organized and assisted in promoting and safeguarding their rights and welfare and in self-reliantly establishing basic social services

The realization and success of agrarian reform and rural development rest not just on the political will of leadership but more so on the collective participation of communities of rural men and women who are conscious of their equal rights as partners and are cognizant of their productive share in the rural economy and in the social and economic development of the country.

With this 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 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 I GOVERNING PRINCIPLES**

**Section 1.** Land monopoly shall be broken up and safeguards against land remonopolization or refeudalization shall be instituted. The expropriation or confiscation of all agricultural lands and other agricultural means of production owned by landlords shall be undertaken.

**Section 2.** The expropriated or confiscated land shall be redistributed for free to the tillers, farmers, farm workers, and agricultural workers with preference given to those who have been occupying their lands as tenants and leaseholders.

**Section 3.** 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.

**Section 4.** 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.

**Section 5.** Landholdings whose landowners have maintained private armed groups and are known to the farmers as having been involved in extrajudicial killings or attacks against farmers' organizations in connection with agrarian disputes shall be 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 or the effective organ<sup>3</sup> of political power in the area, in democratic consultation with the peasants and their associations.

**Section 6.** The right of the national minorities to their ancestral lands and territories shall be recognized and their right to collective ownership shall be guaranteed under this Agreement.

## **ARTICLE II** ***DEFINITION OF TERMS***

**Section 1.** Definition of Terms - For the purpose of this Agreement, the following terms shall be understood as follows:

- a) Agricultural lands - refers to lands, regardless of classification, that are devoted to agricultural production and such other uses connected with agriculture such as cattle and livestock farms, aquaculture, including foreshore, pasture farms, and lands that are agricultural in dominant use or with the potential for agricultural use;
- b) Confiscation – is the compulsory and uncompensated seizure of private agricultural lands and non-land assets from landlords who have engaged in land grabbing and other serious crimes in connection with agrarian disputes. It is the exercise by the political authority including the local organs of political power of the mass organizations.
- c) Capitalist farm – an agricultural production unit that is owned and controlled by a corporation or an entrepreneur that has invested capital in the farm, managed by professionals, and hires all workers for wages. The most common type is plantation

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<sup>3</sup> Effective organ of political power can either be that of the GRP or or the local organ of political power. if we retain State, it should not mean the GRP as of today but of a future coalition government.

with the level of mechanization varying significantly among farms. Land used for farming may be leased or owned. Production is mainly for the purpose of yielding sufficient return to capital and profits, with end products usually exported to foreign markets.

- d) Expropriation – involves the exercise by the State of its power of eminent domain by taking private agricultural lands and non-land assets for public use related to the operation of an agricultural activity with just compensation;
- e) Farmer – person whose primary livelihood is cultivation of land or the production of agricultural crops, livestock, and fisheries, regardless of the nature of his possession or occupancy of the land. As used in this Agreement, may also refer to agricultural workers, fisherfolk, indigenous peoples, rural women, and workers in cattle and livestock farms, aquaculture and pasture lands. See also Peasant.
- f) Farm worker – person who generally owns no land and farm implements and depends wholly or mainly on selling his or her labor power for means of livelihood;
- g) Landlord – 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 means of livelihood;
- h) Non-land assets - refers to immovable, apart from land, and movable properties that are used as facilities, equipment, accessories and other structures, instruments, and improvements vital and necessary to agricultural production. In the case of cattle and livestock farms, aquaculture and pasture, non-land assets include the breeding ponds and stables, fish cages, machines and equipment and other improvements, structures and instruments vital and necessary to their operation, and the cattle, livestock, prawns and fishes, and all other animals raised and grown therein;
- i) Peasant – categorized as rich, middle, or poor peasant. Rich and middle peasants generally own some land and in many cases also rent land; they depend mainly on their own labor and tillage of the soil for their means of livelihood. Rich peasants also hire wage labor and rent out farm animals and implements. Middle peasants depend wholly or mainly on their own labor for their means of livelihood. Poor peasants are wholly or mainly tenants of landlords; they have no land or farm animals and sometimes lack adequate farm implements. Poor peasants derive part of their income from the sale of their labor power.
- j) Peasant cooperative or Farmers' cooperative - an organization in which farmers with small farms or sometimes peasants who do not own land engage collectively in agricultural work or business to help each other produce and sell their crops and strengthen their bargaining and market power.

### **ARTICLE III SCOPE AND COVERAGE**

**Section 1.** Regardless of tenurial arrangement and commodity produced, the Parties agree that 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) Pasture lands and ranches and lands suitable for tillage but covered by leases for ranches and cattle farms;
- e) Lands formerly and presently used as military bases and other military reservations or parts thereof suitable for agriculture;
- f) Lands of public or private schools suitable for agriculture that are not actually, directly and exclusively used for educational purposes;
- g) Lands owned and operated by churches and church institutions suitable for agriculture that are not actually, directly and exclusively used and found to be unnecessary for the practice of religion;
- h) Lands covered by tourism projects, golf courses, and those within special economic zones that are suitable for agriculture; and
- i) Fishponds, prawn farms, corporate fish pens and aquaculture farms including those previously exempted from coverage from the GRP's land reform program.

**Section 2.** The Parties shall carry out agrarian reform as stipulated in this Agreement in the national minorities' ancestral lands and territories at the national minorities' own pace. Both Parties shall ensure that the encroachment and monopoly control of ancestral lands and territories by private corporations and individuals including the landowning elite among the indigenous peoples and the Bangsamoro shall be dismantled.

### **ARTICLE IV DISTRIBUTION AND SALE OF LAND**

**Section 1.** In the distribution of land, the Parties shall apply the principle of equity and democratic consultation with peasant associations 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, including adaptability to climate conditions; and
- d) the type of crop to be planted.

**Section 2.** The Parties shall prioritize poor peasant families in the disposition of the piece of land that they are already tilling. Workers, handicraftsmen, peddlers and other poor non-peasants 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 3.** The sale, mortgage or any other encumbrance or mode of transfer of lands distributed under this Agreement shall be allowed subject to the following:

- a) the sale, mortgage or conveyance of distributed land shall be allowed only after a period of ten (10) years;
- b) the land shall not be converted to non-agricultural use;
- c) the land shall not be sold or mortgaged to former owners;
- d) immediate family members and relatives who are willing to cultivate the land and with the ability to make the land as productive as possible and whose landholdings will not exceed the land retention limit shall be given preference; and
- e) in the absence of a member of the immediate family, the peasant association or peasant cooperative of the farmer-beneficiary shall have the right of first refusal in purchasing the land for cooperativization.

**Section 4.** Surplus landholdings and other means of production of rich peasants and middle peasants shall not be subject to expropriation. The Parties shall require the rich peasants to raise the wages of the farm workers they hire in accordance with the standards set by the peasant associations.

**Section 5.** The policy of expropriation shall extend to land owned by Filipinos but used by foreign-owned capitalist farms. Subject to negotiations based on national interest, Filipino owners may retain ownership of their non-land assets – farm machinery, warehouses, buildings, offices and vehicles, and the like – and be in joint corporate or cooperative relationship with peasant cooperatives or farm workers' associations.

**Section 6.** Expropriated corporate farms will not be broken up and distributed. They shall instead be operated by a cooperative or a corporation collectively owned by an association of peasants/farm workers.

**Section 7.** Pending the free distribution of land, all tenants shall be assured of ownership of free home lots from their landlord.

## **ARTICLE V COMPENSATION AND LAND USE**

**Section 1.** The Parties shall ensure that owners of expropriated lands shall be provided with just compensation and allowed to retain up to five (5) hectares, provided that such lands shall continue to be devoted to agricultural production or other uses related to agriculture.

**Section 2.** In determining compensation, consultation between the peasants and workers on these lands and the current owner/s shall be undertaken and the following shall be considered:

- a) the history of tenancy;
- b) the social and economic benefits contributed by the peasants and farm workers to the property;
- c) the cost of acquisition of the land;
- d) the current value of like properties;
- e) the nature of the land, actual use and income;
- f) facilities and machinery, and in the case of ranches and cattle farms, the number and quality of livestock; and
- g) tax declarations, rentals, income and other earnings and contributions by the peasants and farm workers to the property, and unpaid taxes, loans and other liabilities.

**Section 3.** The Parties shall form an appropriate body that will determine just compensation. The compensation shall be made in one or any combination of the following modes:

- a) cash payment;
- b) shares of investment or bonds in industrial or commercial enterprises;
- c) tax credits which can be used against any tax liability; and
- d) set-off of unpaid loans secured from any financial institution of the GRP.

**Section 4.** Professionals, migrant workers, and retirees who have acquired landholdings not exceeding fifteen (15) hectares during the last ten (10) years and their immediate heirs shall be better compensated.

**Section 5.** The lease and leaseback arrangements with foreign corporations involving vast tracts of land or plantations shall be immediately terminated and the contracts rescinded. Plantations operated on leased public and privately owned land shall be publicly owned or managed by cooperatives of the farm workers.

## **ARTICLE VI**

### ***MARINE AND AQUATIC REFORMS***

**Section 1.** Fisheries and aquaculture, including but not limited to fishponds, fish pens and fish corrals, shall be covered by the agrarian reform program of this Agreement, with aquatic reform as an inseparable and salient component of the agrarian reform program.

**Section 2.** The Parties shall agree that fish corrals, fish pens and fish cages not operated by their owners or by cooperatives shall be expropriated and privatized coastal areas shall be reverted to the public domain and be used mainly as communal fishing grounds.

**Section 3.** Municipal fishing grounds extending to fifteen (15) kilometers from the shoreline shall be protected from big commercial operators with vessels more than ten (10) gross tons.

**Section 4.** Fishpond tenants and wage workers shall be organized into fishing cooperatives and the fishponds shall be transformed into publicly owned farms or cooperatives.

**Section 5.** Owner-operated fisheries and aquaculture areas not exceeding three (3) hectares shall not be subject to expropriation. The State shall provide them support, together with publicly owned fishponds, in terms of technology, credit and other services. The Parties shall ensure that these owner-operated fisheries and publicly owned fishponds shall provide adequate and equitable compensation to their laborers.

**Section 6.** Expropriated fishery equipment such as fish corrals, fish pens and large fish cages shall be distributed to producer cooperatives of the fish pen, fish corral, and large-fish-cage laborers.

## **ARTICLE VII**

### ***PROTECTION OF RIGHTS AND WELFARE***

**Section 1.** The Parties shall promote and uphold the rights and welfare of all agricultural and fishery workers in terms of living wages, humane working conditions, health and safety, and other benefits. The Parties shall provide special attention to migrant agricultural workers, such as the *sacadas*, who endure the worst living and working conditions, to ensure that they are accorded their due rights.

**Section 2.** The Parties shall guarantee the full participation of the peasantry in directing all policies and programs related to agriculture and the whole economy.



**Section 3.** In capitalist-run establishments, the rights of farm workers and agricultural workers shall include sickness, maternity and vacation leaves, retirement pay, overtime pay, and health insurance. The Parties shall recognize and guarantee the farm and agricultural workers' right to form unions.

**Section 4.** The criminalization of agrarian-related disputes and cases shall be prohibited. The Parties shall ensure that criminal cases filed against farmers and peasants involving agrarian-related disputes shall be withdrawn or dismissed, and victims of mistrial and prolonged detention without trial shall be compensated.

## **ARTICLE VIII**

### ***COOPERATIVES, CREDIT AND SUPPORT SERVICES***

**Section 1.** The Parties shall design and implement a program to attain self-sufficiency and increased productivity in food production and high productivity particularly in staple crops, fishery and marine products, and livestock in the countryside to raise the income of the rural population. Production shall be primarily geared to domestic demand in order to achieve food self-reliance and to supply raw materials for domestic industrial production.

**Section 2.** To consolidate the gains of agrarian reform, raise agricultural and all related production, and promote rural development, beneficiaries of the agrarian reform program as well as other peasants and workers shall be encouraged, trained, and supported to form cooperatives in various areas such as tree farming, orchards, fishponds, poultry and livestock, grazing and pasture management, carpentry, pooling of work animals and farm machinery, and rural industries. These cooperatives shall be managed by peasant associations in their respective areas or localities.

**Section 3.** Peasant cooperatives and associations shall undertake consciousness-raising activities regarding the socio-political conditions of their localities as well as the national situation.

**Section 4.** The Parties shall ensure that low interest or interest-free credit or subsidies shall be offered to peasant associations, fisherfolk and other producers' associations to enable them to expand their production, raise productivity, and assure stable supply of food and other agricultural products for the entire population.

**Section 5.** The Parties shall reorient the Land Bank and rural banks to take as their primary purpose to finance agricultural and rural development especially in the: establishment of farm infrastructures; support for food production, including aquaculture and livestock breeding; development of non-farm rural industries; harnessing of farm waste for energy, fertilizer and other alternative uses; and the formation of cooperatives. The Parties

shall ensure that previous debts of peasant beneficiaries in connection with land amortization with the Land Bank shall be condoned.

**Section 6.** To increase productivity in the agricultural sector, the Parties shall ensure that financial assistance in the form of production subsidies for farm inputs, the purchase or rent of farm machinery and equipment shall be extended to cooperatives and collectives.

**Section 7.** The Parties shall ensure food security and self-sufficiency in grains and staple crops and prices at a level beneficial and encouraging to the peasant producers. In consultation with farmers' organizations, the appropriate agency agreed upon by the Parties shall set guidelines to strengthen the procurement of palay, corn and grains at the farm gate.

**Section 8.** Crop insurance shall be provided and prices shall be set at a level beneficial and encouraging to farmers and other agricultural producers.

**Section 9.** In an event of destructive typhoons or flooding, the Parties shall ensure that free seedlings shall be distributed to farmers, and along with fisherfolk shall receive food allowance during the period of calamity.

## **ARTICLE IX PROHIBITED ACTS AND PRACTICES**

**Section 1.** The Parties shall prohibit the conversion of agricultural land devoted to food production. Policies or programs allowing the conversion of agricultural lands into so-called industrial estates, urban-housing estates and subdivisions, tourist resorts, golf courses or for the cultivation of export and biofuel crops shall be suspended, reviewed, and as necessary, reversed. Agricultural lands that have been converted shall be returned as much as possible to agricultural use.

**Section 2.** Usury and other exploitative practices in the trading of agricultural inputs and produce shall be combated, prohibited and eventually eliminated through:

- a) encouraging the peasant masses to keep personal savings;
- b) encouraging the peasant association operate as a cooperative association in order to accumulate savings and other income;
- c) lowering the interest on loans to fifty (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) cancelling all unjust debts and recomputing old debts as far back as five (5) 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 3.** The construction and establishment of military camps and detachments of the Armed Forces of the Philippines and the Philippine National Police in agrarian reform lands are strictly prohibited.

## **ARTICLE X**

### ***RURAL INDUSTRIALIZATION***

**Section 1.** 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.

**Section 2.** The Parties shall undertake measures to improve and develop agricultural production such as in dairy, poultry and animal husbandry, sugar, rice, corn and other grains, coconut, fibers, orchards, vegetables, herbs and spices, beverage, rootcrops, fishery and marine products, salt and seaweeds, forage and fodder crops, rubber, organic fertilizers, and others.

**Section 3.** The Parties shall provide marketing, financial and technical assistance to protect and develop further traditional food processing and non-farm rural industries such as weaving, blacksmithing, handicrafts, foundry, metalworking, and others.

**Section 4.** Manufacturing of agricultural inputs including organic fertilizers, pesticides and herbicides, tools, implements, and machinery shall be developed.

**Section 5.** The following rural industries shall be developed:

- a) coconut industry;
- b) sugar industry;
- c) tobacco industry;
- d) meat processing;
- e) dairy products;
- f) leather processing;
- g) abaca products;
- h) clothing and textiles;
- i) furniture;
- j) bamboo and rattan;
- k) fish processing;
- l) fruit, spices, and vegetable processing;
- m) agricultural by-products processing;
- n) pottery; and
- o) salt and seaweeds processing.

**Section 6.** The Parties shall develop domestic agricultural science and technology to raise productivity and rural industries. Traditional and modern technological variety of seeds and the manufacturing of agricultural inputs (including organic fertilizers, pesticides and herbicides), tools, implements and machinery as well as breeding of poultry and livestock shall be promoted.

**Section 7.** The Parties shall endeavor to integrate all aspects of rural production, distribution and processing to meet the needs of the people, local industries and the domestic economy as a whole. They shall provide social capital towards planned and sustained rural development.

**Section 8.** The establishment of physical rural infrastructure shall be given priority in planning and budget allocation. This shall include the following:

- a) rural roads and transportation;
- b) storage, processing, and preservation facilities for agricultural produce and fishery products;
- c) drinking water facilities;
- d) flood control and protection;
- e) soil conservation including erosion controlled; and
- f) fishing harbors.

**Section 9.** Peasant associations and rural communities shall have a major role in the planning and implementation of rural infrastructure projects.

## **ARTICLE XI OTHER PROVISIONS**

**Section 1.** The State shall recognize the rightful claim of peasants and agricultural workers to the Coco Levy funds, sugar amelioration fund, and tobacco excise tax.

**Section 2.** To achieve rural development, the GRP shall amend, suspend or terminate, as applicable, all bilateral investment treaties and agreements, bilateral and regional free trade agreements (FTAs), and agreements under the multilateral World Trade Organization (WTO).

**Section 3.** The GRP shall terminate massive importation of agricultural and fishery products, which threatens the livelihood of Filipino farmers and domestic production.

## **ARTICLE XI IMPLEMENTATION**

**Section 1.** Both Parties shall form a mechanism that would ensure the Agreement is respected and effectively implemented.

**Section 2.** 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.

**Section 3.** Revolutionary mass organizations with the assistance of the New People's Army shall participate in the enforcement and implementation of agrarian reform. The organized movement of farmers, the rural poor and the working people, along with the unemployed and underemployed, shall be harnessed in building the infrastructure for rural agricultural and industrial development.

**Section 4.** The GRP assumes the responsibility to repeal the Comprehensive Agrarian Reform Law (CARL), Investors Lease Act, Agriculture and Fisheries Modernization Act (AFMA), Fisheries Code, Mining Act, Indigenous People's Rights Act (IPRA), and all other laws, decrees, orders, decisions and issuances that are inconsistent with this Agreement.

**Section 5.** Pursuant to the provisions of this Agreement, a new agrarian law shall be enacted to break up land monopoly 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.

### **B. NATIONAL INDUSTRIALIZATION AND ECONOMIC DEVELOPMENT**

National industrialization and establishing a modern and diversified industrial economy is necessary to secure the livelihood of the masses, satisfy their basic needs, ensure rapid and sustained economic growth, and achieve economic independence from imperialist domination.

National industrialization is about Filipino producers engaged in the large-scale production of capital, intermediate and consumer goods and about breaking the current distorted pattern of production. It is the key to the majority of Filipinos and the Philippine economy benefiting from the country's rich natural resource base and its skilled forces of production including the workers, peasants, scientists and technologists, and the rest of the Filipino people. The development of industry, science and technology will also reverse the drain of highly

competent and skilled human resources for whose development huge investments have been expended from the social product.

The country's economic backwardness is particularly evident in the absence of strong basic and technologically efficient Filipino industries in steel, petrochemicals, chemicals, capital equipment, electronics, information technology, and others. The so-called industries in the country are actually foreign capital-dominated, low value-added and semi-processing, import-dependent, and export-oriented.

National industrialization requires active state intervention and protection, expanding and integrating the domestic market, ensuring linkages across the economy, and developing domestic science and technology.

Yet industrial progress and economic development is prevented by the combined forces of the foreign monopoly capitalists and the comprador big bourgeoisie and the consequent exploitative national and social relations. Their dominance needs to be dismantled as a precondition for developing the domestic forces of production. There must be majority Filipino ownership and control of vital industrial sectors and enterprises so that Filipino natural and human resources are maximized for national development.

It is critical to greatly expand the domestic market for Filipino industry through agrarian reform, rural development, greater employment, growing industry, higher wages and salaries, and expanded public social services and utilities. This enables Filipino producers and domestic capital to be the driving forces of national development. The patriotic national bourgeoisie, smaller enterprises and start-ups aspiring for industrialization need to be actively supported and protected.

The people especially the working class are pivotal for national industrialization as the economy's main producers, the most important beneficiaries of industrial development, the bearers of science and technology, and the main political force pushing for national progress.

## **ARTICLE I**

### ***GENERAL PROVISIONS FOR NATIONAL INDUSTRIALIZATION***

**Section 1.** The Parties agree to attain national industrialization by developing and acquiring the capacity to produce consumer, intermediate, and capital goods. This aims to achieve full employment, continuously raise real wages and incomes, keep improving the standard of living, reduce inequality, and eliminate poverty. It raises the level of science and technology, expands domestic demand, and integrates regional production and markets into one national production system.

**Section 3.** The Parties agree that a comprehensive and integrated national industrialization program necessitates systematically taking into account: a) available labor power, skills, natural resources, technology and capacity; b) forward and backward linkages between the primary, secondary and tertiary sectors as well as between geographic regions; c) varying gestation periods and scale economies; d) meeting immediate and basic needs of the people while expanding the potential for long-term strategic benefit; and e) environmental consequences. National industrialization shall be carried out in stages, with due consideration of initial and developing conditions, and shall progress from low-technology labor-intensive production to high-technology capital-intensive production.

**Section 4.** National industrialization entails well-balanced growth with heavy and high-technology industry as the leading factor, agriculture as the base of the economy, and light industry as the bridging factor to immediately produce basic consumer goods for the people and producer goods needed by agriculture.

**Section 5.** Heavy and high-technology industry shall be rapidly developed to become the leading factor in comprehensive and well-balanced development of the economy. The existing industries shall be reoriented from their current import-dependent low value-added processing of goods for export. The Parties:

- a) Commit to prioritize the creation and/or expansion of a modern Filipino industrial sector producing capital and intermediate goods;
- b) Commit to building basic heavy and medium industries producing base metals, basic chemicals, petrochemicals, pharmaceuticals, machinery, precision instruments, electronics, and consumer durables; and
- c) Recognize that these industries are important to ensure that the production of consumer goods and rural producer goods – including farm machinery and equipment, post-harvest storage and processing facilities – is sustained in the long-run.

**Section 6.** Agriculture shall be the base of the economy. Genuine agrarian reform and rural development shall be undertaken so that the agricultural sector can perform its critical roles in national industrialization and unleash a virtuous circle of expanding demand and growing productivity:

- a) Provide food for the rural and urban population;
- b) Provide raw materials for Filipino industry;
- c) Create a vast market for domestically-produced consumer and producer goods especially amid the protracted global crisis and tighter export markets; and
- d) Become a source of investible surplus resulting from the increased productivity of the peasants and other rural workers.

**Section 7.** Light industry shall be reoriented from its current foreign-dominated import-dependent low value-added character to become the bridging factor for immediately producing the basic consumer goods for the entire people and producer goods such as agricultural inputs, tools and light machinery needed by the agricultural sector. The Parties:

- a) Recognize that satisfying the basic needs of the people, especially the basic masses, ensures mass support for the industrialization drive;
- b) Commit to expanding essential consumer goods industries as rapidly as possible to ensure widespread availability of consumer necessities; and
- c) Hence, agree to give priority to the processing of grains, cereals, fruits and vegetables, meat and poultry, aquaculture and fisheries, beverages and dairy products, clothing and footwear, and mass housing.

**Section 8.** The Parties shall encourage higher-stage and end-product domestic processing of the country's raw materials, such as but not restricted to, minerals, agro-based and forestry products (e.g. coconut products, sugar, lumber) and the like in lieu of the current policy and practice of raw material production-for-export.

**Section 9.** The Parties shall take measures for industrial production to adequately meet the consumption and production needs of the peasantry and establish linkages between farm production, agricultural infrastructure, industrial inputs, and agro-processing.

**Section 10.** The Parties shall ensure that national industrialization prioritizes the well-being of the people, especially the worker and peasant masses. It shall serve the needs of the people and mobilize their democratic participation. It shall not accumulate capital or proceed at the expense of the peasantry and workers.

**Section 11.** The Parties shall ensure that industrialization, which entails maximizing and making best use of locally available raw materials, takes due consideration of its environmental impact. This includes:

- a) Addressing the destructive effect of industrial processes on the environment and on people's health; and
- b) Efficiently using, protecting and recovering, as appropriate, the country's resources.

**Section 12.** The Parties shall jointly design a national industrialization program of short-term industrial projects and long-term industrialization.

**Section 13.** Industries deemed essential to the creation of a domestic industrial base for national industrialization will be: supported with tax exemptions, import duty exemptions, credit and investment incentives, and government procurement contracts; protected with



tariffs, quotas or import prohibitions, and foreign exchange controls; and promoted with other like measures as necessary.

**Section 14.** Favoured industries and enterprises under Section 13 immediately above shall be subject to controls regulating monopolistic behaviour and ensuring productivity improvements. Performance standards shall be drawn up and strictly implemented to ensure their contributions to industrialization. There shall be constant engagement between the state and industrial enterprises to enhance information flows, fine-tune policies, and ensure clear guidance according to the needs of national industrialization.

**Section 15.** Imports of goods and services that compromise national industrialization shall be regulated and priority given to imports of needed technology, industrial equipment, and other requirements of the strategic industrialization program.

**Section 16.** The Parties recognize that provisions of international economic agreements and arrangements such as those on investment, 'national treatment', 'fair and equitable treatment', 'most favored nation' (MFN) treatment and others are biased against Filipino enterprises and prohibit various policies needed for national industrialization. To achieve national industrialization and development the GRP shall amend, suspend, or terminate, as applicable, all bilateral investment treaties and agreements, bilateral and regional free trade agreements (FTAs), and agreements under the multilateral World Trade Organization (WTO).

**Section 17.** The Parties commit to build relations with multilateral organizations and governments in support of national industrialization.

## **ARTICLE II**

### ***BREAK IMPERIALIST AND COMPRADOR DOMINATION OF THE ECONOMY***

**Section 1.** The Parties will break the economic dominance of foreign monopoly capitalists and the comprador big bourgeoisie and to undertake an investment program that promotes national industrialization.

**Section 2.** The direct investments and other profit-making assets of US, Japanese and other foreign monopoly capitalists in vital and strategic industries shall be expropriated and nationalized. Exemptions shall be made only in cases of exceptional record with respect to treatment of workers, technology transfer, access to products or markets, and other contributions to the national economy according to the requirements of strategic economic development. The disposition of their productive assets or commercial enterprises shall be negotiated based on the national interest.

**Section 3.** Foreign investment shall be strictly regulated to ensure that it contributes to national industrialization in terms of technology transfer, access to products or markets,

domestic reinvestment, and other like benefits. In no case shall foreign equity exceed 40 percent in any enterprise. Negative lists of areas where foreign investment is prohibited shall be drawn up according to the needs of national industrialization and of the strategic economic program.

**Section 4.** The cartels and commercial operations of big compradors and bureaucrat capitalists shall be dismantled and their assets expropriated. This includes but is not limited to their import-dependent and export-oriented operations that stifle national industrialization as well as their stake in vital and strategic enterprises and sources of raw materials. The disposition of these productive assets or commercial enterprises shall be negotiated based on the national interest. Ill-gotten assets of bureaucrat capitalists shall be subject to immediate confiscation.

**Section 5.** The manner of compensation of expropriated investments and assets shall be subject to negotiation according to the needs of national industrialization and overall social and economic development.

**Section 6.** The Parties agree that developing Filipino industrial capacity is the most effective economic means for preventing the return of imperialist and comprador domination. The national bourgeoisie and smaller private owners of the means of production, including micro, small and medium enterprises (MSMEs), shall be given support for their efforts, productivity, and creativity. Existing enterprises and start-ups shall be given the necessary incentives and support in areas where their private initiative are most productive and shall also be encouraged to partner with the state in major ventures. A list of identified key industries of national significance and respective policy measures to develop these is attached as Annex 1.

**Section 7.** Cooperatives of semi-workers, workers, peasants, and small- and medium-scale manufacturers shall be encouraged and supported with additional incentives to those already given to the national bourgeoisie and smaller private owners of the means of production.

**Section 8.** The Parties agree to jump-start the process of national industrialization by immediately implementing priority industrial projects that: build on existing labor power, skills, natural resources, technology and capacity; already have or can easily realize significant forward and backward linkages; meet some of the people's immediate and basic needs; and establish the foundations for long-term strategic development. They also acquire and develop modern knowledge and technology to ensure production according to the most efficient processes and to open possibilities for new products and technologies. An initial list of identified priority industrial projects and respective policy measures to develop these is attached as Annex 2.

**ARTICLE III**  
**MODES OF OWNERSHIP AND PARTICIPATION OF MASS ORGANIZATIONS**

**Section 1.** The Parties affirm that socioeconomic enterprises can be public sector, joint public-private ventures, cooperatives, or individual entrepreneurship according to what ensures that overall production and distribution is oriented to achieving overall social and economic goals. This includes, among others, consideration of natural monopolies and scale economies.

**Section 2.** The Parties recognize the importance of nationalization to build the strategic capacity of the state to direct the country's human and natural resource potential for the benefit of the majority of the people, as opposed to its appropriation by parasitic foreign and local exploiting classes, and to ensure that domestic patterns of production and consumption are determined according to domestic needs and capacity. Nationalized enterprises are generally 100% state-owned but in certain cases may have a minority private stake of up to a maximum of 40% such as when private capital, technology, expertise, and other contributions to national industrialization are needed. Filipino citizens will be given preference in the private stake but if this goes to foreign capital then additional safeguards will be instituted such as additional requirements in management, profit-sharing, technology transfer, eventual buy-out by the state or Filipino citizens, and others as deemed necessary.

**Section 3.** The state shall nationalize vital and strategic enterprises and the main sources of raw materials. This includes but is not restricted to:

- a) Public utilities of power, water and sanitation, mass transport, telecommunications, and postal services;
- b) Wholesale and external trade; and
- c) Mining, quarrying and minerals processing.

**Section 4.** Publicly-owned and operated utilities will ensure that the welfare of the majority of Filipinos and overall social and economic goals are the primary concerns instead of narrow private profits. Nationalized utilities will provide affordable, quality and reliable services to the people and the national economy; this includes but is not limited to affordable water and sanitation, affordable electricity, affordable mass transport, affordable communications services including free internet access, and affordable postal services. Nationalized mining will consider the development of local communities, the impact on the environment, and the economic and social needs of the whole nation.

**Section 5.** The retail trade industry shall be exclusively 100% Filipino-owned to ensure national control over the distribution of goods and services.

**Section 6.** The Parties recognize that the working people have a pivotal role in production and, in particular, that workers have a central role in national industrialization. Unions and workers' councils are moreover acknowledged as important for ensuring greater democracy in industrial enterprises and in farms run along capitalist lines.

**Section 7.** All industrial enterprises and farms run along capitalist lines 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. The workers shall have the option to either directly organize a workers' council or to accomplish this through their union.

**Section 8.** Workers' participation in running industry shall be further strengthened through encouragement of and incentives for collective ownership and control of enterprises.

**Section 9.** When a private enterprise seeks to sell its assets, workers shall have the right of first refusal where the enterprise must first offer to sell its assets to its workers. The state and the local organs of political power shall support workers who choose to purchase these assets with the intent of making the firm productive again.

**Section 10.** Community-based cooperatives and community-run efforts that support the program of industrialization and rural development and that address the need of the people for affordable, quality and reliable goods and services shall be encouraged. They shall be supervised by people's organizations, their organs of political power and the state.

**Section 11.** The Parties recognize that the social services of education, health, housing, and social security are vital for the participation and well-being of the working people and that these need to be aligned with the program of industrialization and national development. Public education, health, housing, and social security systems shall be strengthened and privately-provided social services shall be regulated as provided for in Part IV of this Agreement.

#### **ARTICLE IV** ***INTEGRATED REGIONAL AND SECTORAL DEVELOPMENT***

**Section 1.** The Parties agree to spread industries across the country's regions in accordance with the availability of natural resources, agglomeration economies, and other relevant local economic circumstances. Measures to geographically disperse the benefits of economic progress will be undertaken, as necessary, to ensure nationwide social and economic development and to ensure that cities are not overly congested.

**Section 2.** Industries will be organized to ensure vertical (i.e. forward, backward) and horizontal linkages that most efficiently and effectively coordinate flows of goods, services, people, technologies, and capital. Forward and backward linkages are between enterprises along the production chain or as buyers, ancillaries, subcontractors, or service providers; horizontal linkages are joint ventures, cooperation and collaboration between enterprises.

**Section 3.** The Parties shall ensure that industrial production adequately meets the consumption and production needs of the peasantry. It shall support agricultural mechanization, modernization, and productivity increases to effect maximum accumulation of capital as well as to ensure food security. Linkages between farm production, agricultural infrastructure, industrial inputs, and agro-processing shall be built and enhanced.

**Section 4.** Industrial capacity shall be immediately established in the production of rural producer goods, especially agricultural equipment, as the first stage in the process of agricultural mechanization and increasing agricultural productivity. This includes but is not restricted to hand tools, farm implements, light motors, biomass-based fertilizers, improved seed varieties and feeds and the like.

**Section 5.** 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. Public infrastructure, facilities and other linkages between rural and urban areas shall be improved and expanded to further foster and encourage rural industries.

**Section 6.** The Parties shall ensure greater political and economic equality between the country's various regions. They shall ensure the participation of all regions and people's organizations in decision-making that concerns them and allocate appropriate resources for the development of relatively backward regions.

**Section 7.** Specific integrated socioeconomic development plans for the Cordillera, Mindanao highlands, small islands and other areas with specific socio-cultural and economic conditions shall be drawn up and developed.

## **ARTICLE V**

### ***DEVELOPING FILIPINO INDUSTRIAL SCIENCE AND TECHNOLOGY***

**Section 1.** The Parties recognize that developing the country's capabilities in science and technology is an essential requirement for rapid and sustained expansion of productive capacity and shall be given high premium. They shall ensure an adequate supply of skilled, competent and progressive human resources geared towards Filipino needs, and stop the brain drain that serves foreign interests.

**Section 2.** The Parties recognize that foreign monopoly capitalists' exclusive control over key industrial technologies is a major factor in keeping domestic industrial processes backward and they commit to take such active measures to break this such as more aggressive use of compulsory licensing, asserting shorter patent life, lowering licensing royalties, and others to support technology transfer and encourage long-term technology development.

**Section 3.** The Parties shall undertake measures to promote research and development in the basic and applied sciences. Sustained investment in developing domestic science and technology shall be undertaken, together with protective measures, in the active effort to improve domestic productive capacity. These include:

- a) Allocating adequate resources for programs developing the country's science and technology infrastructure to correct its historical and prevailing neglect;
- b) Ensuring an adequate supply of skilled, competent and progressive human resources geared towards domestic needs and priorities rather than those of foreign corporations and to brain drain by:
  - i. Developing and propagating comprehensive curricula in the basic sciences, engineering, modern agricultural techniques and management;
  - ii. Setting up the necessary educational infrastructure (i.e. teachers and instructors, schools and other learning centers and facilities) with particular importance given to expanding scientific and engineering courses in state universities and colleges and to vocational-technical schools;
  - iii. Setting up a workers' training institute supporting industrialization;
  - iv. 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; and
  - v. Establishing a program to allow scientists with training and expertise from abroad to integrate with local production (*balik scientists*).
- c) Providing sufficient resources to research and development in both basic and applied science and engineering with special attention for the development of the agricultural sector.

**Section 4.** The Parties shall ensure that Filipino science and technology research outputs are utilized by domestic economic enterprises. 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.

**Section 5.** The Parties shall give priority of employment to Filipino scientists, technologists and workers in all enterprises. Where there are still no qualified Filipinos, foreign experts may be hired but for no more than five years within which they shall transfer full and complete knowledge and skills to Filipino understudies.

**Section 6.** The Parties acknowledge opportunities to improve domestic capabilities by selectively tapping foreign scientific and technological expertise. The domestic stock of technological knowledge may, as necessary, be augmented by using personnel and equipment from abroad, by entering into technology-sharing and technology-development agreements with other countries, and by sending Filipinos overseas to learn technological advances with a view to adapting these to our needs and capacities. The Parties shall develop relations with other countries that promote domestic scientific and technological capacity.

**Section 7.** A survey shall be undertaken 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.

**Section 8.** 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.

**Section 9.** The Parties shall build the necessary innovation infrastructure such as a national broadband network and provide research and development support for small and medium enterprises including start-ups.

## **ARTICLE VI**

### ***FINANCING NATIONAL INDUSTRIALIZATION***

**Section 1.** The Parties agree that funds for national industrialization can be raised from:

- a) Confiscated assets of foreign monopoly capitalists, big compradors and bureaucrat capitalists;
- b) Issuing national and local government industrial bonds;
- c) Reinvesting industrial surpluses of government enterprises;
- d) Encouraging farmers to invest surpluses from growing agricultural productivity in industrial projects;
- e) Encouraging landlords to invest compensation to them in industrial projects;
- f) Portions of higher income taxes on foreign and comprador corporations and wealthy families, higher land taxes on landlords;
- g) Portions of higher wealth, capital gains and inheritance taxes on wealthy families;
- h) Portions of higher consumption taxes on alcoholic drinks, tobacco products, gambling, and luxury goods and services;
- i) Savings from any renegotiated or repudiated debt; and
- j) Savings from reduced GRP spending especially on military personnel and operations.

**Section 2.** The Parties agree to reorient the Development Bank of the Philippines (DBP) and Land Bank of the Philippines (LBP) to fulfil the development banking function of

financing public utilities, services, and infrastructure, agrarian reform and rural development, and national industrialization. They will provide financial support to short-, medium- and long-term urban and rural industrial projects.

**Section 3.** Commercial banks shall allot at least 50 percent of their loanable funds for priority and key industrial projects, with at least 20 percent earmarked for small and medium enterprises.

**Section 4.** The Parties agree to set up an industrial investment fund or specialized funds to support the investment requirements of the national industrialization program. The fund/s will source its/their capital from domestic public and private financial institutions, enterprises and individuals. These include, but are not restricted to, government fiduciary funds.

**Section 5.** The Parties agree to build official economic relations to support national industrialization. These relations shall include among others new arrangements for development finance, technical assistance, technology sharing, and infrastructure projects; deeper bilateral relations can also be explored with friendly governments and other international entities for specific industrial projects. Preference will be given to official development assistance (ODA) that is untied and on the most favourable concessionary terms.

**Section 6.** Filipino migrant workers, immigrants of Filipino ancestry, and other overseas Filipinos shall be encouraged to invest in foreign exchange-denominated industrial bonds to help ensure the availability of financing for importing necessary industrial equipment and other requirements of the strategic industrialization program.

## **ARTICLE VII**

### ***ROLE OF THE NPA AND THE PROGRESSIVE AND REVOLUTIONARY MASS ORGANIZATIONS***

**Section 1.** The NPA and mass organizations shall contribute their knowledge, skills and labor power in the construction of public infrastructure and factories for rural industrial development, including of small- and medium-scale enterprises, and to support rural livelihoods.

## **ARTICLE VIII**

### ***ROLE OF DEMOBILIZED GRP MILITARY PERSONNEL***

**Section 1.** The GRP military and their engineering brigades may be mobilized only for civil works and infrastructure construction in support of industrial development.



## **ARTICLE IX RELATED LEGISLATIVE AND POLICY REFORMS**

**Section 1.** The GRP agrees to repeal or rescind all its laws, orders and issuances inconsistent with or contrary to the national industrialization of the Philippine economy. (See Annex 3)

**Section 2.** The Parties agree to assume separate and joint duties and responsibilities to pursue national industrialization and self-reliant economic development.

### **C. ENVIRONMENTAL PROTECTION, REHABILITATION AND COMPENSATION**

The Philippines is known to be one of the most biodiverse and resource rich environments in the world and yet, ironically, it is among the poorest economies. The people have the right to the conservation, protection and improvement of their environment. They also have the right to make use of the common heritage of mankind, such as the high seas, the sea-bed, and outer space. In exercising these rights for their economic development, the people shall take account of the need to do this in solidarity with all the peoples of the world.

Despite being considered as one of the most biodiverse countries, the Philippines is now facing a “clear and serious ecological meltdown” and even ranks 4th in the world's biodiversity hotspots since 2014. The International Union for Conservation of Nature (IUCN) identified over 737 threatened animal and plant species in the country.

The continued operations of large-scale logging, mining and quarrying is continuously thinning our forest cover and is increasingly leading to major disasters and further endangering biological reserves. . This forest cover loss aggravates floods in low-lying plains and our arable land being severely eroded. The country's natural forests also provide home for animal and plant species of utmost importance. The Philippine forests are hosts for over 3,000 known tree species, including 96 species of medicinal trees – which can be considered as a natural pharmacy for forest people, and 70 bamboo species. Forty-six of the world's 70 mangrove species were also present in the country which serves as fish nurseries and natural buffers in coastal areas.

The Philippines also has abundant mineral wealth. Around 30% of the total land area of the country contains deposits of about 7.1 billion metric tons of different metallic minerals such as nickel, manganese, iron, gold, chromite and copper while five million hectares contain almost 51 billion metric tons deposit of non-metallic minerals such as limestone and marble. The country is fifth in the world in terms of mineral deposits, third in terms of gold reserves, fourth in copper and fifth in nickel.

Destructive environmental activities of big corporations such as mining displacing indigenous people in their ancestral lands and exploiting the country's natural wealth. Illegal operations of magnetite (black sand) mining also continue to exploit the country's coastal areas in Zambales, Cagayan, Ilocos and other coastal provinces under such misrepresentations as 'dredging' permits released by the local government units (LGUs) and Industrial Sand and Gravel Permit from the GRP Mines and Geosciences Bureau (MGB).

Coastal systems are severely affected by the destruction of mangrove forests and loss of coral reefs and seagrass beds. Solid waste disposal in urban centers has reached dangerous levels and open dumps and waterways serve as disposal grounds where they become threats to the nearby residents in the form of health problems and garbage slides. Air pollution from industries and motor vehicles generate high amount of particulates and industrial pollution is aggravated by the fact that only a third of firms comply with air and water waste regulations.

Sedimentation, pollution, over-fishing, coral mining, unregulated coastal environment and reclamation of foreshore areas for business establishments, tourist resorts, and ports are some of the identified threats for the country's rich marine biodiversity. Presence of militaries and military operations itself also threatens the country's marine wealth.

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.

Existing laws such as the Mining Act of 1995 mean the wholesale delivery of the national patrimony to the unbridled exploitation by foreign investors through the liberalization of the mining industry. They open the door wider to the destruction of the environment and the displacement of the national and ethnic minorities from their ancestral lands.

Climate change aggravates this situation as weather patterns change and the vulnerable sectors such as the poor are left to fend off its effects without any support from the state.

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

**ARTICLE I**  
***PRINCIPLES OF ENVIRONMENTAL PROTECTION***  
***AND ECONOMIC DEVELOPMENT***

**Section 1.** The Parties agree that environmental protection, conservation and wise use of natural resources is a necessary component of socioeconomic development policies and that ecological balance is integral to national development. In line with this, a comprehensive and balanced national policy for the country's natural resources and their all-round exploration, conservation, and development shall be adopted to redress the pattern of neocolonial exchange of raw materials and manufactures which has resulted in the reckless depletion and intensified extraction of the country's natural resources.

**Section 2.** The Parties commit to pursue economic development with due regard to the protection and efficient use of the country's renewable and non-renewable resources and to institute measures for ensuring a healthy natural environment. Ecologically sound agricultural and industrial practices shall be promoted for sustainable production.

**Section 3.** The Parties shall ensure that the country's lands, minerals, waters, flora and fauna, and other natural resources are first and foremost reserved for and utilized by the Filipino people.

**Section 4.** The Parties shall guarantee democratic consultation, consent, and participation of affected communities, especially in the ancestral lands of the indigenous peoples and territories of the Bangsamoro, in using our natural resources.

**Section 5.** The Parties shall undertake rational planning and zoning for urban and rural areas, with proper environmental planning in the construction of roads, public transport facilities and buildings, to alleviate congestion and pollution in every area and region.

**ARTICLE II**  
***MEASURES FOR MANAGING THE ENVIRONMENT***  
***AND ENSURING RESILIENCE***

**Section 1.** The Parties shall undertake education to promote environmental consciousness and ecologically sound practices among the people through their mass organizations, the mass media, the school system, and community environmental organizations. Environmental consciousness shall be integrated into the educational curriculum.

**Section 2.** The Parties shall mobilize local communities, through community-based environmental organizations, to carry out activities focused on environment protection and management.

**Section 3.** The Parties shall adopt a national land use policy consistent with the goals of agrarian reform, rural development and national industrialization 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, lakes, rivers and the like in order to ensure sustained and self-reliant development as well as ecological balance.

**Section 4.** The Parties shall rehabilitate and develop natural resources by:

- a) Prohibiting the exploitation of marine resources that have been depleted, polluted or destroyed by commercial and foreign fishing vessels until resources and fishing stocks have recovered.
- b) Undertaking a program to rehabilitate and protect watershed areas, with adequate budget support for reforestation and afforestation campaigns and which give due emphasis on using indigenous tree species and on monitoring and validation by communities and people's organizations;
- c) Instituting programs to immediately rehabilitate biologically dead rivers which includes stopping the construction of mega dams that encroach on and destroy forest and agricultural ecosystems; and
- d) Carrying out a program to mitigate biodiversity loss by preserving critical areas.

**Section 5.** The Parties shall develop a program addressing the problems of pollution, waste control and disposal, and lack of safe water supply and also a program for comprehensive sewerage services. Measures to stop or eliminate water pollution coming from industrial and agrochemical sources shall be immediately put in place. Watershed areas shall be immediately declared protected areas that are prioritized for rehabilitation and reforestation.

**Section 6.** The Parties shall regulate and minimize the generation of waste and their by-products and encourage the use of organic and recyclable materials in producing goods and services. They shall immediately close existing open-dumpsites and hold private corporations liable and responsible for managing their industrial and toxic wastes, including transboundary waste. Community-managed waste segregation, composting and recycling will be promoted.

**Section 7.** The Parties shall promote the use of local renewable energy sources while ensuring people's control and ownership over these. Subsidies and other incentives will be given to communities, consumers and producer of goods and services using energy coming from renewable resources to promote the use of non-fossil fuel sources of energy.

**Section 8.** The Parties shall implement a national plan and program to genuinely increase the capacity and capability of our people and communities to adapt to the immediate and slow-onset impact of climate change. Minerals, energy and agriculture activities shall use

sustainable and climate-friendly production to mitigate our carbon emissions. Low-carbon methods, technologies and products shall be developed.

**Section 9.** The Parties agree to take measures holding rich industrialized nations accountable for climate change including but not restricted to demanding legally binding commitments to immediately and substantially cut their greenhouse gas emissions, and to provide reparations for the mitigation and adaptation initiatives of Third World countries.

**Section 9.** The GRP shall compensate people and communities affected by disasters, massive pollution and contamination from mining, logging, energy, agro-chemical corporations, military establishments and the like. The individuals, enterprises and corporations responsible will be held criminally liable and penalized. The Parties will take immediate action to solve the cases of killings of environmental advocates and to provide compensation to their relatives.

**Section 10.** The Parties shall take measures to ensure the resiliency especially of grassroots communities in the face of climate impacts. They shall ensure sufficient aid and reparations, community-based disaster risk reduction and climate adaptation measures, and social justice for climate refugees such as the survivors of Typhoon Yolanda and other calamities.

**Section 11.** The Parties shall establish a system that rigorously assesses the environmental impact of economic activities affecting the environment and people's safety. Companies shall be obliged to post environmental insurance cash bonds as assurance for each and every source of pollution or disaster. Contractors and permittees will be required to rehabilitate disturbed areas to a condition of environmental safety. Companies, contractors and permittees violating the terms of their permits shall be held criminally liable and penalized.

**Section 12.** All laws, orders, issuances and programs which lead to the destruction of the environment and land grabbing by foreign monopoly firms and local bureaucrats, such as the National Integrated Protected Areas System (NIPAS), imperialist-funded programs such as the Natural Resource Management Program (NRMP)-Integrated Forest Management Agreement (IFMA), the Mining Act of 1995 and others shall be immediately repealed or rescinded. The GRP shall amend, suspend, or terminate, as applicable, all bilateral and regional free trade agreements (FTAs), such as the Japan-Philippines Economic Partnership Agreement (JPEPA), and agreements under the multilateral WTO that promote the plunder of natural resources and pollution of environment.

**ARTICLE III**  
***END ENVIRONMENTALLY DESTRUCTIVE PRACTICES***

**Section 1.** The Parties shall prohibit ecologically destructive practices such as the wanton clearing and leveling of land, reckless open-pit mining and quarrying, large scale reclamation, export monocrop production and the like. Perpetrators of such ecological destruction will be held criminally liable and penalized.

**Section 2.** Logging for export shall be prohibited while commercial logging for domestic use shall be regulated. All logging shall be reserved exclusively for Filipino citizens.

**Section 3.** Dumping by industrial capitalist and other countries of toxic wastes such as biohazards, computer scrap, used batteries, PVC scrap, nuclear waste and the like shall be prohibited. Compensation shall be demanded for damage caused to the people and their environment.

**Section 4.** The entry of hazardous technologies and pollutant industries, which the industrial capitalist countries are relocating from their home grounds, and of hazardous agricultural products and practices shall be prohibited.

**Section 5.** The environmental impact of existing and planned power generation plants and other related infrastructure projects, such as hydroelectric dams, shall be assessed and taken into consideration for appropriate action. Such projects shall moreover avoid displacing communities especially, but not only, of peasants and national and ethnic minorities.

**Section 6.** The Parties shall prohibit military actions that target civilian populations and devastate the environment, such as indiscriminate aerial bombardment and artillery fire, poisoning of water sources, use of biochemical weapons, burning of crops and the like, shall be prohibited and perpetrators made criminally liable and penalized. Perpetrators shall 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.

**Section 7.** The Parties shall prohibit the US military and forces of other countries from using the Philippines to base their soldiers and to store their armaments, munitions, supplies and other war materiel whether overtly as forward deployments or under the guise of military exercises, transit, visits, acquisition of supplies and other pretexts. This especially includes nuclear, biological and chemical and other weapons of mass destruction.

**Section 8.** The Parties shall immediately hold the US government accountable for the pollution and destruction of land, water and other resources, and the environment in the former US military bases and elsewhere in the country.

**ARTICLE IV**  
**REGULATION OF MINING AND MARINE WEALTH EXTRACTION**

**Section 1.** The Parties shall regulate all mining operations to ensure that the environment is protected, that there is due compensation for disturbance and damage caused, that mineral resources are processed domestically up to the secondary and tertiary stages of industrial production instead of exported raw, and that mineral extraction contributes to national industrialization and rural development. This shall be done in democratic consultation and with the consent of the people in the communities immediately and directly affected by such operations.

**Section 2.** Mining shall only be undertaken when there are sufficient provisions for protecting and recovering the environment. The people in communities affected by mining operations shall be democratically consulted and will participate in determining any necessary social compensation to ensure that this is just and appropriate. The rights of workers will be respected and safe working conditions in mining operations shall be ensured.

**Section 3.** Small scale miners shall be given technical support towards their integration to a nationalized mining industry. Existing small scale mining permits shall be reviewed and those found to be used by foreign and domestic firms as conduits for mining plunder shall be revoked.

**Section 4.** Mining shall be prohibited in environmentally critical areas such as small island and coastal ecosystems, primary forests and watersheds and in prime agricultural land and areas specified for food production.

**Section 5.** Dumping of mine wastes and tailings in rivers, lakes and the sea shall be prohibited. Likewise, off-site effects of mining must not have disadvantageous effects on downstream areas.

**Section 6.** The Parties shall protect the nation's marine wealth in its archipelagic waters, territorial seas and exclusive economic zone and its use shall be reserved exclusively for Filipino citizens. Such use shall be regulated and supervised in accordance with the principles of sustainable development and social equity. Cooperative fish farming, subsistence fishermen and fish workers in rivers, lakes, bays and lagoons shall be assured of preferential rights thereto.

**ARTICLE V**  
**BAN ON ALIENATION OF NATURAL RESOURCES AND PATENT CONTROL**

**Section 1.** The Parties shall take measures to protect collective and individual rights over the country's biological and intellectual resources and shall provide adequate mechanisms for

guaranteeing the just, equitable and effective participation of Filipinos and especially local communities in making decisions on activities related to and the benefits derived from the utilization of these resources.

**Section 2.** The Parties shall prohibit the appropriation by foreign agencies of commonly available and wild varieties of flora and fauna through intellectual property conventions on patenting of the genetic properties and technological processing and other like schemes. Where allowed, patenting of flora and fauna in Philippine territory shall be the exclusive privilege of Filipino citizens with preference for collective ownership regimes.

**Section 3.** The Parties shall prohibit the patenting of life and the exclusive appropriation of any life form or part or derivative of this.

## **PART IV. UPHOLDING PEOPLE'S RIGHTS**

### **A. RIGHTS OF THE WORKING PEOPLE**

The chronic and worsening crisis, characterized by backwardness, foreign economic plunder and government neglect, exacerbated by the imposition of neoliberal policies of liberalization, privatization and deregulation, has created a situation of systematic violations of people's rights and neglect of their welfare. It has narrowed opportunities for the working people, such as jobs, decent wages, free education and health services, cultural development and the like, so they can develop their full potentials and lead meaningful lives. The situation has also undermined their preparedness and adaptive capacity to natural hazards, rendering them even more destitute when disasters strike.

The massive lack of gainful employment, jobs and livelihood opportunities is the visible result of the erosion of the domestic economy and displacement of the rural sectors brought about by globalization. Most of the employed are in poor quality work, and a large number in non-regular employment. Labor contractualization is rampant, arising from economic liberalization and privatization. There is a large army of semi-workers who engage in micro-scale production, trade and services or work as laborers for small-scale enterprises or as domestic workers, often for non-wage incomes and irregular employment.

The jobs crisis has pushed millions of Filipino workers overseas to work and earn for their families. Migrant workers pay exorbitant fees to the national government and private recruiters, while receiving low wages in host countries and suffering various abuses by foreign employers. Still, the GRP neglects, denies and abandons their rights and welfare as migrant workers.

GRP's job creation has overly focused on employment in business process outsourcing (BPO), foreign investment enclaves, construction, and the services sector that is dissociated



from domestic economic development and purely anchored on the needs of foreign economies and corporations. These are cheap-wage jobs and are highly contractualized and barely offer promotions.

The GRP has regionalized and deregulated national minimum wage, which was formerly legislated, and replaced the system with regional wage fixing, resulting in measly levels. The GRP uses a subsistence standard of living and bases minimum wage levels on this ridiculously low poverty threshold. Worse, most of the working people receive this low 'minimum wage and salary' or even less.

Peasants, farm workers, fisherfolk and indigenous people are worse off in this regard. Their labor and produce are underpriced, while their inputs and commodities are overpriced. The continuing monopoly of land, natural resources and capital by few families and corporations and the increasing privatization of these are the basic conditions for the exploitation and impoverishment of the peasantry. Poverty is highest among smallholder farmers, fishers, farm workers and indigenous people, and together with the urban poor they comprise the majority of the country's poor.

Increases in the prices of basic commodities as well as various fees and deductions further erode the low incomes and wages. The GRP has further depressed the minimum wage by introducing a two-tiered wage system consisting of a floor wage that is lower than the mandated minimum wage and a productivity wage that is upon the discretion of employers.

Violation of basic labor rights is rampant, in congruence with the cheap labor policy and as impact of the intensified onslaught of neoliberal policies – various forms of flexibilization of labor especially contractualization, union busting, anti-union policies, violations of the right to form unions, absence of employment benefits and collective bargaining, abrogation of granted rights and benefits, lack and denial of security of tenure, neglect of occupational health and safety, illegalization of strikes, and direct physical attack and harassment of the organized working people. The system of contractualization, cheap wage policy, and rights violations are replicated among government employees.

Poverty levels have worsened in reality, despite efforts of the GRP to count only those who are in extreme poverty with its incredibly low poverty threshold. Majority of the Filipinos remain poor. Hunger incidence has worsened, especially among children. Income inequality is unprecedented. There are more Filipino billionaires today among the world's billionaires than a decade ago, while there are more and more Filipino families falling below subsistence level.

Aggravating economic backwardness is the implementation of neoliberal policies, in particular privatization, which has diminished social services, neglected and denied people's welfare and abrogated the basic rights of the working people. This has been accompanied

with deregulation, allowing the government to abandon its social responsibilities. Privatization has led to higher cost of public utilities and social services, affecting the poor the worst.

The GRP has privatized and deregulated its responsibilities in public utilities, the process spanning two decades of progressive and comprehensive turnover to the private sector the generation, transmission and distribution services in the case of power; water distribution services in the case of water utilities; and construction, operation and management in the case of transport.

It is continually cutting the budget for tertiary education, forcing state universities and colleges to make money on their own. This lack of budget impacts heavily on the main player in the education system – the educators, teachers and non-academic personnel – whose rights to living wage and benefits and welfare are violated and neglected. The GRP is also offering the building of schools as well as management of school boards to public-private partnerships.

The shift to the K-to-12 grade system is aggravating the commercialization and privatization of the Philippine education system. The addition of senior high school (SHS) has posed bigger challenges to poor Filipino families in continuing to send their children to school. The voucher system of SHS seeks to reduce the role of the public school system, pass on education burden to the household while providing huge business opportunities for private schools. Central to the design of the K-to-12 curriculum is the schools' partnership with businesses and corporations to ready students in service of these business interests. The rights of the student youth on the other hand, to include academic freedom and the rights to express, organize and assembly, are violated.

The GRP has historically reneged on its responsibility of providing free healthcare for all, deliberately reducing the reach and role of public hospitals and allocating a miniscule budget for health. It is currently pursuing a Universal Health Care program that ultimately abandons State responsibilities in providing health services to the populace. This program corporatizes the public hospitals and reduces support for local hospitals, promotes social insurance over direct service provision, and opens up building of health facilities to public-private partnerships. It has allowed the GRP to neglect its responsibilities in upholding the rights and welfare of health workers and medical practitioners.

The neglected public health system has increased patients' out-of pocket expenses to comprise the bulk of personal health spending – even the GRP's health insurance system covers very little of this spending. Rural health is the clear manifestation of how far the entire health system has been abandoned – with the rural population's lack of accessible facilities, medical equipment and medicines, and with majority of them dying without seeing a doctor.

The country has perennially seen massive rural outmigration to cities and urban centers, which are otherwise incapable of absorbing the rural migrants with decent jobs and social services. These rural migrants end up comprising the growing number of urban poor who on the other hand end up to comprise the majority of semi-workers.

The GRP pursues a privatized urban development plan that serves the needs of the ruling elite rather than the needs of the working people. It relies on the private sector for infrastructure, transport, utilities, real estate, housing, and other social infrastructure as well as social services. In particular, the GRP does not have a decent public housing program for the working people, while relocation sites for the urban poor are far from the urban poor's workplaces or livelihood sources and bereft of social services.

The cumulative result is Filipinos pay the highest electricity and among the highest water rates in the region, while power and water service connections are still wanting. Mass transport is decrepit, economically counter-productive and unaffordable, while the rights and welfare of drivers and transport workers as well as passengers are denied and neglected.

Education is commercialized and unaffordable for the majority, with the dropout rate and the number of out-of-school youth increasing. The public health system is inaccessible, unaffordable and dismal, with the country's health outcomes worsening and sickness and mortality rates disproportionate for the low-income population. The miserable condition of the urban poor communities is clear manifestation of worsening joblessness and poverty situation and the lack of social services. They are also constantly threatened with eviction and demolition, which State agents oftentimes carry out violently.

This social crisis is doubly difficult for women. Peasant and worker women carry the additional burden of nurturing and looking after household needs. Neoliberal globalization has relegated the Philippine economy to a subsidiary role to foreign capital, and this patriarchy is replicated in gender relations. In fact, women labor has become the base of intensified neoliberal offensive on the economy. They are in jobs of poorer quality, lower wages and more oppressive conditions than men. They are more contractualized than their male counterpart. They are more discriminated and sexually harassed in the workplace and elsewhere. They do not have equal access as men to basic resources. Their specific needs, including reproductive health services, are neglected. Women are not the priority in social services, disaster relief, etc. Yet, they are often used as the excuse for social protection, microfinance, etc., which serve as neoliberalism's smokescreen. This leaves a culture of violence against women, including women's commodification and trafficking.

Likewise, children of the working people do not enjoy their rights to special protection, survival and development. There is a growing number of malnourished Filipino children. The number of out-of-school children of school age has gone up over time, with large number being forced to seek any kind of work to augment low family incomes and for survival. Many

Filipino children are working in hazardous conditions either with their families or on their own as well as become victims of numerous abuses. The increase in the number of street children and homeless children is but a manifestation that the social crisis has affected families' capacity to nurture and protect children.

Lastly, the GRP does not have a comprehensive program for the elderly, especially the poor – for their social protection, welfare and care.

The socioeconomic situation has made the working people extremely vulnerable to disasters. Yet, disaster response has been generally civic action of individuals instead of the local and national governments. On top of this, the GRP misallocates and misuses resources for preparedness despite the country's high exposure to natural hazards and the impact of climate change. Its calamity relief fund is focused on private-sector-led infrastructure development and subject to corruption. Government's relief, rehabilitation and reconstruction plan is vulnerable to much corruption and patronage politics, and its build-back-better plan is even dependent on private corporations and thereby worsens the vulnerability of the working people.

The GRP is also dependent on foreign aid and foreign military to carry out disaster operations. This has further facilitated the militarization of vulnerable communities and foreign donor intrusion in the countryside, resulting in counter-insurgency operations in the guise of humanitarian assistance.

Given this therefore, 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, employees and working people of various professions, 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 deregulation and privatization of social services, public utilities and government corporations in vital and strategic industries in order to increase its capability to assume its responsibility of promoting the people's welfare. Both Parties recognize the key role and potential of the working people exercising their rights and achieving fundamental changes opened up by the peace agreements.

## **ARTICLE I DEFINITION OF TERMS**

**Section 1.** For the purpose of this Agreement, ‘Working people’ pertains to women and men peasants, farm workers, fisherfolk, workers, semi-workers, private and public sector employees, and working women and men of various professions and occupations (e.g. educators, media practitioners, artists and cultural workers). In the case of the peasantry and semi-workers, the term also applies to their families.

## **ARTICLE II RIGHTS OF PEASANTS, FARM WORKERS AND FISHERFOLK**

**Section 1.** The Parties shall uphold the rights of peasants, farm workers and fisherfolk, including working people among indigenous peoples and the Bangsamoro, and take measures to end exploitative agricultural practices, abuses, and rural neglect. Central to this is recognizing the right of the peasantry to own the land they till and to freely access natural resources and capital towards achieving agrarian and rural development. Farm workers shall enjoy the same labor rights afforded to the rest of the working people.

**Section 2.** The Parties shall uphold the rights of peasants, farm workers and fisherfolk to form organizations and associations to assert their rights and improve their welfare.

## **ARTICLE III RIGHTS OF WORKERS AND PRIVATE AND PUBLIC SECTOR EMPLOYEES**

**Section 1.** The Parties shall guarantee the right of workers and private and public sector employees to a national minimum wage and salary that is indexed to the rising cost of living. This includes but is not limited to ending regionalized wage-setting and the two-tiered wage system as well as removing all burdensome taxes and deductions.

**Section 2.** The Parties shall uphold the right of workers and private and public sector employees to work and to security of tenure. This includes but is not limited to ending contractualization and ensuring full employment as well as equality of employment opportunities. The GRP shall stop its neoliberal-oriented rationalization and reorganization of the bureaucracy which results in massive retrenchment of government employees.

**Section 3.** The Parties shall guarantee the rights of workers and private and public sector employees to organize themselves into unions, workers’ councils, federations and confederations, to engage in collective bargaining and negotiations, and to strike and engage in other concerted activities that advance their rights and interests. This includes but is not limited to ending the no-union no-strike policy in enterprises especially in special economic zones including export processing zones (EPZs), free trade zones, industrial estates (IEs), and

other economic enclaves as well cancellation of the Assumption of Jurisdiction of the GRP labor secretary and of other such powers and authority used to repress workers' right to free speech and free assembly.

**Section 4.** The Parties shall uphold the right of public sector unions to strike. This includes but is not limited to scrapping the incentive cap imposed on collective negotiation agreements and the performance-based incentive system which undermine their rights to unionize, strike and bargain collectively.

**Section 5.** The Parties shall ensure humane work conditions. This includes but is not limited to observing 8-hour working days, ending schemes to prolong work hours, upholding occupational health and safety standards, and ending sexual harassment and other forms of harassment in the work place. This also entails ending oppressive labor practices such as "no breaks", quota systems, shortcuts on safety standards and the like.

**Section 6.** The Parties shall ensure that workers and private and public sector employees retain and enjoy earned benefits, both mandated and bargained. Workers and private and public sector employees shall receive pensions, sufficient relief and allowance in times of unemployment and disability, and other such benefits from an effective social protection system.

**Section 7.** The Parties affirm that all the rights articulated in this Article are already locally and internationally recognized. The GRP shall ensure that these labor rights are protected, promoted and upheld.

#### **ARTICLE IV RIGHTS OF THE SEMI-WORKERS**

**Section 1.** The Parties shall ensure the rights of the semi-proletariat or semi-workers to regular and gainful employment, a living wage, livelihood support and protection, benefits and social protection, and to other labor rights granted regular workers and employees as appropriate.

#### **ARTICLE V RIGHTS OF WORKING PEOPLE OF VARIOUS PROFESSIONS AND OCCUPATIONS**

**Section 1.** The Parties shall ensure the rights of working people of various professions and occupations, whether self-employed or employed by others, to sufficient income, benefits and social protection, and to self-organize. They shall also receive support and assistance to develop their skills and abilities in support of national economic development.

## **ARTICLE VI**

### ***RIGHTS OF OVERSEAS WORKERS***

**Section 1.** The Parties shall work to eliminate the policy and practice of cheap labor export and undertake measures to reintegrate overseas Filipino workers in the country such as through agrarian reform, rural development and national industrialization which creates domestic opportunities for their employment and livelihoods. The Parties shall in the meantime ensure that the rights and welfare of Filipinos overseas are protected.

**Section 2.** The Parties shall protect and uphold rights of Filipino overseas as workers and migrants in the host country. This includes but is not limited to guarantees against forced labor, anti-union or anti-organization practices, low or delayed wages, discrimination, physical, psychological and sexual violence, and other forms of abuses. The GRP shall review its foreign policy relating to Filipino migrants and immigrants, as contained in bilateral agreements and diplomatic relations with governments of host countries, with the end view of upholding migrants' rights, welfare and protection.

**Section 3.** The Parties shall work to formalize recognition of the legal status of undocumented Filipinos overseas to further enable them to enjoy their rights as workers and migrants in their host countries.

**Section 4.** The Parties shall take measures to redress the situation of distressed land-based and seafaring overseas Filipino workers especially, but not limited to, those in jail and on death row. The GRP shall expedite legal assistance as well as free and efficient repatriation of distressed overseas Filipino workers whether documented or undocumented.

**Section 5.** The Parties shall take measures to protect overseas Filipino workers from abuses related to recruitment and deployment including but not limited to trafficking, illegal recruitment, and high placement fees. This includes swift prosecution of violators of migrants' rights.

**Section 6.** The GRP shall end all state exactions and onerous fees imposed on Filipino overseas workers for documentary and other requirements.

**Section 7.** The Parties shall ensure that overseas Filipino workers receive sufficient social and welfare services including death and disability coverage, social work assistance, legal assistance, repatriation in emergency situations, counselling, domestic reintegration, pensions and other social protection benefits. This includes but is not limited to ensuring the just use of the migrant workers' trust fund with the Overseas Workers' Welfare Administration (OWWA). The GRP shall take measures to stop the misuse, abuse and corruption of OWWA funds including holding perpetrators civilly and criminally liable and duly penalized.

## **ARTICLE VII**

### ***WOMEN'S RIGHTS AND GENDER EQUALITY***

**Section 1.** The Parties recognize that half of the exploited, oppressed and neglected working people are women and that the chronic crisis and neoliberal policies are especially difficult for the working women. They commit to aggressively promote gender equality and to protect the rights of women and other gender-discriminated sectors.

**Section 2.** The Parties shall ensure peasant women's equal access to land ownership through agrarian reform and equal opportunities for membership and assuming leadership roles in rural cooperatives. This includes but is not limited to giving attention to widows and single mothers' access to land ownership and other agricultural support systems by providing free titling services, free legal assistance in titling, and other appropriate subsidies. Unpaid family labor also needs to be duly recognized and valued appropriately particularly for agricultural workers and home-based industries.

**Section 3.** The Parties shall ensure that women enjoy equal employment and livelihood opportunities, equal pay for equal work, and guarantees against discrimination and harassment. Women shall have meaningful and effective participation and representation in workers' councils, labor unions and other worker formations within the labor movement and government labor-related agencies.

**Section 4.** The Parties shall ensure that working women are entitled to six-month maternity leave with pay and that their partners are likewise entitled to paternity leave with pay.

**Section 5.** The Parties shall ensure comprehensive health care services for women. The GRP shall reverse its policy of privatization and corporatization of public hospitals which, among others, has undermined maternal and child health care. It shall ensure budgets to provide sufficient facilities for safe delivery as well as other safe options including home births attended by well-trained and competent traditional birth attendants. The GRP health department's no-home birthing policy shall be revoked.

**Section 6.** The GRP shall repeal the reproductive health law and put in place a program ensuring comprehensive women's health care, reproductive health, and sex education for young women.

**Section 7.** The Parties shall ensure that women have access to adequate and affordable housing. This includes but is not limited to providing women-headed households special financing support to access housing programs whenever necessary.



**Section 8.** The Parties shall ensure social services that lighten housework and other family duties for women such as but not limited to low-cost meals, public laundry services, free day-care centers and nurseries, and milk banks.

**Section 9.** The Parties shall ensure that female household heads and single parents receive all necessary benefits and social services including but not restricted to children's education and health care.

**Section 10.** The Parties shall protect women and other gender-discriminated sectors from all forms of violence. This includes but is not limited to institutionalizing public awareness campaigns reaching all the way to the grassroots, establishing crisis centers that provide free legal assistance and psycho-social services to victims, operationalizing violence against women (VAW) desks in all barangays, and strengthening the capacity of Philippine embassies to handle cases of VAW among migrant workers. The Parties shall review all VAW cases committed by US military forces and of other countries to ensure justice for the victims and their families.

**Section 11.** The Parties shall take measures to end discrimination and harassment against gays, lesbians and other gender-discriminated sectors. This includes but is not limited to prohibiting biases in hiring, pay, termination, and other employment practices, in availing of social services, and in other areas of public life.

**Section 12.** The Parties recognize the civil right to marriage regardless of gender preferences. The GRP shall legalize same-sex marriages and ensure that family rights and individual protections are upheld in such unions by making corresponding amendments to its Family Code and taking other such measures as necessary.

**Section 13.** The Parties recognize divorce as a way for spouses, especially women, to end unhappy and failed marriages that are among the conditions for continued emotional and physical violence. The GRP shall legalize divorce by making corresponding amendments to its Family Code and taking other such measures as necessary.

## **ARTICLE VIII RIGHTS OF CHILDREN**

**Section 1.** The Parties shall ensure the proper care and development of children and recognize that among the most important conditions for this are ensuring that parents have adequate employment and living incomes and that families of the working people have sufficient social services.

**Section 2.** The Parties shall establish a program of free comprehensive childcare which ensures that nutrition and health care needs are met. Day-care services and primary and secondary education shall be provided as a matter of right and free of charge.

**Section 3.** The Parties shall eliminate exploitative child labor by capitalists, landlords and other exploiters that moreover harm their proper development. Measures shall be immediately undertaken to remove children working in hazardous conditions and in the worst forms of child labor.

**Section 4.** The Parties shall take measures to end child abuse including neglect, sexual and physical violence, emotional abuse, and exploitation. Perpetrators will be held criminally liable and penalized.

**Section 5.** The Parties shall provide extensive social welfare programs for street children. This includes but is not limited to addressing the economic needs of their parents and families, providing conditions for their proper care and development, rehabilitation services, education and training, and the like.

**Section 6.** The Parties recognize the right of children to self-organization. Children shall be encouraged to participate in collective efforts to protect their interests and that of their communities, without precluding parental guidance of such initiatives and efforts.

## **ARTICLE IX RIGHTS OF THE ELDERLY**

**Section 1.** The Parties recognize the rights of the elderly and acknowledge the valuable contributions they can make to society based on their shared experiences and accumulated wisdom. The elderly shall be given the necessary financial and social support and opportunities to continue to be active and productive.

**Section 2.** The Parties shall establish subsidized community-based care facilities and services meeting the housing, health, recreational, production and other needs of the elderly.

**Section 3.** The Parties shall establish a non-contributory tax-financed universal pension system. Pension benefits for all retirees shall be increased and calibrated to the living wage and the cost of living.

## **ARTICLE X RIGHTS OF THE DISABLED**

**Section 1.** The Parties recognize the rights of the disabled and shall undertake measures to create opportunities for them to be productive and to find fulfilment according to their

potentials and abilities. This includes but is not limited to providing specialized education, training and facilities.

**Section 2.** The Parties shall take measures to end discrimination against the disabled including prohibiting biases in hiring, pay, termination, and other employment practices, and to ensure accessibility of social services and in other areas of public life.

## **ARTICLE XI PROVIDING SOCIAL SERVICES AND PUBLIC UTILITIES**

**Section 1.** The GRP shall reverse its policy of privatizing social services and public utilities which has made these vital services expensive and inaccessible to the working people. It shall assume responsibility for directly providing social services to the working people, for improving the quality of such services, and for promoting the rights and welfare of those who provide these services. Utilities are vital and strategic enterprises that shall be publicly-owned and operated.

**Section 2.** The Parties shall uphold and protect the right of indigenous peoples and the Bangsamoro to adequate social services and public utilities and end long-standing government neglect. This includes but is not limited to adequate and appropriate education, health, housing, water, power, transportation, and telecommunication services.

## **ARTICLE XII RIGHT TO EDUCATION**

**Section 1.** The Parties shall uphold the people's right to education. Acknowledging that the state is primarily responsible for ensuring that all Filipinos are provided with good quality education, the GRP shall reverse its policies of privatization, commercialization and other neoliberal measures in education.

**Section 2.** Free education shall be ensured at the primary, secondary, tertiary and technical-vocational levels. The public school system shall be the main provider of education and the budget for public schools at all levels shall correspondingly be increased to expand and improve this, at the same time as exorbitant tuition and other school fees in the rest of the education system shall be prohibited.

**Section 3.** Education shall be nationalist, scientific, mass-oriented and democratic to develop critical thinking, social commitment, and a sense of history among students and support the development of the national economy, upholding of people's rights, and attaining economic sovereignty for national development as articulated in this Agreement.

**Section 4.** The GRP shall scrap the K-to-12 program which intensifies the privatization and commercialization of Philippine education, mainly serves the needs and interests of exploitative foreign monopoly capitalists and domestic corporations, and burdens poor families with more expensive education. All anti-development and foreign-dictated education programs and policies in education such as the Education Act of 1982, General Education Reform Program and the like shall likewise be abolished.

**Section 5.** The Parties shall ensure that educators, teachers and non-academic personnel receive living wages and salaries, get adequate benefits, work decent hours in humane work conditions, and have security of employment. They shall also be given free training and other support to pursue higher learning to develop their pedagogical skills and improve the quality of teaching.

**Section 6.** The Parties shall uphold the democratic rights and welfare of students. This includes but is not limited to the rights to organize and to assembly, to form student councils, to freedom of expression and to publish independent school papers, to representation in the highest policy making body of schools, and to redress for grievances.

**Section 7.** The Parties shall uphold the right of indigenous peoples and the Bangsamoro to education that is responsive to their needs and situations, respects and develops their culture and traditions including their traditional knowledge and practices in education, promotes respect for their ancestral lands and territories, and upholds their right to self-determination. The GRP shall officially recognize and support their community-based schools and shall immediately stop military and paramilitary operations in and against these schools.

### **ARTICLE XIII RIGHT TO HEALTH**

**Section 1.** The Parties shall uphold the people's right to health. Acknowledging that the state is primarily responsible for ensuring that all Filipinos are provided with good quality health services, the GRP shall reverse its policies of privatization, corporatization and other neoliberal measures in health.

**Section 2.** Free health services shall be ensured at the primary, secondary, and tertiary health care levels. The public health system shall be the main provider of health services and the budget for the public health system shall correspondingly be increased to expand and improve this, at the same time as exorbitant hospital and other fees in the rest of the health system shall be prohibited. The GRP shall veer away from privatized market-based health insurance schemes such as PhilHealth.

**Section 3.** There shall be sufficient medical facilities, personnel and medicines to ensure the availability and accessibility of health services especially, but not only, in long-neglected rural communities.

**Section 4.** Integrated health systems shall have a sustained focus on preventive medicine with community-based comprehensive primary health care that provides quality health services and also addresses nutrition, access to water, housing, education, employment and livelihoods, and other social determinants of health.

**Section 5.** The Parties shall ensure that health workers, medical and non-medical personnel receive living wages and salaries, get adequate benefits, work decent hours in humane work conditions, and have security of employment. They shall also be given free training and other support to develop their knowledge and skills and improve the quality of health care. They shall be given ample opportunities to serve the health needs of the people in the country which shall also stem the overseas migration of health personnel.

**Section 6.** The Parties shall develop and promote traditional, alternative and indigenous healing practices of communities, protect them from foreign appropriation such as under intellectual property rights regimes, and protect them from undue competition with imported medicines.

**Section 7.** The Parties recognize that the problem of drug abuse is a health issue that should be treated as such. This includes implementing measures such as but not limited to setting up an effective and adequate rehabilitation program.

#### **ARTICLE XIV RIGHT TO HOUSING**

**Section 1.** The Parties shall uphold the people's right to housing. Acknowledging that the state has an important and central role in ensuring that all Filipinos have adequate housing, there shall be a comprehensive nationwide program of mass housing for the working people especially, but not only, for the urban poor and semi-workers. The GRP shall reorient its housing agencies towards this end and ensure people's participation in planning and management of mass housing including on related matters of regional dispersal and urban zoning and development.

**Section 2.** The Parties shall ensure that urban poor communities will not be demolished and urban poor slum dwellers will not be driven away from their homes if there is no adequate relocation plan for them whether of on-site development or in-city relocation.

**Section 3.** All relocation plans shall require prior democratic consultation with the affected urban poor communities, shall provide for adequate assistance in transferring, and

shall ensure housing and utilities, employment or livelihoods, and social services in the area of resettlement. Urban poor settlers shall remain in the land they occupy until these conditions are met.

## **ARTICLE XV RIGHT TO WATER**

**Section 1.** The Parties shall uphold the people's right to water. Acknowledging that the state is primarily responsible for ensuring that all Filipinos have access to affordable water and sanitation services and that the needs of national economic development as articulated in this Agreement are served, the GRP shall reverse its policy of privatizing water utilities and services and rescind contracts and concession agreements with private water concessionaires. Water utilities shall be under state ownership, management and control.

**Section 2.** There shall be full and effective participation by the people, communities and people's organizations in the planning and management of water utilities including but not restricted to the setting of water rates, ensuring the quality of the water and water services, and identifying service areas and other major aspects of operation.

## **ARTICLE XVI ENERGY SERVICES**

**Section 1.** The Parties shall ensure an adequate and stable supply of electricity at affordable rates for all Filipinos and that serves the needs of national economic development as articulated in this Agreement. Acknowledging that the state has an important and central role to achieve this, the GRP shall reverse its policy of privatization and deregulation in the energy sector covering generation plants, power grids, transmission lines, distribution units and electric cooperatives. The GRP shall scrap the Electric Power Industry Reform Act (EPIRA) and, through the National Power Corporation (NPC) and other necessary mechanisms, assume responsibility for the energy sector.

**Section 2.** The Parties affirm that power generation, transmission and distribution shall be under state ownership, management and control. Power enterprises can be publicly-owned and -controlled through state corporations as well as joint ventures with private providers or electricity cooperatives subject to effective state regulation.

**Section 2.** There shall be full and effective participation by the people, communities and people's organizations in the planning and management of power utilities including but not restricted to the setting of electricity rates, ensuring electricity services, identifying service areas and other major aspects of operation.

**Section 3.** The Parties shall promote the use of renewable energy sources in communities by providing support for solar, mini-hydro and micro-hydro and biomass projects of community-based associations and local electric cooperatives.

## **ARTICLE XVII MASS TRANSPORT SYSTEM**

**Section 1.** The Parties shall ensure an accessible, efficient and safe mass transport system with affordable fares for the working people and that serves the needs of national economic development as articulated in this Agreement. Acknowledging that the state has an important and central role to achieve this, the GRP shall reverse its policy of privatization and deregulation in the transport sector covering rail, tollways, roads, bridges, seaports, airports and other transport infrastructure.

**Section 2.** The Parties affirm that the mass transport system shall be under state ownership, management and control. Public transport utilities can be publicly-owned and -controlled through state corporations as well as joint ventures with private providers or transport cooperatives subject to effective state regulation.

**Section 3.** There shall be full and effective participation by the people, communities and people's organizations in the planning and management of the transport system including but not restricted to the setting of transport fares and traffic governance.

**Section 4.** The Parties shall draw up and pursue a comprehensive mass land, sea and air transport program that ensures affordable transport fares, sufficiently regular and frequent schedules, and passenger safety, that takes due consideration of the country's archipelagic character, and that serves the needs of rural development and national industrialization as articulated in this Agreement.

**Section 5.** The GRP shall immediately rescind contracts and concession agreements that have effectively transferred state ownership and/or control of the Light Rail Transit (LRT) and Metro Rail Transit (MRT) light rail systems in Metro Manila to private corporations.

## **ARTICLE XVIII TELECOMMUNICATIONS SERVICES**

**Section 1.** The Parties shall ensure reliable telecommunications services with affordable rates for the working people, including free Internet, and that serves the needs of national economic development as articulated in this Agreement. Acknowledging that the state has an important and central role to achieve this, the GRP shall take measures to develop telecommunications services as a public service under state ownership, management and control.

**Section 2.** The Parties affirm that telecommunications infrastructure may be publicly-owned and -controlled through state corporations as well as joint ventures with private providers or cooperatives subject to effective state regulation.

**Section 3.** There shall be full and effective participation by the people, communities and people's organizations in the planning and management of telecommunications services including but not restricted to the setting of rates and other matters as deemed necessary.

## **ARTICLE XIX WASTE MANAGEMENT**

**Section 1.** The Parties shall ensure a waste management system that is publicly-owned, controlled and managed and that gives due consideration to impacts on the environment and the health of communities. There shall be free waste collection services, proper waste segregation already starting at the point of generation, and proper waste disposal. Communities shall be encouraged to develop recycling, composting and similar facilities.

## **ARTICLE XX DISASTER PREPAREDNESS AND RESPONSE**

**Section 1.** The Parties shall ensure disaster preparedness and response and correct long-standing neglect by providing ample support for disaster preparedness and risk reduction, immediate response and relief, and comprehensive rehabilitation, reconstruction and recovery. Acknowledging that the state is primarily responsible for ensuring expeditious disaster preparedness and response, the GRP shall avoid privatization of any aspect of these so as not to compromise the delivery of services or give profit-seeking private interests undue influence in disaster-struck areas. The GRP shall correspondingly scrap its 'Build Back Better' framework for reconstruction and recovery.

**Section 2.** The Parties shall further develop and promote community-based efforts in disaster preparedness and response including environmental protection and rehabilitation. A civil protection and defense system shall be developed that relies on mass organizations and that obviate foreign and especially foreign military intervention in disaster response.

**Section 3.** There shall be full and effective participation by the affected people, communities and people's organizations in the planning and management of rehabilitation, reconstruction and recovery in their communities. This shall also ensure that plans are appropriate to specific community and hazard circumstances as well as aligned with community efforts in agrarian reform, rural development and national industrialization.



**Section 4.** The Parties shall ensure that all victims of emergencies receive immediate and adequate financial, material, moral and psychosocial support as well as timely rehabilitation, reconstruction and recovery including but not restricted to emergency shelter and livelihood assistance, restoration of social services and public utilities, and rebuilding of damaged or destroyed infrastructure and facilities.

**Section 5.** The GRP shall immediately take action to remedy the glaring neglect of victims especially of recent disasters according to the areas identified in Section 3 immediately above. Officials proven to have been grossly negligent or engaged in corruption in disaster funds shall be held criminally and civilly liable and prosecuted.

## **B. PROMOTING PATRIOTIC, PROGRESSIVE AND PRO-PEOPLE CULTURE**

The current foreign-, comprador- and bureaucrat capitalist-dominated, market-driven, and reactionary system engenders an unscientific and backward, colonial and anti-nationalist, and elitist and individualistic culture. The onslaught of neoliberalism has systematically entrenched and intensified this kind of culture through neoliberalism's controlled institutions in the education and religious systems, media and the arts.

Foreign and big local corporations monopolize and control cultural production and channels and thus dictate content and direction. The education curriculum is designed to serve foreign and business interests and the needs of the global economy, producing skilled and English-proficient labor force, focusing on technical skills rather than social studies, focusing on individual careers instead of social service goals. Foreign donors and multilateral institutions have provided technical assistance for the country to transition to K-to-12 as well as scholarships to fund technocrats and academic research institutions.

The mass media is owned and controlled by foreign and big local outfits, which then mirror the political and economic interests of business and advertisers, politicians, and the media outfits themselves. Reportage is geared towards this end. Internet and social media are an emerging area of cultural production, which is also dominated by big media corporations whose interests dictate social media discourses.

The dominant arts and literature reflect foreign worship, decadence, escapism, feudal thought, chauvinism, and the lifestyle of the rich. Culture is commodified and neoliberals are promoting the concept of "creative industries" to exploit Filipino creativity as a source of profit.

Philippine culture has subsequently discouraged the people from breaking free from feudal thinking and colonial bondage. It has distracted and numbed the working people from actively pursuing agrarian reform and rural development, national industrialization, and national sovereignty. It has instead become a culture of accepting and even embracing

neoliberalism – a culture of foreign worship, of submission and apathy, of silence and conservatism – which has kept people from criticizing and exposing social, economic, political and cultural ills brought about by neoliberalism. It is a culture that ultimately prevents people from fighting wrongs.

The GRP does not have a comprehensive agenda to advance a mass culture that serves people's development aspirations. For the longest time, the GRP has not ensured that the channels that shape people's way of life, public opinion, traditions, belief systems, customs, arts and knowledge are transformed to aid in pursuing mass-oriented socioeconomic, political as well as cultural development. Likewise, it has not promoted and supported Filipino educators, media practitioners, artists and cultural workers.

Given this, the Parties shall commit to promote a patriotic, progressive and pro-people culture through a comprehensive cultural development program that supports agrarian reform, national industrialization, environmental protection, economic sovereignty and patrimony, respect for the rights of the working people, and gender equality. This cultural development program shall help the working people develop their full potentials as human beings and nation builders.

## **ARTICLE I**

### ***PROGRAM FOR ADVANCING CULTURAL DEVELOPMENT***

**Section 1.** The Parties recognize the critical importance of fostering nationalist and progressive ideas or thinking among all Filipinos to be able to achieve the goals of national development. For the purpose of this Agreement, 'nationalist and progressive' is understood to mean, contain or otherwise refer to these essential elements or values:

- a) Nationalist, scientific, mass-oriented and democratic culture;
- b) Cultivates patriotism, love of country, and sovereignty;
- c) Fosters critical thinking;
- d) Reflects the real condition, interests and aspirations of the people,
- e) Upholds people's rights and aspirations for national development, including the right to self-determination of indigenous peoples and the Bangsamoro; and
- f) Promotes people's assertions and organized struggles for their rights and welfare.

**Section 2.** The Parties shall adopt a nationalist and progressive cultural development program covering the education system, mass media and communications, arts and literature, science and technology, religion, and values as well as language and symbols, sports, and recreation. Cultural channels and instruments will be oriented accordingly. The state shall assume an active role to ensure Filipinization, or the process of reversing colonial and feudal influences, and democratic control of these channels and instruments.

**Section 3.** The GRP shall promote culture-responsive planning, programming and budgeting in all government agencies and the Parties shall ensure that these are linked to the development efforts of marginalized sectors and communities.

**Section 4.** The Parties shall uphold cultural sovereignty and will protect and support the local cultural economy through equity fees, quotas, tariffs, tax breaks, subsidies and other like measures as necessary, especially but not only for local music and film products. The GRP shall strictly enforce the payment of equity fees by foreign performing acts as a basic scheme for protecting the interests of Filipino performers and artists.

**Section 5.** The Parties shall strengthen local arts councils and promote the democratic participation of community-based cultural workers and artists in their programming, budgeting and service delivery.

**Section 6.** The Parties shall promote and support community-based people-oriented tourism which develops appreciation of the history, community life, customs, traditions, and the local environment. This covers guided tours, cultural/educational exchanges, homestay programs and the like.

**Section 7.** Tourism-related services are acknowledged as legitimate sources of people's livelihood and income. These shall however be strictly regulated to protect the integrity of national, local and indigenous cultures, the rights of working people and their families especially women and children, and the environment. Tourism-related businesses that grossly violate people's rights and whose profit-seeking causes economic imbalances shall be prohibited.

## **ARTICLE II**

### ***PROMOTING NATIONALIST, SCIENTIFIC, MASS-ORIENTED EDUCATION***

**Section 1.** The Parties shall ensure that the educational system is oriented as stipulated in Section 3 of Article XII in Part IV above and that education standards are continuously upgraded. This covers the curriculum, syllabus, textbooks and other educational and instructional materials, extra-curricular activities, trainings, community immersion programs of students and teachers, and other relevant aspects of education at all levels which shall all be revised accordingly.

**Section 2.** The Parties shall design and implement an integrative learning curriculum that, among others:

- g) More accurately reflects the realities of Philippine society;
- h) Focuses on relearning history from the point of view of the Filipino people and their rich tradition of revolutionary resistance and struggles for change;

- i) Rectifies all the historical revisions propagated by the US and domestic ruling elite;
- j) Promotes the Filipino people's common cultural heritage, identity and nationhood while respecting and fostering cultural diversity,;
- k) Is well-balanced, community-centered, non-prejudicial, non-discriminatory, gender-fair and environment-conscious;
- l) Integrates history with social sciences, humanities, language and Filipino subjects to more comprehensively promote patriotism and nationalism;
- m) Emphasizes the role of science and technology in realizing genuine social and economic development and promoting social well-being; and
- n) Honors artists, scientists, engineers, agriculturists, doctors and the like for the goals of national development.

**Section 3.** The Parties shall uphold the right of national minorities to education that allows them to make greater contributions to the flourishing of a genuinely national culture.

**Section 4.** The Parties shall ensure the availability of quality early education and sustained literacy programs in every barangay.

**Section 5.** The Parties shall give full support for research and development that supports the goals of agrarian reform, rural development and national industrialization.

### **ARTICLE III**

#### ***DEVELOPING PROGRESSIVE AND PEOPLE-ORIENTED MEDIA***

**Section 1.** The Parties shall promote nationalist and progressive culture through the country's media industries including but not limited to broadcasting, publishing, music, film, software and the like. Measures shall be taken for these media industries to provide reliable information and analysis, inspire patriotism, foster critical thinking, and encourage direct action by the people.

**Section 2.** The Parties shall establish, support and develop a reliable public information system that is run by people's media organizations with independent editorial control of programming and that provides news, public affairs and other relevant programs with nationalist and progressive content. Programming shall be genuinely national in scope.

**Section 3.** The Parties shall ensure that private mass media networks and production outfits have airtime, segments and programs with nationalist and progressive content. The state shall moreover regulate the content of advertisements and the airtime given them with a view to preventing the spread of colonial mentality, foreign worship, consumerism, and other similarly objectionable values.

**Section 4.** The Parties shall uphold rights and freedoms related to speech, press, expression and information. This includes but is not limited to immediately repealing the law creating the Movie and Television Review and Classification Board (MTRCB) and abolishing this and other censorship mechanisms, stopping the criminalization of libel which aims to silence journalists and threatens free expression via the Internet, and enacting genuine laws on freedom of information and the right to free expression that are applicable to all three branches of government.

**ARTICLE IV**  
***PROMOTING PATRIOTIC, PROGRESSIVE***  
***AND PRO-PEOPLE ARTS AND LITERATURE***

**Section 1.** The Parties acknowledge existing nationalist and progressive art, music, literature, theatre, film, broadcasting, and other works created by revolutionary and patriotic artists, cultural producers, and grassroots cultural workers especially from among the working people. They shall promote these and give support and funding for greater production and even wider dissemination of such cultural and creative products.

**Section 2.** The Parties shall establish multi-functional Community Centers for Culture and the Arts at the regional, city and barangay levels. These will be free or affordable venues for film showings, stage productions, and other performances, for exhibits and literary events, for trainings, workshops, symposia and lectures, for small cultural festivals, and for other similar activities. They shall eventually develop into regional high schools for the arts with close ties to local traditions and communities.

**Section 3.** The Parties shall support the development, intellectualization and dissemination of the Filipino national language by more actively promoting its use in official communications, in teaching at all levels and in all fields of knowledge, and in mass media. The GRP shall undertake large-scale publication and dissemination of literary and technical works in Filipino and other Philippine languages; this includes literary and technical works from other languages.

**Section 4.** The use of other major Philippine languages shall likewise also be promoted in education, mass media, and literature. Cross-translation among local languages shall also be encouraged.

**Section 5.** The Parties shall promote, protect and preserve cultural and natural heritage sites by undertaking measures to prevent their destruction and pillaging and by increasing government funds for their rehabilitation and building public awareness. Cultural artefacts that plundered by foreigners and appropriated by private interests shall be recovered and reclaimed.

**ARTICLE V**  
**ADVANCING THE RIGHTS AND WELFARE OF EDUCATORS, MEDIA PRACTITIONERS, ARTISTS, AND CULTURAL WORKERS**

**Section 1.** The Parties shall uphold the rights of educators, media practitioners, artists and cultural workers as part of the working people. This includes but is not limited to putting an end to the widespread but exploitative contractualization and talent system in these cultural sectors and promoting regularization.

**Section 2.** The Parties shall ensure that an industry-wide national union of media workers is established that protects their rights and welfare, enhances their skills and professionalism, ensures ethical behaviour, prevents corruption, and sets the standards for each medium. This union shall have the right to negotiate with media outfit owners on behalf of media workers.

**Section 3.** The Parties shall uphold the civil and political rights of educators, media workers, artists and cultural workers. They will take immediate action to solve the cases of killings, harassment and other attacks on journalists, media workers, and grassroots cultural workers. The perpetrators will be held criminally liable and penalized.

**Section 4.** There shall be full support and recognition to the works of media practitioners and independent artists and measures shall be taken to ensure that they are not subjected to censorship and repression.

**C. RECOGNITION OF ANCESTRAL LANDS AND TERRITORIES OF NATIONAL MINORITIES**

The national minorities collectively refer to more than 100 ethnolinguistic groups of indigenous people (IP) and Moro people and comprise around 16 percent of the population. Their emergence as a special group is a long historical process of minoritization and national oppression, which started with Spanish and US colonization that the IP and Moro people resisted fiercely.

Spanish colonizers introduced the Regalian Doctrine that placed the entire archipelago under State authority and ownership, thereby dispossessing the IP and Moro people of their ancestral lands and territories. Spanish colonizers also waged the propaganda that the IP and the Moros were *juramentados*, *herejes*, *feroces*, or barbaric and uncivilized, thereby instilling cultural discrimination, Christian chauvinism and Islamophobia in the national consciousness.

American colonizers launched a ‘benevolent assimilation’ program through the co-optation of IP and Moro leaders to political positions and through the public school system that created colonial mentality and false national identity. Alongside this deception, American colonizers

waged the most vicious wars against the Moro people, resulting in unforgettable massacres and violence against Moro communities.

US colonial government and the succeeding Philippine Republics enacted various laws that declared vast parts of the IP and Moro territories as reservations, protected areas, wildlife sanctuaries, watersheds, and private development project areas, greatly dispossessing the IP and Moro people. The GRP implemented a homestead program that encouraged people from other parts of the country to settle in Mindanao, dubbed the Land of Promise, in the process dislocating the IP and Moro people therein. The GRP implemented land titling and fake land reform programs that continued to uphold the Regalian Doctrine and to deny the IP and Moro people their rights to their ancestral lands and territories.

The GRP has carried on this historical process of minoritization and national oppression. State agents continue the history of land grabbing and displacement in favor of foreign and corporate plunder of the natural resources in the remaining ancestral lands and territories of the national minorities. The national minorities' communities, including their social organizations, infrastructures and indigenous culture and traditions, are being ruined and desecrated further to give way to private and foreign interests in mining, logging, corporate plantations, megadams and the like.

Due to this long history of national oppression and extreme discrimination, the national minorities suffer harsher poverty conditions, marginalization and exclusion. They are among the most destitute in the rural farming sectors, the least priority in the delivery of social services, and victims of stereotyping, prejudice and political misrepresentation.

National minorities suffer the brunt of militarization that is often carried out to secure and facilitate the exploitation of natural resources and implementation of destructive projects in ancestral lands and territories and to restrain community resistance, including as measure for counter-insurgency. The national minorities' traditional defense systems are even bastardized and turned into paramilitary groups as additional forces in the frontline in defense of corporate plunder. Innocent Moro people on the other hand are vilified for being part of crimes and terrorism and used as excuse for violent military campaigns and operations against them. This has led to serious collective and individual human rights violations of national minorities, such as mass evacuation, indiscriminate bombings, destruction of livelihood, vilification, and killings.

The GRP has made several attempts to pacify the IP and Moro people and quell revolutionary movement, including the growing armed secession among the Moro people. These attempts include the creation of otherwise elite and bureaucrat-led autonomous regions, granting of partial autonomy to the Bangsamoro, as well as the passage of the IPRA. These moves of the GRP have only intensified national oppression as they have entrenched further the foreign and feudal control of the economy and natural resources, the non-recognition of ancestral

lands and territories, and the more overt collaboration of the IP and Moro elite. These have only fuelled further the growing resistance movement among the national minorities and their struggle for self-determination.

Given this, the Parties shall commit to undertake positive measures in favor of the national minorities to redress the long history of their oppression, 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 I**

### ***RECOGNIZING THE RIGHT TO SELF-DETERMINATION***

**Section 1.** The Parties recognize and shall uphold the right to self-determination of indigenous peoples and the Bangsamoro. This right to freely determine their political status and to freely pursue their economic, political and cultural development at their own pace without external impositions and interference covers autonomy, self-governance or self-rule within a nation-state, use of language and observance of customs and traditions, free exercise of religious beliefs, and enjoyment of specific rights as defined in laws and processes of the nation-state. The Parties also recall the Bangsamoro demand to secede as an assertion of their right to self-determination.

**Section 2.** The Parties recognize the particular circumstances of the Bangsamoro in Mindanao and shall ensure regional autonomy in areas where the Moro people are concentrated and, where they are not concentrated but nonetheless have substantial presence, shall ensure their democratic representation in governance.

**Section 3.** The Parties unconditionally recognize the ancestral lands and territories of indigenous peoples and the Bangsamoro. This includes but is not limited to upholding their right to steward or own, as appropriate, as well as to use, develop, and manage these lands, territories and resources contained therein.

**Section 4.** The Parties shall recognize and uphold the national minorities' right to collective ownership. The State shall amend or, if deemed necessary, repeal the IPRA that has in practice facilitated corporate intrusion in ancestral lands and has in effect given a few private individuals ownership and control of communal lands.

**Section 5.** The Parties shall uphold the national minorities' right to free, prior and informed consent (FPIC) and collective decision-making over so-called development projects and programs affecting them. This includes the GRP desisting from any and all acts that subvert this right such as deception, divide-and-rule tactics, and outright harassment.



**Section 6.** The Parties shall recognize and ensure the national minorities' participation in the creation of laws and policies and in all levels of governance. The Parties shall review and, if necessary, scrap government policies and administrative orders that undermine the national minorities' representation in decision-making and governance.

**Section 7.** The Parties shall recognize, respect and develop the socio-political systems of the indigenous peoples and Bangsamoro and take measures to prevent political misrepresentation and undermining of such systems. They shall recognize the socio-political structures that exist in communities of the national minorities which includes but is not limited to the organizations expressing their existing political programs for their struggles.

**Section 8.** The Parties will amend or repeal all laws, orders and issuances which are inconsistent with or contrary to the policies and measures regarding national minorities stipulated in this Agreement. This includes but is not limited to provisions in the 1987 Constitution and in the IPRA that violate the inherent rights of national minorities to steward or own as well as to use, develop and manage their ancestral lands and territories.

**Section 9.** The Parties will ensure a new law upholding the national minorities' rights to self-determination and to their ancestral lands and territories, recognizing the rights of indigenous peoples and the Bangsamoro, and providing true representation of the national minorities in governance. Correspondingly the state shall, among others, dismantle the National Commission on Indigenous People (NCIP) which does not truly represent the collective decisions of the indigenous peoples.

## **ARTICLE II**

### ***PARTICIPATION IN ECONOMIC DEVELOPMENT***

**Section 1.** The Parties shall ensure that the indigenous peoples and Moro people benefit from the strategic economic program of self-reliant Philippine development, rural development, and national industrialization as stipulated in this Agreement. This includes rural development and local industrialization in their ancestral lands and territories with due consideration of their specific social, cultural, political, and economic circumstances.

**Section 2.** The Parties recognize the right of national minorities to determine and develop priorities and strategies for their development including but not restricted to the use of natural resources in their territories. Any extraction of natural resources in ancestral lands and territories shall be decided with the concerned national minorities and their organizations and shall be used for local as well as national development in line with the comprehensive program for strategic economic development.

**Section 3.** The State shall scrap and revoke all deceptive, oppressive and discriminatory legislation and economic policies that expedite land grabbing, plunder and destruction of

ancestral lands and territories. It shall review all existing agreements and contracts, including pending applications, of mining, logging, dam building, geothermal, plantation, ecotourism and other businesses and projects, and cancel those which violate the right to FPIC, are destructive to the communities and the environment, and violate the national minorities' collective rights. There shall be a moratorium on new applications for such business and projects pending completion of the review.

**Section 4.** The Parties shall review and investigate all Certificate of Ancestral Land Titles (CALTs), Certificate of Ancestral Domain Titles (CADTs), and Ancestral Domain Sustainable Development Protection Plan (ADSDDPP) to determine their rightfulness on expanse and coverage, location and the like. The State shall cancel bogus and anomalous titles and revert ancestral lands that had been fraudulently awarded to false claimants by its agencies.

**Section 5.** The Parties shall rehabilitate mined-out and environmentally degraded areas. The GRP shall compensate indigenous peoples and Bangsamoro in communities affected by mining, logging, and other such operations in ancestral lands and territories. The individuals, enterprises and corporations responsible will be held criminally liable and penalized.

### **ARTICLE III PROTECTION FROM ALL FORMS OF DISCRIMINATION AND RIGHTS VIOLATIONS**

**Section 1.** The Parties shall take measures to remove institutional discrimination against the national minorities in the education system, mass media, arts and literature, and in other cultural and religious institutions. This includes but is not limited to ensuring that the national minorities' history, situation, rights and aspirations are suitably covered in the academic curriculum, syllabus, textbooks, trainings, and other relevant aspects of education at all levels.

**Section 2.** The Parties shall uphold respect for indigenous culture and religious beliefs and take measures to develop these for the enrichment of national heritage and pride. They shall take measures to end their commercialization and perversion including but not limited to putting an end to inappropriate and misrepresentative festivals and ecotourism projects that exploit indigenous culture for profit.

**Section 3.** The Parties shall ensure respect for the rights to life, liberty and security of the national minorities. The GRP shall end the militarization of ancestral lands and territories and their disruption of economic, social and cultural life.

**Section 4.** The Parties shall stop paramilitary recruitment among tribes and communities that bastardize and exploit traditional defense systems and cause animosity and division. Existing paramilitary groups will be immediately dismantled.

**Section 5.** The Parties shall ensure that indigenous peoples and Moro people are protected from discrimination wherever they are such as when they are separated by political and administrative jurisdiction or dispersed into different barangays, municipalities, provinces and regions, or otherwise outside their ancestral lands and territories.

**Section 6.** The Parties will amend or repeal all laws, orders and issuances which discriminate against national minorities and violate their rights as stipulated in this Agreement. They shall also use international standards, particularly the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) and the Declaration on the Rights of Minorities as references to this Agreement.

## **PART V. ECONOMIC SOVEREIGNTY FOR NATIONAL DEVELOPMENT**

Philippine economic policy has always served the needs of its colonizers and neocolonizers. This has been the case since Spanish colonialism, under US colonial rule, and into post-independence US neocolonialism. The market orientation of the economy was developed and entrenched by US imperialism which, from the 1940s until the 1970s, ensured special privileges for American goods and capital while also steadily liberalizing the economy.

The neoliberal era since the 1980s has seen the country's policies dictated by the International Monetary Fund (IMF) and World Bank, imposed through various so-called bilateral aid programs especially of the US, required by multilateral and bilateral free trade agreements (FTAs) including under the far-reaching World Trade Organization (WTO), and compelled by the international financial system. A solid corps of neoliberal Filipino technocrats and supporters has also been cultivated over the decades.

The neoliberal globalization policies have systematically opened up the economy to unfair competition, allow one-sided foreign exploitation of Philippine resources and labor, and prevent measures for national economic development. The Filipino people have suffered the worst poverty and exploitation for this.

Trade and investment liberalization has destroyed domestic agriculture and manufacturing. Foreign investment has not developed the economy and has instead been among the foremost ways by which imperialism has exploited the country's labour, natural resources and markets. Financial, monetary and fiscal policies are designed to serve the needs of foreign finance capital, big monopoly corporations and the local exploiting classes rather than the people.

The government, with its vast powers and authority over the economy, serves foreign and local elite interests in their quest for profits rather than attending to the needs of the Filipino people.

In appreciation of these facts, the Parties commit themselves to pursue, jointly and separately, macroeconomic policies that assert economic sovereignty and that include the widest range of patriotic options to choose from for national socioeconomic development.

## **A. FOREIGN ECONOMIC AND TRADE RELATIONS**

The Philippines' foreign economic and trade relations are neocolonial, work against the country's development, and compromise the rights and welfare of the Filipino people. These are the result of imperialist-designed policies favouring foreign monopoly capital and repressing domestic production to keep the country's human and natural resources perpetually available for foreign plunder and exploitation.

The backward agricultural economy ensures that foreign monopoly capital can take advantage of land and other agricultural resources and raw materials as they see fit and without having to compete with Filipino rural producers for their use. Likewise, insignificant domestic industry ensures that foreign monopoly capital can take advantage of domestic minerals and cheap labour, dominate the market for industrial goods and services, and prevent domestic capital from emerging as competitors. The scarcity of local jobs and livelihoods has even driven millions of Filipinos abroad as among the cheapest and most exploited migrant workers in the world to become the country's most important export.

Trade liberalization which took down tariff and non-tariff barriers has flooded the domestic market with cheap foreign goods and services. Unable to compete, Filipino firms have closed down and farms have been driven to bankruptcy. Investment liberalization has only made it easier for foreign capitalists to exploit the country's agricultural resources, mineral deposits, and cheap labour for export markets – but without contributing anything to developing local productive capacity. Foreign investors have also entrenched themselves in the country and use local labour and resources to sell to and profit from the Filipino market – also without developing genuine local production.

The Philippine neocolonial economy has been further restructured and devastated by decades of neoliberal globalization policies imposed by imperialism. Unprecedented trade and investment liberalization since the 1980s accelerated the decline of agriculture and of Filipino manufacturing and bloated the foreign-dominated, -owned, and -controlled service sector. This has been structural change for the worse.

Domestic economic policies have been shaped over decades of neocolonialism. Even after flag independence in 1946 the US put domestic laws in place favouring American

corporations and citizens. The US was also at the forefront of putting neoliberal policies in place during the Marcos dictatorship in the 1970s and 1980s especially through IMF stabilization programs and World Bank structural adjustment. Trade and investment liberalization, privatization, and deregulation was implemented across the breadth of the economy.

The 1990s saw the emergence of the expansive multilateral WTO and other regional and bilateral FTAs including with Japan, ASEAN, and some European nations. The Philippines is party to seven FTAs and already has bilateral investment treaties (BITs) with 37 countries. The USAID, World Bank and Asian Development Bank (ADB) have economic policy intervention programs in the country already cumulatively costing billions of dollars.

Financial liberalization has also resulted in monopoly finance capital using global financial markets and the threat of financial destabilization to influence the direction and contours of domestic economic policy. Today, 100% foreign ownership is allowed or otherwise barely regulated in most sectors whether agricultural, industrial or service. The overwhelming majority of goods have low or no tariffs or non-tariff barriers against them.

Neoliberal policies have devastated the domestic economy. Yet the GRP's approach is still for greater neoliberal trade and investment liberalization through APEC, ASEAN economic integration, and more FTAs including RCEP, EU-PH FTA, and the TPP. Its US- and Western-dominated mindset also means that it has been generally blind to potential opportunities offered or that can be created by increasing multipolarity in the international economy, especially the rise of the BRICS.

Amid the protracted global crisis, despite the aggressive neoliberal external policies of most countries, and because of the greater mobility of trade and capital, it is more urgent than ever for the Philippines to adopt an independent foreign economic policy that promotes national development. This begins with halting and reversing the widespread neoliberal globalization in the domestic economy and implementing a purposive strategic economic plan.

## **ARTICLE I**

### ***GENERAL PROVISIONS FOR FOREIGN ECONOMIC RELATIONS***

**Section 1.** The Parties shall adopt an independent foreign trade and investment policy that promotes the strategic economic program of self-reliant Philippine development, rural development, and national industrialization. This policy shall ensure that the country's resources and production prioritize domestic needs and that foreign investors contribute rather than impede national development.

**Section 3.** The Parties reject the trade and investment liberalization, privatization, and deregulation policies dictated by dominant capitalist countries and by their multilateral

agencies like the International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB), and World Trade Organization (WTO). They shall take corresponding measures to reverse the denationalization of the economy.

**Section 2.** Neocolonial trade and investment policies that keep the economy backward and underdeveloped shall be terminated. The Parties acknowledge that these policies expressed in the country's free trade agreements (FTAs), bilateral investment treaties (BITs), and domestic economic laws keep the country an exporter of raw materials and human resources mainly for foreign economies' benefit, a cheap labor site for foreign-dominated low value-added manufacturing and services, and a captive market for foreign surplus goods and technology.

**Section 5.** The country will diversify its trade and investment relations and break its economic dependence on the United States and Japan. Among others, this aims to take advantage of increasing competition among the major industrial capitalist countries and enables more effective bargaining for the best terms in the international market. New dependencies on other foreign powers shall be avoided.

**Section 6.** The Parties commit to build relations with governments and multilateral organizations supportive of Philippine national development and the welfare of the people. Among others this includes ensuring that the rights of Filipinos overseas are upheld, protected and promoted.

**Section 4.** The Parties shall promote economic independence by building closer mutually beneficial economic relations and cooperation with neighboring countries in East Asia -- while correcting imbalanced relations such as with Japan and South Korea -- and other countries beyond the region. This shall include the BRICS countries (Brazil, Russia, India, China and South Africa) and Third World countries asserting their sovereignty and independence.

**Section 7.** The GRP shall build official economic relations to support national development. This includes but is not limited to new arrangements for development finance, technical assistance, technology sharing, and infrastructure projects; deeper bilateral relations can also be explored with friendly governments for specific industrial projects. Preference will be given to official development assistance (ODA) that is untied and on the most favourable concessionary terms.

**Section 8.** The Parties will protect and support Filipino-owned agricultural producers, industrial firms, and service enterprises against foreign trade and investment. They will be given the necessary incentives, subsidies and support to develop and strengthen.

## **ARTICLE II**

### ***RECLAIMING POLICY SOVEREIGNTY***

**Section 1.** The Parties will contest provisions of international economic deals that are biased against Filipino producers and that prohibit various policies needed for rural development and national industrialization. The GRP shall correspondingly amend, suspend, or terminate, as applicable, all bilateral investment treaties and agreements, bilateral and regional FTAs, and agreements under the multilateral WTO.

**Section 2.** The country's membership in international economic institutions such as the IMF, World Bank, WTO and Asia Pacific Economic Cooperation (APEC) which were created to protect and advance the economic interests of the dominant capitalist powers shall be reviewed and, if necessary and conducive for national development, withdrawn.

**Section 3.** The Parties reject foreign interference in domestic economic policy-making. Foreign loans and ODA with policy conditionalities will be cancelled and multilateral and bilateral programs that intervene in domestic economic policy-making, such as by the United States Agency for International Development (USAID), will be closed down.

**Section 4.** The Parties will break the economic dominance of foreign monopoly capitalists that hinders an economic program promoting national development. The direct investments and other profit-making assets of US, Japanese and other foreign monopoly capitalists in vital and strategic industries shall be expropriated and nationalized as provided for in Section 2 of Article II in Part III.B.

**Section 5.** The Parties reject undemocratic Investor-State Dispute Settlement (ISDS) processes that are biased for foreign investors, give foreign monopoly capital rights beyond Filipino investors and citizens, and restrict the government's regulatory flexibility. Foreign corporate disputes shall be settled in domestic judicial or quasi-judicial processes.

## **ARTICLE III**

### ***INDEPENDENT FOREIGN TRADE AND INVESTMENT POLICY***

**Section 1.** The Parties agree that Filipino agricultural, industrial and service enterprises deemed essential to the creation of a self-reliant national economy will be: supported with tax exemptions, import duty exemptions, credit and investment incentives, and government procurement contracts; protected with tariffs and non-tariff measures, and foreign exchange and capital controls; and promoted with other like measures as necessary.

**Section 2.** The Parties will regulate any necessary foreign investment to ensure that it contributes to national development in terms of technology transfer and acquisition, access to

products or markets, domestic reinvestment, and other such benefits for the country's strategic economic development.

**Section 3.** All foreign investment shall be subject to regulation and supervision with regard to employment practices, social and environmental impact, product pricing, access to capital, profit remittances, capital repatriation, and other concerns relevant to its contribution to national development.

**Section 4.** In no case shall foreign equity exceed 40 percent in any enterprise. Safeguards will also be adopted against devices or schemes such as the use of dummies, interlocking directorates, shell corporations and others that circumvent the nationality requirement.

**Section 5.** The Parties will reorient export-processing zones and industrial enclaves, which perpetuate the neocolonial character of the economy and repress workers, to promote national industrialization and the self-reliant production of goods to meet domestic needs.

**Section 6.** The Parties will institute capital controls to promote financial stability and preserve the independence of domestic monetary, exchange rate, financial, and fiscal policy. Controls on speculative capital flows can include taxes on inflows and outflows, stricter reserve requirements, currency controls, quantity limits, restrictions on securities and equity transactions, and others as necessary.

**Section 7.** The Parties agree to regulate, as necessary, imports of goods and services so that national development is not compromised. Priority shall be given to imports of needed technology, industrial equipment, and other requirements of the strategic economic development program.

**Section 8.** The Parties agree to regulate, as necessary, exports of goods and service to ensure that the objectives of the strategic economic development program are achieved. Export promotion and control measures shall cover licensing, subsidies and taxes, loans and credit, prohibitions, and others as needed. Opportunities for export shall be availed as long as these do not compromise meeting domestic needs and contribute to national economic development according to the strategic economic program.

**Section 10.** The Parties will augment the domestic stock of science and technology with foreign sources as provided for in Section 5 of Article V in Part III.B.

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



## **B. FINANCIAL, MONETARY AND FISCAL POLICIES**

The semifeudal and semicolonial conditions create a system where economic surpluses are misappropriated and concentrated among the very few. Thus, little is left for investment to develop the economy and meet the needs of the people. Harnessing the country's economic potential for generating surpluses and using this rationally needs systematic planning and active state intervention and regulation. The financial system, monetary and fiscal policies should be directed to support the strategic program for national development.

The financial system is an essential part of the economy. Financial policies determine how capital resources are accumulated and used so that control of the system also means control over which sectors grow and how the economy develops.

The economic surplus generated by the economy is misallocated because of the domination of private and foreign interests. This is also aggravated by foreign monopolies freely repatriating their profits and by the outflow of funds for the luxury consumption of the wealthy, both local and foreign. The current policy of mergers and consolidation will only increase our country's vulnerability to foreign financial, monetary and fiscal manipulation. Strategic economic development demands effective and efficient state control and regulation of the domestic financial system.

The banking and financial system needs to direct resources according to investment priorities – to agricultural development, rural industrialization, vital and strategic industries, priority domestic manufacturing, infrastructure, social services and welfare, and others in the quantities and at the times so needed. The country's development banking institutions, especially the DBP and Land Bank, fail to fulfill this function due to the absence of a strategic plan for agricultural and industrial development and also their prevalent pursuit of profit.

The greatest failure of the Philippine financial system is its class bias in favor of primarily the rich. The banking system and other financial institutions have sidelined the poor, though they comprise the majority of the population that fall prey to usurers sector, pawnshops, and other exploitative lenders in the formal and informal financial sector.

Monetary policies must likewise support national development. However interest rates and the foreign exchange system are market-oriented and dictated by demands of international capital markets. They support financial profits and neocolonial production patterns rather than long-term Philippine development. The currency volatility and uncertainty from a floating exchange rate regime also creates financial and economic instability that undermines the goals of national socioeconomic development.

Fiscal policy, covering government revenues and spending, is a vital tool of state intervention for comprehensive national economic development. It is a powerful mechanism for reducing income and wealth disparities, providing basic social services and essential public utilities, stabilizing prices and supporting consumption, stimulating growth, supporting agriculture and Filipino industry, and generating employment.

GRP fiscal measures under the neoliberal policy regime have spawned a host of deleterious effects on the monetary and financial state of the country. Revenues are undermined by tariff cuts and trade liberalization, tax cuts for the rich and large corporations, fiscal incentives for foreign investors, and privatization even of potentially income-generating enterprises. The tax system has become progressively regressive and heavily reliant on consumption taxes imposed on the majority poor. This is aggravated by massive unproductive expenditures from the payment of interest on unjust and onerous debts, excessive military spending, and due to gross bureaucratic inefficiency.

There is also immense graft and corruption which is a systemic and long-running defect in the government's fiscal system. This is not only a huge and continuing drain on public resources but also reflects systemic bureaucrat capitalism and an undemocratic patronage-driven political system of self-aggrandizing political elites. These fiscal failures are even perversely used to justify privatization including public-private partnerships in crucial social and economic services.

The Central Bank has a key role in supervising the country's financial system and in managing interest rates, the exchange rate, currency reserves, and the money supply. Its current market-oriented management of the overall monetary sector has however only primarily served the needs of foreign monopoly capital and domestic elites.

## **ARTICLE I**

### ***FINANCING NATIONAL DEVELOPMENT***

**Section 1.** The Parties shall adopt a finance policy serving overall social and economic development and will take measures to enable effective management of the financial sector to achieve this. They agree to veer away from wholly relying on the market to mobilize and allocate financial resources and on using private financial returns to indicate investment success, both of which prevent national development. They shall ensure stable long-term finance for vital economic development programs and projects.

**Section 2.** The Parties agree to strengthen the institutional and regulatory infrastructure of the domestic financial system to effectively perform its function of serving the goals of national development.

**Section 3.** The Parties agree to reorganize and redirect the Central Bank, banks and other financial institutions to support and serve the policies and programs of agrarian reform, rural development, and national industrialization. In supervising the financial system, the Central Bank shall ensure that strategic sectors of the economy receive financing and that interest rates, the exchange rate, currency reserves, and the money supply are managed according to the overall socioeconomic development plan.

**Section 4.** Banks shall be reoriented to fulfil the development banking function of financing public utilities, services, and infrastructure as well as agrarian reform, rural development, and national industrialization projects. New specialized public banks for supporting specific strategic sectors and industries, credit cooperatives, microfinance services, and other similar financial institutions or investment funds may be considered and established as deemed necessary for national development.

**Section 5.** The Parties agree to reorient the Land Bank of the Philippines (LBP) and rural banks to support cooperatives, collectives, peasant associations and agricultural production in general according to genuine agrarian reform and rural development as provided by this Agreement. Likewise, the Development Bank of the Philippines (DBP) shall be reoriented to give priority to industrial projects of the public sector and Filipino entrepreneurs, and its subsidiary Al-Amanah Islamic Investment Bank of the Philippines shall support socioeconomic development particularly in the Moro areas of Southern Mindanao.

**Section 6.** The parties agree to renationalize the Philippine National Bank (PNB) and to reorient it to the objective of promoting overall social and economic development.

**Section 7.** The Parties agree to correct the historical neglect of the credit needs of peasant, fisherfolk and other producers' associations, as well as of small and medium enterprises. They will ensure that commercial banks allot specified portions of loanable funds to provide low interest loans for agrarian reform, rural development, and industrial projects as determined by this Agreement. The Parties will also encourage and direct lending to priority sectors and strategic firms by providing for tax incentives and other such measures as deemed necessary.

**Section 8.** The Parties agree that the financial system covering banks, investment houses, securities firms, insurance companies, financing companies, savings and loan associations, credit unions, and other like financial institutions and intermediaries shall be owned and controlled by the public sector and Filipino nationals.

**Section 9.** Foreign investments and assets in financial institutions shall be expropriated. The disposition of these shall be negotiated on the basis of national interest. The manner of compensation of expropriated investments and assets shall be subject to negotiation according to the needs of overall social and economic development.

**Section 10.** Measures shall be instituted that encourage and promote the investment of surpluses from growing agricultural productivity in the national industrialization program.

**Section 11.** All financial institutions and intermediaries 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 overall organizational concerns. The workers shall have the option to either directly organize a workers' council or to do this through their union.

## **ARTICLE II INDEPENDENT MONETARY AND EXCHANGE RATE POLICIES**

**Section 1.** The Parties will orient monetary policy towards ensuring levels of investment and expenditure consistent with the goals of rural development, national industrialization, and improving the people's welfare. Monetary policy targets shall address the concerns of inflation and economic growth but also of investment, employment, and equality according to the strategic economic program.

**Section 2.** The Parties agree to stabilize the Philippine peso through a managed exchange rate system, regulation of convertibility, and capital controls.

**Section 3.** The Parties shall regulate public and private foreign borrowing to promote financial stability, to ensure that foreign loans support national development, and to ensure the independence of domestic monetary, exchange rate, financial, and fiscal policy. The overall dependence on foreign borrowing shall be controlled with ceilings on the volume of new foreign loans, taxes on foreign debt obligations, reserve requirements against foreign debt obligations, and other measures as deemed necessary. Foreign borrowing by domestic firms shall be regulated, with priority given to long-term low-interest loans going to priority sectors for national development.

**Section 4.** The Parties will take necessary measures to prevent capital flight, promote financial stability, and ensure the availability of capital for domestic investment, economic growth, and national development. This includes adopting regulations and restrictions on domestic capital from making portfolio investments abroad. This includes but is not restricted to placing limits on portfolio investments and foreign currency accounts abroad, exit taxes, strict reporting requirements, and other capital controls. Off-balance sheet activities shall be strictly prohibited.

### **ARTICLE III**

#### ***FISCAL POLICY FOR SOCIOECONOMIC DEVELOPMENT***

**Section 1.** The Parties shall adopt a fiscal policy, covering government revenue generation and spending, that is in line with overall economic planning and strategic measures to develop the national economy. Among others, this includes mobilizing and directing funds for agrarian reform, rural development and national industrialization.

**Section 2.** Fiscal policy shall not include austerity measures that pass on the burdens of economic and financial crises on the working people and, on the contrary, shall include the use of emergency expansionary measures during economic downturns.

**Section 3.** The Parties agree to prioritize public spending for free or affordable education and health, subsidizing pensions and other social security benefits, financing public utilities in water, electricity and transportation, and state investment in infrastructure and priority productive sectors. This includes but is not limited to achieving education spending equivalent to at least six percent of GDP, health spending of at least five percent of GDP, and social protection of at least 15 percent of GDP.

**Section 4.** The Parties agree to use taxation, public borrowing, deficit financing, and surpluses of public enterprises for increasing public investment and capital formation to accelerate economic development and generate more employment for the people.

**Section 5.** The Parties agree to adopt a progressive tax system based on taxpayers' ability to pay with higher income groups charged proportionately and absolutely more than lower income groups. This seeks to raise government resources for public spending on social services, economic services, and other public services. Such system seeks to reduce inequality, equitably distribute wealth generated, and prevent the undue accumulation and concentration of economic power in the hands of a few.

**Section 6.** Income taxes on poor families and small and medium enterprises (SMEs) will be reduced while those on foreign and comprador corporations, landlords and the wealthy will be increased.

**Section 7.** The value-added tax (VAT) and excise taxes on basic goods and services consumed by the working people will be abolished while taxes on luxury goods and services will be increased. Consumption taxes on alcoholic drinks, tobacco products, gambling and other socially or economically undesirable items shall be increased.

**Section 8.** Taxes on accumulated or transacted wealth will be increased through higher property, capital gains, inheritance and estate taxes.

**Section 9.** The Parties agree to review and modify, as necessary, tax incentive programs with regard to their avowed goals of increasing investment, expanding the economy, and accelerating growth as well as their impact on government revenues.

**Section 10.** Tax rates for transnational corporations (TNCs) shall be rationalized in line with the national interest. The government will also audit and levy taxes on service fees, royalties, interest expenses, management fees, and other inter-company charges paid by TNCs to related parties abroad to curb transfer pricing and other tax evasion and tax avoidance schemes.

**Section 11.** The Parties shall raise taxes on trading in foreign currencies, stock transfers, and other short-term international private capital flows.

**Section 12.** The Parties agree to reduce the stock of public foreign debt and dependence on foreign borrowing. New foreign borrowing shall be limited to necessary financing of the strategic economic program of self-reliant Philippine development, rural development, and national industrialization.

**Section 13.** Public foreign debts will be immediately re-examined to determine which are to be cancelled, frozen, renegotiated, or litigated. Fraudulent and behest loans shall be repudiated and other onerous loans shall be renegotiated. Those who incurred or used these foreign debts and privately benefited from them shall be held criminally and civilly liable and prosecuted.

**Section 14.** The law on the automatic appropriation for the public portion of the foreign debt service (PD1177) shall be immediately repealed.

**Section 15.** The Parties agree to immediately trim down the budget allocations for the military and the savings shall be redirected to allocations for social and economic services such as education, health, public housing, mass transportation and the like.

**Section 16.** The Parties will abolish and prohibit arbitrary and unnecessary public guarantees of private profits including but not limited to regulatory risk guarantees, deficit payments schemes, contractually binding onerous fees and charges, and sovereign guarantees of private debt.

**Section 17.** The Parties will combat graft and corruption and shall immediately adopt stricter measures to eradicate its most pervasive types. The pork barrel system in all its forms, whether within the budget or off-budget, shall be prohibited. There shall be additional safeguards versus graft and corruption including but not limited to laws versus political dynasties and nepotism as well as stronger mechanisms for investigation and prosecution of

corrupt government officials and their private collaborators. Plunderers and other like economic saboteurs shall be held criminally and civilly liable and prosecuted.

**Section 18.** The Parties agree that there will be full public monitoring of government finances especially the budget process. Policies on transparency and accountability in all government financial systems and operations, including but not limited to transactions with private contractors, shall be strengthened.

**Section 19.** The Parties agree to undertake vigorous campaigns in all civil agencies, institutions and organizations against all forms of inefficiency which grossly undermine the effectivity of the various economic planning tools and contribute to massive bureaucratic waste.

**Section 20.** The Parties agree to repeal or rescind all laws, orders and issuances which are inconsistent with or contrary to the above policies and measures such as the Presidential Decree on Offshore Banking, Banking Law of 1994, RA 7721 which liberalizes the entry and scope of operations of foreign banks, the Comprehensive Tax Reform Program, and others that may be identified.

## **PART VI. FINAL PROVISIONS**

**Section 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.

**Section 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.

**Section 3.** The Parties assume 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.

**Section 4.** 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.

**Section 5.** 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.

**Section 6.** 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.

**Section 7.** 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 \_\_\_\_\_.



**ANNEX 1: LIST OF KEY INDUSTRIES**

1. Integrated steel industry
2. Agricultural tools, machinery & equipment
3. Coconut processing & sugar
4. Mineral processing
5. Construction materials (wood, ceramic, glass, plaster, cement)
6. Industrial chemicals & chemical products
7. Industrial tools, machinery & equipment
8. Transport vehicles & equipment (esp. rail, buses, shipping)
9. Electrical power equipment
10. Electronic components & equipment
11. Biotechnology
12. Integrated IT industry (hardware, firmware, software)
13. Precision instruments manufacturing
14. Renewable energy: hydro, solar, wind & geothermal
15. Nationalized utilities - Energy
16. Nationalized utilities - Water
17. Nationalized utilities - Transport
18. Nationalized utilities - Telecoms
19. Pharmaceuticals
20. Textiles, clothing & footwear
21. Food & beverage

**ANNEX 2: LIST OF PRIORITY INDUSTRIAL PROJECTS**

1. Metal industries: mines, steel, engines/equipment, shipbuilding/transport
2. Coconut industries: lumber, coco-chemicals, biodiesel, oil, husks, coir, desiccated, VCO, buko juice...
3. Textiles, clothing and footwear industry