

**Executive Summary  
of the Proposed Draft**

**of the**

**Comprehensive Agreement  
on Social and Economic Reforms (CASER)**

**of the National Democratic Front  
of the Philippines (NDFP)**



**NDFP Reciprocal Working Committee  
on Social and Economic Reforms**

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# **Proposed NDFP Comprehensive Agreement on Social and Economic Reforms**

## **EXECUTIVE SUMMARY**

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The proposals of the National Democratic Front of the Philippines (NDFP) for a Comprehensive Agreement on Social and Economic Reforms (CASER) are concrete and doable steps towards liberating the Filipino people from poverty, exploitation and underdevelopment.

They build on current Philippine conditions. The proposals consider available resources – natural, human, technological and financial – as well as the economy’s current production capacity. These are the material conditions for the self-reliant development of the Philippine economy and society.

They also build on the evolving global context. The proposed CASER asserts that equitable domestically-driven economic development is the most effective way to navigate a world economy made chaotic by decades of free market policies of neoliberal globalization. The proposals recognize that the protracted global crisis and growing protectionism negate prospects for any kind of export-led and foreign-dependent growth.

However, the increased multipolarity and the relative weakening of United States (US) imperialism as the world’s

sole superpower present opportunities for acquiring necessary foreign factors and components for a rational and comprehensive national program of social and economic development. This integrated and comprehensive approach to development upholds the people’s interest above all. The role of the state is developed at the same time as people’s organizations are put at the center of decisions about the economy. Measures shall be taken against the powerful vested interests that have long blocked economic development.

This is an immediate program for real social and economic progress. It is realistic within current political and legal processes and can be implemented by the current administration as well by any succeeding non-revolutionary governments. But the proposals can still evolve as the struggles of the Filipino people and of the millions of organized peasants, workers and other sectors advance and open the way for greater changes. As with many things, the strength of the democratic mass movement is decisive.

The proposed CASER’s outcomes are moreover consistent with the NDFP’s 12-point program and a socialist perspective for the Philippines. In all of this, the

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NDFP upholds how a more democratic and sovereign economy that benefits the majority of Filipinos is the foundation of a just and lasting peace.

### **PREAMBLE**

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

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

These parts establish the agreement's general framework and define how the agreement shall come into force. They include the: rationale for talks on social and economic reforms as resolving the roots of armed conflict; objectives of the agreement; scope and coverage of the agreement; and reference to relevant international legal instruments on economic, social and cultural rights.

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

This part outlines how agricultural and rural development with national industrialization forms the bedrock of the national economy. This is done with due consideration of the environment to ensure favorable conditions for the present and future generations.

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

The largest number of Filipino producers are peasants and the single largest

sector of the domestic economy is agriculture. Real agrarian reform corrects historical injustices against the peasantry. It is also the key to ending rural poverty and the starting point for rapid development of the Philippine countryside.

Agrarian reform shall break land monopolies through expropriation with selective compensation. It covers all private and public agricultural land, fishing grounds, fisheries, and aquaculture while recognizing ancestral domain. Land shall be distributed for free with measures against reconcentration. The rights of the peasantry, including farm workers and fisherfolk, to living wages, humane work conditions, benefits, and to be free from usury shall be upheld and promoted.

Agricultural production shall be developed with ample budgets for developing agricultural science and technology, agricultural credit, irrigation, post-harvest facilities, farm-to-market roads, and marketing support. The conversion of land producing food shall be prohibited. The country shall achieve food self-sufficiency.

Rural industries shall be fully developed in: coconut, sugar, tobacco, meat processing, fish processing, fruit, spices and vegetable processing, salt and seaweeds processing, dairy products, leather processing, abaca products, bamboo and rattan, clothing and textiles, pottery, furniture, and agricultural by-products processing.

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The peasantry shall have real democratic participation in decision-making and the economy. The revolutionary mass organizations and New People's Army (NPA) shall have key roles in implementing agrarian reform. Peasant cooperatives and associations shall be set up. A Joint Monitoring Committee on Agrarian Reform and Rural Development (JMC-ARRD) shall be established and a New Agrarian Law enacted.

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

The NDFP has always considered national industrialization essential for economic development. It is needed to create jobs and livelihoods, raise incomes, meet the people's basic needs, ensure rapid and sustained economic growth, and achieve economic independence from imperialist domination.

Filipino producers and domestic capital shall be developed as the driving forces of national development. The state shall actively promote, protect and support large, medium, small and micro Filipino enterprises. The economy shall combine public sector firms, joint public-private ventures, and individual entrepreneurship. Industrial cooperatives shall be encouraged.

Filipino industries shall be developed across a wide range of consumer, intermediate and capital goods. These shall be phased over a number of years and include: mineral processing; steel; agri-

cultural and industrial tools, machinery and equipment; transport especially rail, buses, and shipping; electrical power equipment; electronic components and equipment; precision instruments; construction materials; chemicals and chemical products; pharmaceuticals; food and beverage; textiles, clothing and footwear; and biotechnology.

Utilities shall be nationalized to ensure electricity, water, telecommunications and transport services for the people and overall development. Mining shall likewise be nationalized to ensure rational extraction and use of the country's mineral resources. Enterprises in these vital and strategic industries shall be 60-100% state-owned.

Regions and sectors shall be inter-linked. The rights and welfare of workers shall be protected and the impact on the environment managed properly. Filipino science and technology shall be aggressively developed with large investments and linkages among firms, universities, and mass organizations.

The domination of big capitalists that exploit the economy and keep it backward shall be broken. Foreign monopoly capital in vital and strategic industries shall be expropriated and nationalized. Foreign equity can go up to 40% of equity in allowed enterprises but shall be regulated to ensure real contributions to national development. Big comprador capital and assets shall be re-directed towards national industrialization and rural develop-

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ment. Ill gotten wealth of of bureaucrat capitalists shall be confiscated.

Workers shall participate in democratic decision-making to protect and advance their rights and welfare. There shall be unions and workers' councils in industrial enterprises and capitalist farms. Financing for industrialization shall be raised from industrial bonds, landlord compensation, progressive taxation, government savings, reinvested government industrial surpluses, and confiscated assets.

A Joint Monitoring Committee on National Industrialization and Economic Development (JMC-NIED) shall be immediately formed to ensure the effective implementation of the NIED provisions.

### C. ENVIRONMENTAL PROTECTION, REHABILITATION AND COMPENSATION

The NDFP shall ensure a healthy natural environment in the course of economic development. A national policy on the exploration, conservation, rehabilitation and development of the country's natural resources, including those in its territorial waters and exclusive economic zone, shall be drawn up. Urban and rural environmental planning shall ensure the least possible congestion and pollution across the country. The utilization of the country's resources shall first and foremost be reserved for the Filipino people.

Agricultural production, rural development and national industrialization shall

increasingly use ecologically sound production methods. This is to ensure the most efficient use of the country's renewable and non-renewable resources. Appropriate measures shall be taken to address pollution and waste disposal. The necessary programs for climate change adaptation and mitigation shall be carried out.

The nation's land, waters, flora, fauna and other natural resources shall be protected. Programs to genuinely rehabilitate and develop resources that have been depleted, polluted and destroyed shall be developed, pursued and promoted with adequate funding from the national government and from compensation paid for causing environmental damage. Mining and marine wealth extraction shall be strictly regulated. Foreign appropriation through intellectual property schemes shall be banned and patenting, where allowed, shall be exclusively for Filipinos with preference for collective ownership.

The reckless profit-driven exploitation of the nation's natural wealth by foreign and domestic capitalists shall be stopped. Grossly destructive activities in mining, agriculture, industry, land clearing, reclamation, and the like shall be prohibited. Foreign toxic waste, dirty goods, pollutant industries, war materiel and such shall also be prohibited.

All perpetrators of environmental destruction shall be held accountable including the US and other governments,

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corporations, government officials and others. Communities, victims and surviving relatives shall be compensated.

There shall be genuine democratic participation and consent of affected communities especially of the national minorities. Environmental consciousness shall be widely promoted through the educational system, mass organizations, mass media, and community environmental organizations. The people shall be mobilized to protect and manage the environment.

The Joint Monitoring Committee on Environmental Protection, Rehabilitation and Compensation (JMC-EPRC) shall be immediately constituted to ensure the effective implementation of the provisions of the EPRC agreement.

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

Socioeconomic development should ensure and promote the welfare of the people and develop their full potentials as human beings leading meaningful lives. Special emphasis is given to workers, peasants, women, children and youth, urban and rural poor, migrant workers, national minorities, the elderly, persons with disabilities, and all other marginalized sectors, including national entrepreneurs, who are most exploited or who benefit least from the current socioeconomic system.

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

The rights of the working people must be upheld in the course of economic development. Everyone has the right to employment, livelihoods and social protection. All those working are entitled to a living wage, benefits, security of tenure and humane work conditions as well as the democratic right to organize and strike.

The state shall assume responsibility for directly providing: free primary, secondary and tertiary education; free health care from primary to tertiary level including promoting community-based comprehensive primary health care; and affordable mass housing.

Affordable and quality water, power, mass transport, and telecommunications services, including free internet, for the people shall be guaranteed. These services and facilities shall be under state or public ownership, management and control via state corporations or joint ventures with private enterprises or cooperatives. They shall be run with the full and effective participation of the people. Current privatization and deregulation of public utilities and services shall be reversed.

The needs of people in their specific circumstances must be addressed. This includes upholding the rights, interests and welfare of overseas Filipinos while also

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ending the economy's reliance on cheap labour export. Gender equality and protection against discrimination of women and other gender-discriminated sectors shall be diligently promoted. Provisions shall be made for free day-care and nurseries, low-cost meals, and public laundry to lighten housework. Same sex marriages shall be recognized. Divorce shall be legalized.

The protection of children shall be ensured through such measures as eliminating the conditions for child labour and providing comprehensive childcare programs. The elderly and disabled shall be given greater opportunities to continue to be active and productive. A non-contributory tax-financed universal pension system shall be set up.

Ample state support for disaster preparedness and response shall be provided. Community-based efforts and people's participation will be promoted. Government officials will be held accountable for their negligence and corruption.

A Joint Monitoring Committee on Rights of the Working People (JMC-RWP) shall be immediately formed to ensure the effective implementation of the RWP provisions.

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

Culture permeates all aspects of society including its socioeconomic sphere and

so can either hinder or support social and economic reforms. Patriotic, progressive and pro-people culture that fosters critical thinking and reflects the conditions, aspirations and struggles of the people shall be promoted.

The educational system has a key role and its curriculum, materials and activities shall be reoriented from mainly producing the labour force demanded by profit-seeking interests. A reliable public information system shall be developed and private television, radio, print, and other mass media outlets shall be encouraged to improve their content. Freedom of speech, expression and information shall be upheld.

Progressive art, music, literature, theater and film shall be promoted. This includes strengthening local arts councils and establishing community centers for culture and the arts. Cultural and natural heritage sites shall be protected. The Filipino national language shall be more firmly and vigorously promoted. The local cultural economy shall be protected and cultural sovereignty upheld.

A Joint Monitoring Committee on Promoting Patriotic, Progressive and Pro-People Culture (JMC-Culture) shall be immediately formed to ensure the effective implementation of the provisions for promoting patriotic, progressive and pro-people culture.

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

The ancestral lands and territories and distinct identities of indigenous peoples and the Bangsamoro shall be recognized. The right of the national minorities to self-determination shall be upheld. They shall have the right to determine and develop their own priorities and strategies while measures are taken to ensure that they benefit from the national program for socioeconomic development.

Their right to free, prior and informed consent and collective decision-making shall be upheld. Faulty laws and policies and their outcomes shall be remedied. This includes replacing the Indigenous Peoples' Rights Act (IPRA) with a new law genuinely upholding the national minorities' rights. Titles to ancestral lands and domains shall be reviewed and bogus claims cancelled.

Measures shall be taken to rectify institutional discrimination. These include measures to ensure that the educational system, mass media, arts and literature, and other cultural mechanisms correctly portray the national minorities. A moratorium on new applications for mining, dam, energy, logging, plantation, ecotourism and other projects shall be adopted.

A Joint Monitoring Committee on Recognition of Ancestral Lands and Territories of National Minorities (JMC-National Minorities) shall be immediately

formed to ensure the effective implementation of the provisions on recognition of ancestral lands and territories of national minorities.

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

This part ensures that macroeconomic policies assert national sovereignty, especially economic sovereignty and the national patrimony, and are able to draw from the widest range of patriotic options for national socioeconomic development.

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

Foreign economic policy shall be genuinely independent. The country's foreign economic relations should further national, social and economic development, not hinder this.

The national economy shall be developed with active state support, protection and promotion of Filipino agricultural, industrial and service enterprises. Foreign trade and investment shall be properly regulated to ensure long-term contributions to national development.

The country's participation in international economic arrangements shall be reviewed especially in terms of creating the required policy space for self-reliant national development. This includes the various investment treaties, free trade agreements, and membership in international organizations. These deals and

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membership may be amended, suspended, or even terminated or withdrawn as necessary.

Capital controls shall be used to promote financial stability and preserve the independence of domestic monetary, exchange rate, financial and fiscal policy. There shall be greater efforts to ensure that foreign financial and technical support further national development.

Better relations shall be built with East Asian countries, non-traditional economic powers, and Third World countries asserting their independence. There shall be efforts to make regional economic arrangements more development-oriented.

A Joint Monitoring Committee on Foreign Economic and Trade Relations (JMC-FETR) shall be immediately formed to ensure the effective implementation of the FETR provisions.

### B. FINANCIAL, MONETARY AND FISCAL POLICIES

The banking and financial system shall be redesigned to direct resources according to investment priorities – agricultural development, rural industrialization, vital and strategic industries, priority domestic manufacturing, infrastructure, social services and welfare, and others as deemed necessary. It shall be owned and controlled by the public sector and Filipino nationals.

Development banking shall be revitalized. Government development banks shall be reoriented to systematically support national investment priorities; privatized government banks shall be re-nationalized. Private banks shall be encouraged to direct their lending to priority sectors through defined allotments from loanable funds, tax incentives, and other mechanisms.

Monetary policy targets shall address the concerns not only of inflation and economic growth but also of investment, employment, and equality according to the strategic economic program. The Philippine peso shall be stabilized through a managed exchange rate system, regulation of convertibility, and capital controls. Foreign borrowing shall be regulated to promote financial stability, support national development, and ensure the independence of domestic monetary, exchange rate, financial, and fiscal policy.

Fiscal policy has to be radically changed to ensure the government resources needed for social services, public utilities, public investment and capital formation. A progressive tax system shall be put in place with lower income taxes on the masses and small firms, and higher income taxes on the wealthy and large corporations. Consumption taxes shall be generally reduced except for luxury items and socially undesirable items. Property, capital gains, inheritance, estate and other wealth taxes shall be raised.

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Leakages shall also be addressed. This includes measures against tax avoidance by transnational corporations, graft and corruption, and bureaucratic inefficiency.

A Joint Monitoring Committee on Financial, Monetary and Fiscal Policies (JMC-FMF) shall be immediately formed to ensure the effective implementation of the provisions on financial, monetary and fiscal policies.

### **C. SOCIAL AND ECONOMIC PLANNING**

A strategic long-term socioeconomic development plan to build strong domestic economic foundations and secure the rights and welfare of the Filipino people shall be drawn up. The plan shall affirm the primacy of social goals and objectives over the market. It shall be implemented over multiple phased five-year economic plans with yearly adjustments as necessary.

The plan shall be coordinated and implemented across all government departments, agencies and other government instrumentalities. Implementation shall be decided democratically, be publicly transparent, and be socially accountable. Specific social and economic development programs will also be drawn up cor-

responding to major sections and areas of the CASER.

The strategic plan will be formulated by a Social and Economic Planning Commission (SEPC) composed of equal numbers of experts nominated by the GRP and NDFP negotiating panels. Committees will also be created to support the SEPC.

### **PART VI. OVERALL IMPLEMENTING MECHANISM**

This part provides for the creation of the GRP-NDFP Social and Economic Oversight and Advisory Council (SEOAC). This is the mechanism for overseeing and monitoring overall implementation of the agreement including the work of the committees and other bodies formed. It shall also be responsible for addressing disputes arising from implementation of the agreement.

### **PART VII. FINAL PROVISIONS**

This part contains provisions on implementation according to respective legal systems, on common and separate duties and responsibilities, on the effectivity, validity and binding nature of the agreement, and others. ■