

A Vision For Filipinos

Foundation for Nationalist Studies

THE PHILIPPINES TODAY IS GRIPPED BY A national crisis of unprecedented proportions. Almost daily, the Filipino people are buffeted by the various political, economic, social, and spiritual effects of a multidimensional crisis which has been deepening over time even as society seems to be lurching towards anarchy and disintegration. The post-EDSA hopes of catching up with neighboring Asian countries which have surpassed our country in growth and development have been forgotten as the questions that are being raised by an increasing number of Filipinos become even more basic: Can the nation survive the crisis? Will our democracy disintegrate with the crisis? Will the country simply muddle through one bigger crisis after another?

These are some of the questions vexing the minds of patriotic Filipinos concerned about the turn of events in present-day society and the uncertainties that the future may bring.

Unfortunately, despite the early heating up of the election campaign fever, the presidential aspirants and the parties backing them have yet to come up with clear, concrete, and workable programs of government in a crisis situation like ours. This early, there are dangerous signs that the 1991 electoral campaign may again be reduced to a battle of personalities, not issues and platforms. This will only muddle further an already confused politico-economic situation.

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It is in this context, therefore, that the following proposals for the survival and renewal of society are being offered to the nation, and in particular to the individuals and groups aspiring to the mantle of national leadership. These proposals are by no means exhaustive nor are they the final word on how the various aspects of the crisis should be tackled. They are being presented merely as possible starting points for a serious dialogue among all patriotic Filipinos in search of workable and coherent solutions to the many critical problems of the nation that will be acceptable to large sectors of society. Many of these are based on the 1987 Constitution, whose democratic and nationalist provisions still remain to be operationalized and implemented, as well as on relevant national development plans and legislation.

For too long, we Filipinos have indulged in petty and narrow sectarian quarrels which have kept us hopelessly divided, sometimes even violently so, and which have allowed certain external forces to maintain a pervasive influence, if not hegemony, over the nation. It is time to re-examine old assumptions and biases and see if we can set aside some of them in favor of national unity based on a commonly shared commitment to save and fortify a nation sliding perilously into the abyss of political and economic chaos. These proposals are offered in the spirit of pluralism based on the requirements of national and common survival.

We contend that since all our problems are linked internally and internationally, any administration that wants to effect real solutions will eventually find itself adopting nationalist policies and programs. All these must respond to one central objective: the reacquisition of full command of our

national resources (natural, manpower, financial, state, etc.) so that we may with full sovereignty determine the path of development which will secure the greatest welfare to the greatest number of Filipinos.

Part One. The National Crisis and the Nationalist Vision of Development

A. The Crisis in National Direction

Five years after EDSA, the difficult problems that many thought would abate or disappear with the overthrow of the past regime have either persisted or even worsened: widespread unemployment and millions driven to poverty and misery; criminality and prostitution; massive graft and corruption at various levels of government resulting in unbelievable scams and scandals; huge foreign and domestic debts; low productivity and national morale; lawlessness and breakdown of civilian power; collapse of basic services and major infrastructures, and so on *ad nauseam*.

The problems have remained despite the transition from an authoritarian regime to an avowedly liberal democratic order. Obviously, they are rooted not just in the form of governance.

One crucial aspect of the national reality is the present drift in national direction. President Corazon Aquino and her Cabinet have not been able to provide a clear vision of how these problems can be solved nor the political will to pursue their solutions within the framework of Filipino nationalism — despite the goodwill that “people power” generated earlier.

In the political field, the Aquino administration merely restored pre-martial law elite politics. Political and economic cronyism have continued, although the personalities involved have changed.

In the economic field, the administration has become a captive of its technocrats whose thinking runs on the same course as that of the technocrats of the previous regime. The new technocrats have merely recycled many of the socio-economic policies and programs worked out by their old counterparts. They have readily submitted to the conditionalities of international creditors and therefore have become similarly responsible for the transactions of immoral and unpayable foreign debts, falling into the same vicious cycle of external borrowings with stiff conditionalities, austerity measures, and debt service payments, all of which have reinforced foreign control over an economy now tottering into bankruptcy.

While maintaining a veneer of moral purity, the regime has legalized gambling and has allowed graft and corruption and scandals in the highest places to spread like an epidemic.

In many areas of national life, the Aquino administration has been exposed as too incompetent even to maintain the normal delivery of essential government services. The most glaring examples of these are: inefficient monitoring and repair of the country's infrastructures (roads,

bridges, irrigation systems, etc.); deficient collection of garbage in many parts of Metropolitan Manila; and inefficient management of the health, housing, water, postal, and communication systems. Even worse, the Aquino administration has failed to plan and make provisions for the energy requirements of the country, a dereliction of duty that has cost the nation billions of foregone production and income.

Often times, the Aquino administration seems to be just muddling through from one crisis to the other, thoughtlessly, ineptly.

The Aquino administration has failed to present a viable socio-economic recovery program that will galvanize the citizenry into acting together to attain peace and stability – the preconditions for sound investments, higher productivity, and prosperity which, in turn, are necessary for the attainment of equitable wealth distribution, genuine democracy, justice, and progress. Many times, the administration has even acted as if these chronic problems do not at all exist, as it has concentrated through the years on how to replenish its dwindling ranks through ward politics.

B. The Nationalist Vision of Development

We assert that such problems cannot be resolved within the development framework used by the Marcos regime nor that used by the Aquino administration. Unfortunately, while most Filipinos will agree that something is wrong, they cannot put their finger on the source of the problem and hence cannot yet envision a coherent solution.

We propound the thesis that only a nationalist program of governance and development can solve our fundamental socio-economic problems and save the nation from more catastrophes. Considering the complex realities that confront our country, we believe that a clear framework of nationalism has the greatest capability of finding coherent solutions to our interrelated problems.

As many advanced industrial nations show, nationalism is a powerful force for development. Unfortunately for us, except for brief moments of enlightened initiatives like the "Filipino First" policy of President Carlos P. Garcia, nationalist programs have not been seriously implemented. President Marcos let go of the same historic opportunity when he cast aside the old Congress' Magna Carta of Economic and Social Justice in 1970; so did President Aquino when she ignored the rich possibilities that the Freedom Constitution and the 1987 Constitution provided for nationalist development. We believe in the power of nationalism and its application to national development.

However, in viewing the problems of today's society, it is important to point out that the nationalist perspective is guided by the following:

1. Our Historical Heritage

Nationalism is a positive and powerful force because it is deeply rooted in our history, in the struggle of our forebears against oppression and

foreign intervention, in the struggle for freedom, democracy, and independence. It is in this struggle that our nationhood was formed.

Despite our political independence, however, our country today remains backward, maldeveloped, and at the mercy of foreign interests, especially the foreign creditors. Moreover, the country is riven by various internal and external centrifugal forces at work in our society. Truly, the struggle for full sovereignty and nationhood is unfinished.

Our march to freedom and national unity at the turn of the century was interrupted by American colonialism, sidetracked by the opportunism of some of our national leaders, and confused by the intervention of post-colonial external forces in our internal affairs. The process of our becoming a nation was aborted by these intrusions; we lost our political will and the command of our resources as the weight of colonial consciousness overwhelmed our efforts to attain a truly independent status. The attitude of dependence was reinforced as the spirit of enterprise was stifled by colonial policies favoring foreign interests.

This failure to achieve full independence and national unity is at the root of our present crisis. The tasks of nation building and of rediscovering our national consciousness have to be resumed if we are to survive a crisis that threatens our existence as a nation. The historical initiatives that made us a nation have to be revived. We must reverse the process of de-Filipinization which began under the American occupation.

Our historic heritage from Jose Rizal, Andres Bonifacio, Antonio Luna, Apolinario Mabini, Claro M. Recto, and other heroes should inspire us to face the daunting problems of our time.

2. The 1987 Constitution

Despite many limitations, the present Constitution propounds some long-held nationalist principles and provides openings for a nationalist reform agenda.

The "Declaration of Principles and State Policies" (Article II) for example, affirms that the Philippines is a "democratic and republican State;" that sovereignty "resides in the people and all government authority emanates from them;" that the state shall: "pursue an independent foreign policy" and "a policy of freedom from nuclear weapons;" institute "a just

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and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all;” guarantee “social justice in all phases of national life,” “the right to health of the people,” and “to a balanced and healthful ecology;” give “priority to education, science and technology, arts, culture, and sports to foster patriotism and nationalism, accelerate social progress and promote total human liberation and development;” regard “labor as a primary social economic force;” enjoin the development of “a self-reliant and independent national economy effectively controlled by Filipinos” and the promotion of “comprehensive rural development and agrarian reform;” etc.

These are principles and policies that should guide a nationalist leadership in initiating reform measures necessary to propel the country towards a more advanced, modern society with a nationalist politico-economic order. The overall aim has been aptly described by the framers of the Constitution: “to build a just and humane society and establish a Government that shall embody our ideals and aspirations, promote the common good, conserve and develop our patrimony, and secure to ourselves and our posterity the blessings of independence and democracy under the rule of law and a regime of truth, justice, love, equality, and peace.”

3. *Democracy and Pluralism*

Nationalism believes that only in a democracy can full people’s participation be realized. However, in contrast to the elite democracy that we have now, we seek a political set-up that will help institutionalize popular participation and consultation as provided for in the Constitution.

It should also be accepted that Philippine society today is highly diverse and various groups and individuals have differing ideological and political persuasions. Instead of imposing a monolithic politico-ideological system on the whole people, which is both unrealistic and destructive, we seek true and democratic pluralism. This means that we should learn to respect the views and politics of other groups — so long as these are expressed or exercised within the bounds of democracy.

However, out of such diversity we should be able to forge a common weal and a corresponding list of tasks that the people and government must address with decisiveness and unity in order that the country may move forward. In other words, as a nation, we should act together on the basis of a common program even as we recognize our own internal differences. The following proposals are in fact written in this spirit.

Most of the proposals are meant to be implemented in the first year, admittedly the most difficult and challenging year for a nationalist government. They are divided into : 1.) the urgent measures needed to confront and arrest the politico-economic crisis and 2.) the compendium of measures aimed at erecting a general policy structure that will assure the continued and sustained growth and development of the nation in the ensuing years.

Part Two. Confronting the Politico-Economic Crisis

The first year in the life of a nationalist-oriented government is crucial to its viability as a dynamic force for the nation's renewal and transformation. Its first task, therefore, is to strengthen its bonds with the great mass of the population through the consolidation of the democratic process and the formation of a national consensus, the initiation of urgent economic measures meant to halt the economic crisis, and the launching of a thoroughgoing nationalist reform program.

A. Forging a Social Contract for Survival, Recovery, and Transformation

One of the first tasks of the nationalist government is to build up a national consensus on how the Filipino people can survive the crisis and unite to pursue the alternative vision of growth and development.

Such a consensus can be forged only by asking the productive forces of society — the Filipino firms, entrepreneurs, cooperatives, workers, farmers, professionals, intellectuals, fisherfolk, women, youth, cultural communities, the multi-sectoral and sectoral non-governmental organizations (NGOs) and people's organizations such as the trade unions, consumer groups, farmer associations, etc. — to draw up national as well as sectoral programs of cooperation within the framework of the nationalist vision of development.

In this regard, the existing mechanism of tripartite consultations in the industrial sector may be activated in support of national and regional tripartite consultations of labor, management, and government on industrial peace, progress, and democracy. Such consultations and the resulting agreements may then serve as the models for the other productive sectors of society.

In such consultations, it must be underscored that before the country can take the path of self-sustaining growth and development, it has to undertake structural reforms which may entail harsh adjustments for the

nation. Such sacrifices, shared equitably, should redound to the benefit of the Filipino people.

B. Leadership by Example

We believe that a visionary leadership with strong political will and enjoying support from the citizenry can push ahead a nationalist development program to its logical conclusion. However, the leadership must be aware of the dangers of moving too fast and the perils of going too slow. In its first year, sectoral contradictions must be carefully addressed because a genuine democratic restructuring requires the cooperation of all concerned.

In carrying out its job, the leadership must avoid the pitfalls of building up false expectations. With full candor, it must tell the nation the real situation the country is in. It must also inform the nation of the measures that it is undertaking or proposing to undertake in relation to certain problem areas, no matter how harsh or bitter their impact.

It must not hesitate to appraise the people of existing external constraints and pressures that have to be confronted and overcome. It must explain the difficulties that may arise out of any attempt to deal with these constraints and the sanctions that external forces may apply. Only then can the people's self-sacrificing support be enlisted — a support which will strengthen the position of the government vis-a-vis external forces.

The new administration must take concrete steps to convince the people that its political and economic goals and day-to-day behavior are different from those of its predecessor. The people have grown cynical. Words will not erase their doubts, only deeds will.

One step that will have immediate impact is a substantial voluntary reduction of the salaries of the highest government officials and the trimming down of their privileges such as free cars and gasoline, various discretionary funds, renovation of offices, etc. This act will prove that the new government is serious about national austerity and willing to be the first to sacrifice. The appeals for belt tightening will then be more credible, unlike today when President Aquino's calls for sacrifice against the backdrop of the *borlotoy* building, the car plans, foreign travels, multiple positions, public relations expenditures, etc. are met with indifference if not derision and anger.

It is a must that the leadership lead through example, living an exemplary life where distinction between public actions and private behavior will not cast doubt on its sincerity to serve the citizenry. To inculcate wholesome new values that shall make the Filipinos disciplined, hardworking, and forward-looking, the leadership itself must embody these virtues. Only then can the leadership involve people through the collaborative action of all political parties, NGOs, citizens assemblies, etc. in adopting measures that address the basic needs of the majority of the population:

food, clothing, shelter, potable water, health and sanitation, medicine, education, communication, etc.

The first year must be a call for change; therefore, it must also be a call for sacrifice and austerity for all — paralleled by a series of feasible policies that will help build up a national consensus for human and social development to eventually effectuate larger, systemic changes.

For a long time now, Filipinos have not shown a determined interest to build a truly prosperous and modern society. They have lost that sense of national community which binds the fate of each individual to the other, of the nation to every individual. The leadership's call to all citizens to create our collective destiny must be forcefully expressed, institutionalized in fact, so as to inspire them to construct a truly humane, just, and prosperous society for Filipinos in the modern world.

C. Arresting the Economic Crisis

The cycle of agro-industrial backwardness, national indebtedness, mass poverty, despondency, and general economic dependence must be broken and can be broken by the transformative spirit of economic nationalism. The crisis-ridden, debt-addicted, cheap labor-based, import-intensive, and export-fixated transnationalized patterns of industrial and agricultural development can be altered in favor of the constitutional vision of a pro-Filipino and pro-people program of economic growth and development.

Such a program of transformation, however, can be carried out only by a united and resurgent people bound by the common vision of national development. In particular, the transformation process should be preceded by a historic agreement by society's leading productive sectors to band together in pursuance of a socio-economic program of unity, survival, recovery, and transformation. In addition, two other vital elements are urgently needed: fresh ap-

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proaches to the foreign debt problem and the implementation of nationalist development planning.

1. Approaches to the Foreign Debt Service Problem

It will be irresponsible to talk of growth and expansion without decisively tackling the issue of foreign debt servicing. The problem is not so much that we have a large foreign debt as that it has grown so big in proportion to our capacity to pay, so much so that it has become the single biggest source of economic instability and inability of the country to decide its own economic fate. Moreover, most of the loans were not utilized for the benefit of the people nor for the full development of the forces of production.

The debt service burden problem, which eats up about forty percent of the national budget annually, means a cut-back in social services and government failure to maintain and expand national infrastructures essential to growth. It is one of the principal causes of the many problems of everyday life for the average Filipino. The phenomenal expansion of the domestic debt and the domestic debt service in recent years is directly traceable to the servicing of the massive foreign debt and the transformation of part of this debt into domestic debt without substantially reducing the foreign debt stock. It is also the primary reason that foreign creditors and the transnational firms are able to dictate on the country an anti-Filipino and narrow program of agro-industrial development.

The new government must face the foreign debt problem immediately and decisively. The government must formulate a coherent and comprehensive debt strategy whose primary objective in the short term is to reduce the debt service to give the country a breathing spell from this heavy drain on its finances and from the restrictive conditionalities the creditors impose; and in the medium- and long-term, to reduce the overall debt stock in a just and democratic manner.

Thus, one of the first tasks of the nationalist movement is to assert the right of the country to consider either a moratorium on debt service, a

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capping of the debt service to a level that will enable the economy to grow, or as suggested by Budget Secretary Guillermo Carague, a five-year condonation of debt interest.

A multi-sectoral negotiating panel led by respected Filipinos should be organized. Their negotiations with our creditors should be reported to the nation every step of the way.

Basic to the task of the negotiating team is a full review of all past debt transactions and payments. Armed with the hitherto unpublicized documents, which should be bared to the nation, the negotiating panel will strengthen its leverage vis-a-vis the multilaterals and other creditors.

The debt policy thrusts may include the following:

1. Negotiation for overall reduction of the debt stock.
2. Selective suspension of debt payments, even debt repudiation of fraudulent loans.
3. Review and reform of the various debt-reduction programs such as debt-to-equity and debt-buyback to make these transparent and truly supportive of the national efforts to assert economic sovereignty and hasten economic growth. In relation to this, the proposal to capitalize the remittances of the overseas contract workers and professionals (estimated to run to as much as \$5 billion a year) via the debt-to-equity route should be looked into.
4. Enactment of new guidelines on foreign loans and investments within the framework of a nationalist development plan.

Finally, it is the duty of the government, after working out and announcing such a debt strategy, to inform the Filipino people that any efforts of the government to assert economic sovereignty vis-a-vis the foreign creditors may provoke harsh counter-measures from the latter such as cancellation of existing credit lines or declaration of a trade embargo. However, judging from the experience of other countries, we can see that the creditors' bark is stronger than their bite. They, too, need to negotiate in order to avert outright defaults which could hit them worse than the debtors. Also, trade financing is too profitable for commercial banks to forego. Needless to say, a new government's debt strategy must be back-stopped by popular support and a sound socio-economic development program. It must be borne in mind that a good debt strategy will not suffice to arrest the economic crisis. It must be accompanied by structural reforms.

2. Nationalist development planning

● National Austerity

Given the gravity of the economic problems we are facing, austerity is an unavoidable and compulsory option. However, austerity should not be seen as sheer reduction of socio-economic benefits, which in the past

was "shared" mainly by the poorer sectors of society, but as a policy of sharing accumulation to be used for social transformation: to pave the way for the attainment of a modern, democratic, and just social order; to reduce wastes and inefficiencies; to steer the mode of public and private investments toward socially-desirable and economically-sustainable targets; and to find a just solution to the festering problem of foreign debt servicing.

To achieve all these, it is necessary to make profound yet socially profitable changes in the use of resources, in national values and habits, and in patterns of consumption and investment. Naturally, the government has to set the example to the rest of the country by reducing its expenditures on non-essential or unnecessary activities.

The austerity program that has to be worked out does not envision a return to primitive life. It should be seen as an instrument to satisfy — within the limits of existing resources and economic potentials — the essential requirements of the individual and the nation, opposing all forms of conspicuous and wasteful consumption, squandering of resources and exaltation of false values.

The program of austerity should go hand in hand with the program of restructuring the planning process along democratic lines. The central feature of the economic plan should, in turn, be the restructuring of the economy toward the nationalist vision of development and the mobilization of both domestic and foreign resources in the service of growth with equity, and social transformation with redistributive justice.

● Planning

Planning does not necessarily entail an expansion of the public sector of the economy, but rather an upgrading of this sector in conjunction with the program of development of the private sector. It must institutionalize real economic consultations at the national, regional, and local levels, using the results of these consultations and agreements for survival, recovery, and transformation of the productive sectors.

Planning does not mean over-centralizing initiatives through the bureaucracy. The planning process should attend to the correct relationship between the national plan and the market, and the fact that what the planning process is trying to achieve is a clarification of the framework of growth and development which should guide the mixed sectors of the economy: the public sector, the private entrepreneurs (Filipino and foreign), the associated sectors (cooperative and grassroots-based groups), and the small producers (the self-employed, farmers, fisherfolk, professionals, etc.).

Foreign investments should be encouraged to come in so long as they go into preferred areas of investment identified in the planning process and they observe the rules governing the operations of foreign investments. Moreover, the investment program should try to mobilize the

unused potentials and savings of the nation, e.g., the remittances of Filipino overseas contract workers and the idle capital linked to rent-seeking behavior based on property ownership. Urban and land reform will encourage such capital to venture into productive enterprises.

In land reform areas, landowners compensated by government financial institutions should help develop essential industries and other non-farm activities.

In the industrialization drive, attention should be focused on the all-sided promotion of the natural linkages between industry and agriculture, between urban and rural areas, between regions, between light and medium and basic industries, etc. If certain industries have been identified to be worthy of national support to strengthen the country's independence and competitiveness, such industries may be given special incentives and subsidies.

In response to the requirements of the market, fiscal and monetary policies should be geared toward the encouragement of productive investments and the prevention of hoarding, speculation, and capital flight. To check the unwarranted outflow of foreign exchange, some forms of import and foreign exchange controls may also be imposed. (See section on trade and industry.)

D. Intensive Implementation of Existing Reform Programs

The first year of the nationalist government should address the basic needs of the people and the implementation of socio-economic reforms benefitting the broad sectors of the masses.

Can this be done considering the long waiting time involved in the enactment of new socio-economic reform measures as demonstrated by the 1986-88 debates on the comprehensive agrarian reform program?

The truth is that while new reform measures will be submitted for legislative action, the government can already keep itself busy just attending to the thoroughgoing implementation of already existing programs. For instance, the new administration in

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1992 should oversee the completion of Marcos's twenty-year old land reform in the rice and corn areas (about forty percent unfinished) as well as Phases A and B of Aquino's land reform (rice and corn, idle and abandoned lands, foreclosed lands, sequestered lands, voluntarily offered lands, transnational-held lands, public agricultural lands, and private landholdings over fifty hectares). From all indications, the Aquino administration is way behind its targets on land distribution. It has allowed agrarian reform to be delayed by numerous bureaucratic and budgetary obstacles as well as wranglings over the interpretation by the various actors of the content and mechanics of land reform, e.g., valuation, title transfer, conversion, etc.

Clearly, the Aquino administration will leave a great deal of work to be done in agrarian reform implementation. Just trying to fulfill during the first year of the nationalist government the unfinished tasks left by Marcos and Aquino will constitute a major accomplishment, although admittedly it is still going to be a Herculean job. A fuller implementation of agrarian reform will certainly help strengthen the economy through the expansion of the domestic market. The present drop in agricultural production is also partly traceable to the slow pace of land reform, which prevents both the landowners and reform beneficiaries from making any meaningful investments on the land.

The Land Bank should play a more activist role by speeding up valuation and land transfer activities as well as in compensation of landowners. On the other hand, the Department of Agrarian Reform should be given a freer hand in mobilizing inter-agency support for the faster processing of land transfer cases (especially in the mapping of land, which is the job of the Department of Environment and Natural Resources) and providing support services to beneficiaries whose economic well-being will spell the success or failure of agrarian reform.

In the areas of housing, urban renewal, nutrition, cooperative formation and development, rural electrification, etc., there are already existing policies, programs, and projects in place. What is

needed is to intensify the implementation and improve the monitoring and coordination of all these programs and projects. The budgetary allocations for these programs and projects should be increased in real terms.

Part Three. Strengthening the Basis for Sustainable Growth and Development

The following is a compendium of reform measures which a nationalist administration may undertake to stabilize society and lay the groundwork for medium- and long-term development. Expected to be undertaken throughout the mandated term of the new administration, these various measures ought to be put in place or started during the first year of the nationalist government.

A. Governance and Institutional Changes

1. Bureaucracy and People's Power

The basic principle of governance in our country is enshrined in the Constitution: "The Philippines is a democratic and republican State. Sovereignty resides in the people and all government authority emanates from them." (Art II, Sec. 1)

- **Government Institutions**

The key instrument in attaining the objective of development is of course the state institutions that will be at the disposal of the leadership: the executive, legislative, and judicial branches whose structures, manpower complement, expertise, and logistics must be utilized well and wisely for this collective endeavor.

The government will understandably be operating on a limited budget. It will therefore have to draw up a macro-vision of development objectives wherein priority departments can be definitely identified.

The government has to adopt a functional, creative approach toward its reorganization. It must not use reorganization for partisan purposes. It must protect and enhance professionalism and the merit system in the bureaucracy.

The government must come up with a democratic and transparent restructuring program that will guide the reorganization of various departments from the national down to the local level. However, it must not radically modify the existing structure as to cause instability and insecurity within the ranks of employees. It should start with a review of the function of each existing department rather than the creation of new departments, commissions, committees, etc. Specific performance criteria for the whole bureaucracy that can be measured should be defined so as to facilitate the process of streamlining the various departments in line with national development objectives.

The advent of a nationalist administration does not automatically guarantee a corresponding change in the attitude of civil servants. Nonetheless, experience shows that leaders are able to motivate the bureaucracy so that the civil servant adopts a "follow the leader" attitude. This calls for leadership by example.

A mass re-training program should be formulated, prioritized, and then implemented by phases to achieve a nationalist re-orientation of the civil service from top to bottom.

The goals of development and its supportive values should be inculcated in this program, even as the traditional respect for the civil servant should be restored. Conscientious monitoring is needed (and effective mechanisms should be provided therefor) to make sure that re-training programs are not undertaken pro forma and quietly dropped after token implementation as has been the case in the past. Some system of meaningful rewards and recognition can be instituted for those demonstrating changed attitudes and better performance.

A reformed and revitalized Civil Service Commission is needed for these undertakings. But these are not enough. Ultimately, government must rely on the whole-hearted support of the people.

- People's Power

To strengthen nationalist governance, the leadership must not only realign civil servants to its values and goals, it must harness popular support for its programs. The Constitution is clear in this respect, affirming that "The State shall encourage non-governmental, community-based, or sectoral organizations that promote the welfare of the nation." (Art. I, Sec. 23) The leadership must be keenly sensitive to the role and right of such people's organizations.

Democratic and popular consultation should be seriously practised. The meaningful participation of people's organizations in the new administration is vital to its chances of success especially in the first year. Certain complementary measures should therefore be adopted along this direction. For instance, the new administration can make use of the areas of expertise and experience of particular people's organizations in various government entities, either in advisory councils or in project monitoring. The latter may be a useful contribution of these organizations in corruption-prone offices. Participatory democracy will release a tremendous amount of energy for good at the grassroots level.

2. Local Governments, Autonomous Regions and Cultural Communities

The constitutional mandate is clear: "The State shall ensure the autonomy of local governments." (Art. I, Sec. 22) The demand for greater autonomy has been growing for some time now among local officials. One motive may be that of personal or political turf. Another is that of retaining as much of the financial resources raised within the province for its own use.

The demand for greater autonomy also rests on other grounds. One is the greater complexity and variety of local problems arising from their different types and levels of development. Obviously, these cannot and should not be addressed uniformly by the national government. Another is the inaction, inefficiency, and bureaucratic red tape that are the consequences of a too centralized system of governance.

An urgent task of a new administration is to resolve the tension between local and national perspectives. At the outset, the national government must declare its firm support for the constitutional mandate for decentralization. This should be followed by a conference between national and local officials where the parameters of decentralization and the reasons therefor can be threshed out. The new leadership should have concretized its own position beforehand while remaining responsive.

Definitely, the national government should be committed to encouraging and strengthening the capabilities of local governments to deliver basic services, make local decisions, initiate appropriate agro-industrial programs, and mobilize popular citizen participation. For their part, local officials should understand which areas have to be conceded to the national government for the good of the entire country. Diversity must be allowed but within an overall unity. Decentralization must not lead to fragmentation nor should it be utilized by local elites to establish their respective fiefdoms. The development of the poorer areas of the country must be shouldered in part, and willingly so, by more prosperous regions because their development actually benefits the entire country.

The defense of human rights, which became the major thrust of the opposition to Marcos, developed among various sectors an awareness of the injustices and exploitation suffered by indigenous cultural communities (ICCs). This concern is reflected in Art. 1, Sec. 22, of the Constitution which stipulates that "The State recognizes and promotes the rights of indigenous cultural communities within the framework of national unity and development."

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of local
governments
to deliver
basic services,
make
local decisions,
and mobilize
popular citizen
participation."*

Our ICCs have been marginalized over the years and isolated from the mainstream of Philippine society. State neglect and abuse are colonial legacies which should be immediately redressed. An effort by the new administration toward this direction should start with the assertion that the indigenous population stands on the same ground as the rest of the country. People belonging to the ICCs should not be subjected to second-class citizen treatment. The government's attitude should not be patronizing.

If these communities are allowed to preserve and develop their own culture, then the government must recognize their right to ancestral land and domain. Areas to be identified as such ought to include burial grounds, places considered as sacred, as well as those upon which livelihood depends. The national government must respect indigenous democracy, custom law, and political traditions as they are practised.

The cons- _____ titutional man-

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date under _____ Art. 10, Sec. 1, ensures that measures be taken to set up autonomous regions in Muslim Mindanao and the Cordillera region. Given the results and lessons of the last referenda on Muslim Mindanao and Cordillera, studies should be conducted to further operationalize the concept and practice of the autonomous regions within the national framework.

There is a need for a hierarchy of autonomy which should recognize traditional political institutions while reflecting the strength of regional administration. Planning at the local, regional, and autonomous levels ought to be initiated, while the government through the National Economic and Development Authority (NEDA) should coordinate these with the overall national development plan. In this manner, the autonomous regions will be able to exploit the potential of the regions' resources in a way they see fit while working within the framework of the national development plan.

3. Public Accountability, Administration Of Justice, and Legal Reforms

To ensure the credibility of and support for the new administration, the new government must adhere strictly to public accountability as provided for by the Constitution in Art. XI, Sec. 1, which states that: "Public office is a public trust. Public officers and employees must at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives."

The leadership should recognize that certain areas of the bureaucracy have had a long history of corruption. These are the offices which carry out regulatory, money-earning, and revenue-collecting functions like the Bureau of Internal Revenue (BIR), Bureau of Customs, etc. These institutions will need innovative approaches as well as inculcation of nationalist values.

The incidence of corruption is directly related to the following factors: (1) circuitous processes in transactions with government agencies and lack of transparency thereof; (2) room for graft created by over-regulation and economic intervention, especially of businesses requiring licensing; (3) the nature of patronage politics and the spoils system; (4) inadequate pay of civil servants; and finally, (5) an ineffective system of checks and administrative justice.

With regard to taxation and revenue collection, a shift to a simplified, universal, and equitable gross taxation system can eliminate a lot of red tape, tax negotiations, etc.

While the problem of graft and corruption is impossible to solve overnight, leadership can deter its incidence by showing stern examples that no one, especially the so-called big fish, is above the law. Furthermore, while there is a need to tackle the problem at the roots, its incidence can also be minimized by a militant citizenry which refuses to abet corruption in all its forms.

The justice delivery system will be established upon a fair, speedy, continuous, and affordable foundation. The restoration of barangay courts can effectively unclog the dockets because the settlement of a number of neighborhood disputes can be localized at the community level. Such a measure can also reduce the costs of litigation since the presence of counsel will not be necessary for the prosecution of the case.

Hearings in courts and quasi-judicial courts should as much as possible be conducted in the national language. Efforts should be exerted to encourage the translation and dissemination of statutes in Filipino.

There is a vital need for the new government to review all existing statutes concerning political and economic affairs in order to weed out those that are violative of civil liberties or infringe upon the sovereignty of the country. The often misused and abused term "human rights violations" should be accorded a precise definition so that the inclusive parties and actions will be clearly identified. The Commission on Human Rights should be granted prosecutory powers in accordance with the new government's concern for human rights and civil liberties.

Not to be forgotten is the condition of prisons. Individuals serving out their terms should not be made to do so in the sub-human conditions that presently describe our penitentiaries. The justice delivery system should envision that the convicted criminal will someday resume life as a productive member of society. It is to this end that the new administration should

upgrade physical and social conditions. Juveniles, vagrants, those convicted of minor offenses and those still facing trial should not be thrown into the same cells as hardened criminals.

4. Military Reforms

The Constitution is clear on the role of the Armed Forces of the Philippines (AFP) in our society:

Civilian authority is, at all times, supreme over the military. The Armed Forces of the Philippines is the protector of the people and the State. Its goal is to secure the sovereignty of the State and the integrity of the national territory. (Art. II, Sec. 3)

The problems confronting the AFP presently arise from three distinct areas: orientation, administration, and operation.

The current orientation of the military generally reflects the habits and mentalities developed during the Cold War. This is historically the result of our officers' training in the United States plus the materials, manuals, books, etc. used to train our soldiers. Security arrangements with the US have made the AFP dependent on American aid, logistics, training, and advice. For this reason, the AFP gives the impression that it is not yet a genuine army of a sovereign nation. Unlike other national armies, the capabilities it has developed are not those meant to repel foreign aggression nor even to deter occasional incursions into the national territory. Its primary task until today is counterinsurgency which should be a function of the national police.

There are elements in the AFP who dislike these conditions and will welcome policies that will make the AFP more independent, professional, and self-reliant.

● Civilian Control

A nationalist government must, in its first year, undertake measures to turn the military into an instrument of liberation, not of subjection. Nationalists within the armed forces can play an important role in this regard. It would be wise to seek them out.

An important step along this direction is to appoint a civilian secretary of national defense, not an instantly "civilianized" general with a staff of retired officers. This department must truly be a civilian agency and not a mere extension of the military establishment. Such a step will affirm the constitutional mandate of civilian supremacy and reinstitute the armed forces as an arm of government rather than as an independent force.

A nationalist administration will try to develop further the capabilities of the country to produce its military needs and where this is not possible, at least to obtain them from diverse sources. We already have the technical capabilities to produce ammunition and manufacture ships and planes.

Given the insular, archipelagic character of the country, it is necessary to develop our air and naval forces. The Navy and the Air Force should be given more importance commensurate with their role in national defense.

With the end of the Cold War, the time is auspicious for government to take steps toward eventually establishing a citizens' army as provided in the Constitution. A corollary objective would be the gradual reduction of the AFP to a small, well-equipped regular standing army tasked with the defense of the national territory with the assistance, when necessary, of the large reserve force of the citizens' army while the police force takes care of maintaining internal peace and order.

Government should also reform the police force. The civilian character of the police should be maintained, first of all, through the elimination of organic links with the military. The present Philippine National Police (PNP) _____ has

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purpor- _____ tedly
established a separate and distinct police force. Although it is now under the new Department of Interior and Local Governments (DILG), the so-called police force is closely tied to the military. It is manned by many former constabulary officers and men and it is headed by a military general with retired generals as deputies. Even the DILG itself has a retired general as an undersecretary. Under such an arrangement, the police force remains an adjunct of the armed forces.

Increasing the salaries of the police may reduce but will not necessarily stop corruption. The more important safeguards are a vigilant citizenry and better local officials.

How should government confront the insurgency? It must first be recognized for what it is: a multi-dimensional problem that involves three elements: ideology, mass organization, and a political party with an armed force committed to change the existing social order through armed struggle. Underlying the actions of these human forces are related problems arising from the nature of the economic, social, political, and national order. If the government is perceived by the insurgents as sincere in its efforts at transforming society on the basis of a genuine pro-people

perspective, there may be a peace resolution of conflict with the corresponding change in the perceptions of those who have resorted to armed struggle.

“While most economic activity will be left to the initiatives of the private sector, there are strategic areas where the government needs to establish not just effective regulatory mechanisms but also direct participation through government corporations.”

The government must confront the insurgency creatively and patiently — providing alternatives to armed struggle by concretely demonstrating through announced policies and enactment of new legislation its adherence to political pluralism, its serious intent to respect human rights and punish its violators, and its commitment to safeguard the civil liberties of all citizens. Specifically, Congress must repeal the anti-subversion law and make parliamentary struggle a feasible option by reforming the electoral process to eliminate all the built-in advantages of the elite and give a fair chance to all political parties and groups. Another demonstration of the administration's good will is the transfer of all military civic-action projects to the proper line agencies.

By establishing its democratic and pro-people credentials, the new administration can lay the groundwork for serious peace talks with a better chance of success.

B. Socio-Economic Reforms

Socio-economic reforms should be anchored on the recognition that both the government and the private sectors, private corporations, associated or cooperative groups, and individual producers, have roles to play in harnessing the country's resources to the fullest, using the most efficient techniques available.

While most economic activity will be left to the initiatives of the private sector, there are strategic areas where the government needs to establish not just effective regulatory mechanisms but also direct participation through government corporations. Such areas need to be identified and the objectives of government intervention therein spelled out.

Hand in hand with the promotion of accelerated economic growth, the government must also focus its attention on the provision of basic services and the regulation and democratization of wealth and income.

1. Trade and Industry

● Industrial Promotion

Genuine industrialization, to be sustainable and to continually expand in order to absorb the country's excess labor, requires a sound mix of light, medium, and heavy industries which complement each other as well as a strategy which promotes and strengthens the natural linkages between industry and agriculture, industries and the science community, and the regions with the metropolis. The government should work toward the attainment of such industrial patterns through the development and implementation of a comprehensive and coherent national industrialization plan.

Government should be guided by rigorous studies to determine which industries should be encouraged. These should be the industries where we have potential (with emphasis on high-tech, high-value added ones) and proven comparative advantage. The studies should start with goods for which there are clearly large domestic markets and which have strong interlinkage effects such as ship-building, agricultural technology, computer software, machine tools, etc.

Investments should therefore be carefully planned. The government should be more creative in inducing investments along preferred areas. The government should campaign for investments first from potential local entrepreneurs, unlike in the past and present systems where the campaign, including the incentives schemes, has been one-sidedly oriented toward foreign investors. However, the new government is not against foreign investments so long as they go into areas open to them. Also, there are local sources of capital that need to be tapped and made productive: remittances of overseas workers and capital received by former landowners under agrarian reform.

There is likewise a need to review the policy of advertising the cheapness of Philippine labor as an investment come-on. In the final analysis, cheap labor is not necessarily cheap if its productivity is low and it lacks motivation. Moreover, the kinds of industries that get attracted to such a campaign are the marginal ones or those set up by investors out for a fast buck (hence, the phenomenon during crisis periods of runaway shops). With sufficient compensation, Filipino labor, as shown by our overseas contract workers and professionals, can be as good and productive as the best in the world.

Under a nationalist-oriented administration, Filipino entrepreneurs can come into their own. Long suffering under previous dispensations, Filipino entrepreneurs, if assured of government backing, can have the opportunity to be innovative, creative, resourceful, and courageous enough to take risks. Many of those in the fields of banking, manufacturing, and mining have had to accommodate foreign partners because of anti-Filipino policies. But they also have their own grievances and suffer from lack of opportunity and government support for the expansion of their

areas of operations. They would like nothing better than to be on their own and to face their foreign competitors if only they had a supportive government.

From rice growers and millers to garments and textile manufacturers and to bankers and miners, there are entrepreneurs whose horizons are limited by existing government policies. Filipino entrepreneurs can become effective engines of development only if there is a review of existing investment incentives. Incentives given to foreign investors should also be given to Filipino entrepreneurs.

They should be extended credit facilities and other financial services. They need long-term financial assistance to enable them to embark on innovative and pioneering endeavors.

Many entrepreneurs today operate in the underground economy. Their existence in the underground is their only advantage, their only means of survival. It would not be wise for the government to draw them out unless it is ready to help them through the establishment of development banks to be operated not on the basis of short-term profitability but to give encouragement and support so that these enterprises may be able to survive in the long run.

It is understood that government support for Filipino entrepreneurs will go hand in hand with the protection of Filipino labor as well as consumers, particularly against over-pricing, price manipulation, artificial shortages, low product quality, etc.

● Internal Market Development

One clear area where investments should be encouraged is in the development of import-replacing industries at a higher level. A perennial problem of the economy is its trade deficits, which is the major reason for its balance of payments deficits and inevitable foreign borrowings. The economy is import-dependent, especially for basic and intermediate products, some of which can easily be produced locally. The weakness of the import substitution program of the past was its being limited to the production of finished products based on imported inputs. What is envisioned here is the promotion of import-replacing industries at a higher level, that is, the establishment of industries which will help reduce the importation of intermediate and basic products. This promotes fuller industrialization and the fact that the demand for certain inputs is already well-established indicates that such an industrial thrust is a practical one.

This thrust to promote import-replacing industries can be supported by selective import liberalization. A free trade regime should be applied only to essentials or necessary imports.

Another productive sector of the economy that should be encouraged and developed is the cooperative movement which seems to have been concentrated mainly on small-scale agri-based projects. Cooperatives can be supported and encouraged to go into higher types of rural in-

dustrialization and engage in urban-based light industries. Such a development will help promote wider ownership and economic democracy.

All these efforts — promotion of import-replacing industries at a higher level and development of the cooperative sector — should go hand in hand with the development of the internal market. Given a population of over sixty million, the domestic market can be developed to sustain a larger and expanding industrial base. The so-called "smallness" of the domestic market is a consequence of one-sided policy measures that put a premium on export-oriented production based on cheap labor and imported raw or semi-finished materials. If labor will be given higher wages (as in the 1950s), if land reform will make the rural population more productive and allow them to receive higher incomes, if the cooperative movement will go into full swing, and if the local industrialists will receive sufficient support and reasonable protection — then, there is no doubt that a strong domestic market can be developed. Such a market can be a factor in itself for self-sustaining growth.

2. Fiscal and Monetary Policies

With respect to fiscal and monetary policy, what initiatives can the new administration take?

As suggested earlier, it can put a cap on external debt payments so as to limit its budget deficit. It can suspend external debt service on a selective basis, distinguishing between good and bad debts and creditors.

In the case of domestic debt, a restructuring of some short-term loans into medium- and long-term obligations may be introduced, taking care that the interests of members of agencies like the Government Service Insurance System (GSIS), Social Security System (SSS), etc. are not adversely affected.

Selective import controls should be instituted in order to minimize the outflow of foreign exchange and prevent capital flight.

The new government must restructure the present regressive tax system that punishes the poor. The share of indirect taxes in government revenues should be reduced and tax collection efficiency improved.

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Measures to rein in inflation, e.g.,

inflation stabilization

ization of the peso, price control for essential commodities, etc., should be put in place in order to facilitate the forging of a social contract with the labor, peasant, and other sectors during the early years.

The government must review the national budget thoroughly in order to minimize the non-productive aspects of government expenditures. Then, under a system of zero-based budgeting, the tasks and goals of government must be prioritized and budget allotted accordingly. A significant slice of the nation's budget goes into the maintenance of the bureaucracy. The composition of the civil service must be reviewed to remedy its top-heavy character and to reduce its size gradually where feasible.

In preparing appropriations for the various regions, the same zero-based principle of budgeting should be used. If the Local Government Code is in effect, government should subsidize regions that are not as developed as the others. Overall, it should be stressed that all levels of government activity will be monitored and reviewed so that budget allotments become efficient.

What should be done about government-owned or controlled corporations? The Constitution is clear about the right of national ownership of corporations which are crucial to our economy. However, these corporations should maintain the same standards of efficiency as those in the private sector. It must be recognized that government corporations proliferated in the past for non-economic reasons. However, any privatization which seeks to rectify this should not be guided by the biased view that any government involvement is necessarily inefficient and unwarranted.

How about the money-collecting agencies? In the BIR and the Bureau of Customs, the government must put in place an efficient monitoring system that discourages gift-giving, bribery, etc., while initiating measures to reduce individual discretion of BIR examiners and Customs collectors. Mechanisms should be put in place to increase the rate of collection and maintain the honesty of personnel.

3. Agricultural Development

The stability of the countryside is crucial under any administration. This stability depends on the general sense of well-being of the rural masses.

As shown in the experiences of other countries, such sense of well-being can be realized through the following: thoroughgoing agrarian reform, promotion of economically-rewarding agricultural production activities, and propagation of rural industrialization. All these entail measures that are rural poor-specific, which contradict the present program of deregulation (initiated in the 1980s) that favors mainly the agribusiness firms, especially the transnational agribusiness corporations.

The fuller development of the countryside through a balanced agricultural development program will contribute to a mutually-reinforcing growth of urban industries. This can be realized if agriculture will be made to fulfill the following functions: a) meeting the food requirements of the country, b) meeting the raw material requirements of Philippine industries, and c) providing a vibrant market for the industrial goods produced by the cities and towns.

While exports are not discouraged, government should see to it that the food and raw material requirements of the country are not jeopardized and that production is in the hands of farmers or cooperatives, which should receive the appropriate package of technical, credit, marketing, and infrastructure assistance from the government. As part of the country's national security, a food security program must be put in place, especially in the production, storage, and marketing of rice, corn, and sugar.

4. Labor and Employment

The government must face the fact that every year, at least a million join the country's workforce. Under the existing economic framework, there is no way the labor market can absorb all the new workers. A nationalist government in power should redirect the national industrialization program to generate employment and expand income-generation in the countryside, and to check the stagnant, even declining, labor absorption rate in agriculture and industry.

The heavy concentration of industries in urban centers is evident. Government must emphasize industrial dispersal toward the rural areas for regional development and create growth poles/centers in the countryside by encouraging entrepreneurs through attractive incentives to set up rural-based industries.

Small- and medium-scale rural-based industries which are labor intensive, producing goods for domestic needs and for export that are both linked to the agricultural sector, will generate employment, increase rural income, and earn or save on foreign exchange. Rural industrialization, as it expands employment, contributes to the increase of female labor force participation.

An increase in rural employment and income is important for other reasons: it will reduce rural-to-urban migration, and will thereby minimize urban congestion and pressure on limited infrastructures and services available in the metropolitan areas.

Stability in the relationship of the productive sectors and sustained productivity growths may be secured if labor-management relations are democratized.

On the industrial front, participatory schemes in labor-management relations — for example, formation of labor-management councils, productivity-gain sharing schemes, joint committees on health and safety, etc., — should be encouraged to minimize industrial conflicts and foster better labor-management relations grounded on the rules of industrial democracy.

Concord between the entrepreneurial and working classes should be encouraged by promoting a code of ethics that will govern the behavior of business chambers and their members, labor federations and individual unions, and help minimize intra- and inter-union conflicts.

To further reduce industrial conflicts, the present system of dispute settlement should be de-judicialized by adopting less legalistic, more culturally-oriented ways of handling disputes, requiring labor and management representatives from the plant level to appear in cases rather than their lawyers. Labor laws should be translated into Filipino and the various regional languages. The government may further strengthen its system of conciliation and arbitration.

Other programs of enhancing industrial harmony include development of livelihood and community welfare programs and projects for workers and their families, encouraging companies to come up with wage extenders (e.g., company buses for workers' transport, rice rations, health care, etc.), formation of workers' cooperatives, etc. The government should strictly enforce compliance with all existing labor standards, especially those pertaining to wages, health, and safety. The welfare of overseas contract workers and their families should be given due attention.

The government, while encouraging labor unity, should maintain a strict policy of neutrality vis-a-vis the affiliations of unions, national and international. Divisive activities of foreign funding agencies should be curtailed. No foreign funding agencies should be allowed if they do not contribute to the democratization of labor unions and the development of industrial democracy.

5. Environment and Natural Resources Reform

Environmental costs should be considered in the regulation of all economic activity. The practice of giving concessions to big logging firms should be stopped. A program of protecting government and ancestral lands as well as awarding stewardship certificates to legitimate and needy

upland and hillside farmers or occupants should be put in place, making sure that such a program is consistent with environmental requirements.

The country has thirty million hectares of land. The 200-mile Exclusive Economic Zone, as recognized by international law, means that the country now possesses a vast area of sea waters around it. The government must encourage the discriminate and efficient utilization of such natural resources, sustain their productive capability, support their community-based protection, conservation, and management, ensure the equitable, rational sharing of the fruits of their use and development, and then link up all of these with the nationalist goal of poverty-reduction in order to enhance the welfare of the poor, the landless, the small farmers, and the fisherfolk.

In this respect, policies and programs should center on employment-generation, increased countryside incomes, and enhanced distribution benefits from natural resources use and development.

A serious reforestation program should be undertaken. Of the thirteen and a half million hectares classified as forest lands, less than five million are actually forested. The consequence has been massive erosion, siltation of rivers, and flooding which, in turn, cause great destruction to agriculture and human lives. Various efficient environmental management systems should be encouraged to avoid the destruction and denudation of forests, the erosion of mountains and arable lands, and the pollution of waters and urban areas.

With respect to other environmental concerns, it should be noted that the government, through the National Environmental Protection Center, has existing policies to the environment, safeguarding

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e.g., regulations on marine pollution, corral destruction, disposal of mine tailings and other wastes, the use of hazardous chemicals, etc. What is needed is a stricter enforcement of such safeguards.

6. Housing and Renewal Of Cities and Towns

The government must address more decisively the acute shortage of dwelling units in the country which has resulted in the classification of more than half of the urban population into "squatters." Some obvious root causes of the housing crisis are: unregulated land and realty business, rising cost of construction materials, weak government programs on mass housing, and depressed incomes of the masses.

Thus, along with industrialization and agricultural production programs, the government must curtail the heavy speculation on real estate and check the cartelized activities of cement and other producers of construction materials. Such measures should be complemented with the promotion of cooperatives in low-cost housing programs and the initiation of urban land reform.

Together with the urban housing program, there is also an acute need to renew Philippine cities and towns. Almost throughout the country, cities and urbanized towns are suffering from congestion, housing shortages, transport problems, pollution, etc. The country needs to review existing housing and zoning programs.

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The government must improve shelter accessibility to low-income families as well as render medium- and long-term affordable financial support to them. Its major role is to help the private sector build sufficient housing units at low prices that low- and middle-income earners can afford. Here, the cooperative housing approach involving people's organizations, NGOs, government financial institutions, and housing agencies can play a decisive role.

Government must upgrade slum areas wherever feasible or if not, relocate marginal income households to previously prepared sites affording them adequate services as well as livelihood and employment opportunities.

7. Provision of Basic Social Services

The new administration must be firmly committed to improve significantly the access of the population to basic social

services through substantial increases in the national appropriation for these purposes and mobilization of support from the private sector, particularly local communities, NGOs, and business groups.

The government must affirm that health is a basic human right, and that family planning, nutrition, and sanitation are necessary conditions for good health. Government must see to it that the delivery of health services is community-based and flexible enough to respond to the different needs of particular communities. First priority should be given to primary health care, preventive measures against communicable diseases and malnutrition, and basic sanitation. The cooperation of local NGOs, civic societies, and sectoral groups can be easily enlisted in these tasks, resulting in savings of government funds and manpower. These community resources should also be involved in monitoring and evaluating program implementation in their communities.

Welfare services should focus on those living below the level of subsistence: individuals, families, and communities disadvantaged by natural and man-made disasters. The aim is not only instant relief or poverty alleviation, but rehabilitation and recovery to enable such victims to become productive and self-reliant members of society.

C. Human Resources Development

1. Education

In no other area of concern perhaps should the imprint of a new nationalist administration be so clearly visible as in education. Three priorities are envisioned: first, the provision of a nationalist content and perspective in all areas and levels of education; second, the improvement of access to quality education in elementary, high school, and college; third, the forging of greater linkages with industry, agriculture, and service sectors to ensure the build-up of needed skills, particularly in science and technology, professional training for employment, and to develop the creativity and entrepreneurial spirit of our youth.

The new government should review and align the educational system with its major thrusts: nationalism, democracy, and socio-economic progress. Such a review should address the content of education, access to education, and the linkage between education and the economy.

A critical review of elementary and high school textbooks used in the public schools should be undertaken to correct any anti-nationalist and anti-democratic ideas therein. Since the cost of changing textbooks would be prohibitive, the new administration may, for the time being, produce teachers' manuals to guide classroom instruction in the use of the old textbooks as the Aquino administration did for those of Marcos vintage. In fact, those *Interim Teachers' Guides to Available Textbooks and Teachers' Materials* could still be useful. That they were not widely disseminated was perhaps due to the fact that many of the values and ideas

these manuals espoused were soon enough discarded by the Aquino government.

A corollary task for the Department of Education, Culture, and Sports (DECS) would be teacher re-education as distinguished from teacher re-training. DECS should also actively pursue the re-orientation of private and public schools by various persuasive means. Its mandate is found in Sec. 17 of Art. II, which is "to foster patriotism and nationalism, accelerate social progress and promote total human liberation and development."

To support the new government's various programs for socio-economic growth, higher education should be restructured, upgraded, and modernized. In this regard, state schools may lead by example. Linkage between state and private universities should be promoted through conferences, workshops, and the like so that state colleges and universities may benefit from the strengths of private schools and vice versa. Through this, tertiary education as a whole will improve in quality and relevance to the needs of the nation.

While free public primary and secondary school education is now in place, this does not mean that the problem of equal access to educational opportunities has been solved. To a great extent, the problem will be solved by redistributive programs which will improve the incomes of large sectors of the population. Within the educational system, apart from building more schools in remote areas, there is the need to provide a roughly even quality of education throughout the country. The declining standard of public schools vis-a-vis private schools means unequal access which in effect penalizes the poor.

Improved access to education for the poor also means the establishment of community-based day care centers and community centers offering adult education programs. Government should encourage communities to manage and finance such projects.

A nationalist education must be maintained at all levels. In addition, tertiary education must produce the high-level expert skills needed for our socio-economic growth. It must inculcate in our youth the spirit of innovation and enterprise that emphasizes empirical-oriented research and experimentation. Only higher education can produce expert manpower for the economy, especially in the key areas of industry, manufacturing, agriculture, and services. Experts in the field of science, technology, and engineering are urgently needed for the country's industrial and technological transformation.

Art. XIV of the Constitution provides that "The State shall enhance the right of teachers to professional advancement. Non-teaching academic and non-academic personnel shall enjoy the protection of the State" (Sec. 5,4); and that "The State shall assign the highest budgetary priority to education and ensure that teaching will attract and retain its rightful share of the best available talents through adequate remuneration and other means of job satisfaction." (Sec. 5,5)

In consonance with these, the new government must formulate related policies and create programs and projects to be implemented including (1) curricular development and reorientation, (2) vigorous and sustained faculty development program, (3) strengthened management and planning system, (4) improvement of equipment and physical plant facilities, (5) implementation, monitoring, and performance evaluation, (6) research and development, etc.

2. National Language, Culture, and Arts

To move on to modernization and progress, we have to develop a distinct national culture that every Filipino can be proud of, that shall motivate him to work not only for himself but for the nation. The key to this is the development and use of the national language. Filipino as the national language, "further developed and enriched on the basis of existing Philippine and other languages," must be encouraged, supported, and sustained as "medium of official communication

and as language of instruction in the educational system," even as regional languages are also developed. The writing of original works in Filipino and the translation of native and foreign works into Filipino shall be encouraged and supported. The National Language Commission, with representatives from "various regions and disciplines shall undertake, coordinate, and promote researches for the development, propagation, and preservation of Filipino and other languages." (Art. XIV, Secs. 6,7,8,9)

Every citizen shall have access to the best cultural heritage of our past and to the cultural production of the present, so as to nurture his pride and dignity in being a Filipino. The Constitution mandates that "The State shall foster the preservation, enrichment, and dynamic evolution of a Filipino national culture based on the principle of unity in diversity in a climate of free artistic and intellectual expression." (Art. XIV, Sec. 14) The new administration, therefore, shall act as patron of arts and letters, "conserve, promote, and popularize the nation's historical and cultural heritage and resources, as well as artistic creations." It must "protect and regulate the disposition of our artistic and historic wealth that constitutes the cultural treasure of the nation;" "respect and protect the rights of indigenous cultural communities to preserve and develop their cultures, traditions and institutions." True to the democratic spirit of nationalism, "the State shall ensure equal access to cultural opportunities through the educational

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system, public or private cultural entities, scholarships, grants and other incentives, and community cultural centers, and other public venues." (Sec. 18,1) Finally, "The State shall encourage and support researches and studies on the arts and culture." (Sec. 18,2)

3. Science and Technology

The country today has very weak science and technology (S&T) capabilities: there are few scientists; our engineering graduates lack adequate designing skills that are basic to the construction, machine, and manufacturing industries; there are not enough higher institutions for science and technological training; and not enough laboratories to meet research and development (R&D) needs. Present technology available is largely obsolete.

The development of S&T should be vigorously pursued by government in order to catch up with the fast industrializing world, for scientific advancement, including knowledge-generation, and to respond to fundamental socio-economic needs, such as increasing productivity and improving the quality of life. Sad to say, our S&T infrastructures and manpower are extremely backward compared to other developing countries, let alone the most advanced ones. Compared with Association of Southeast Asian Nations (ASEAN) members, for example, our R&D expenses as percentage of gross national product (GNP) are low. In 1986, expenditures for scientific and technological activities (STA) amounted to just P1.859 billion, or 0.3% of GNP, while R&D expenditures amounted to P0.743 billion, or 0.12% of GNP. It is necessary to raise both STA and R&D ratios.

Undoubtedly, there is a compelling need today to upgrade in a massive way S&T manpower expertise, set up R&D infrastructures and science centers, and increase government subsidy of R&D and STA ventures. These are necessary because the lack of scientific manpower and obsolete technology hinder national industrialization. For example, manufacturers have to employ foreigners to design plants and factories, making our production sector dependent on foreign technology. Our technical capabilities in fact are basically in the realm of machine repair and modification rather than designing. Very little technology transfer takes

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place in the process because local skilled manpower is merely taught how to operate and construct plants rather than design them.

The lament of serious scientists is that the scientific community does not receive enough support from the public sector, neither does it receive enough investments nor incentives from the private sector.

A nationalist government should, as earlier explained, have a national industrialization plan with an integrated, comprehensive national science and technology program component. The S&T program should include (a) policies and objectives, (b) an inventory of S&T resources, (c) identified S&T gaps and areas to be improved, (d) specific industries to be developed, (e) S&T manpower resources needed, and (f) financial support.

To achieve the goals of the national industrialization plan, government should promote and support a synergistic relationship between the private sector, the science community, and the public sector. In short, government should link up the production of scientific and technological knowhow and expert manpower training with the commercialization of products.

To strengthen this connection, government should offer various incentives to the private sector like partial subsidies (e.g., risk-sharing) to encourage its involvement; and to the science community, to constantly support skills upgrading and help minimize brain drain. One way to do the latter is to send graduate students for further training abroad, but require them to defend their dissertations here where they will get their doctoral degrees, after which these dissertations can be used locally for productive enterprises.

The government should also draw up policy on how to acquire advanced technology. Foreign technology can be imported but government must make sure that it is absorbed in various industries through strategic management of technology transfer. For instance, government could enter into agreements with foreign entrepreneurs only on condition that Filipino scientists are allowed to co-design products.

Government should also develop backward linkages so that we can manufacture needed industrial products. Here is where the tie-up between agriculture and industry can be forged so that the former can produce raw material inputs for the latter's manufacturing processes, while the latter can facilitate the processing of such raw material inputs into semi-finished or finished products.

In the case of overall S&T training, the high school curriculum should be revised to give more emphasis to the basic sciences like mathematics, physics, chemistry, and biology even as colleges and science centers should produce more S&T graduates, post-graduates, and particularly Ph.D.s in the basic sciences and engineering. S&T national centers of excellence should be fully supported. Through faculty upgrading, increa-

sing provisions for physical facilities, laboratories and library resources, and improving curricula, we will be able in the long run to produce better scientists, researchers, engineers, technologists, teachers, and professionals — with the end vision of creating a critical mass of scientists for industrialization and social transformation.

Government, through R&D and STA, should promote and support self-reliance in the following industries that are vital to the attainment of national industrialization: food processing, energy, chemicals, iron and steel, machine tools, etc.

Government policy on patent protection should be modified so as to remove barriers on STA.

To broaden the S&T base, government can tap the resources and expertise of NGOs. For example, to increase productivity, NGOs can help train people in the rural areas in certain aspects of the production process.

D. Power, Transport, and Infrastructure Development

1. Energy Resource Development and Management

The recent crisis in the Gulf has revived popular appreciation of the value of reliable and affordable energy supplies to economic development and national security.

Before the crisis, the Aquino administration embarked on a comprehensive privatization and deregulation program for the energy sector, on the assumption that market forces by themselves could ensure steady supplies at competitive prices.

Initially, the perception that a strong government presence in the sector was no longer necessary was induced by declining world prices at the beginning of Aquino's term. But the two thrusts were pushed not because of sound economic prerogatives but because of pressures from multilateral agencies. Deregulation then became a necessary measure to give incentives to the private sector to provide what government, with its budgetary constraints, could not.

The significant government presence in energy was in response to the two oil shocks in the 1970s. Established in the form of regulatory mechanisms and direct equity participation, it was able to diversify the country's energy mix and increase the share of locally produced oil substitutes, check collusion in the oil industry, capture what would otherwise be windfall profits, provide a measure of price stability through a buffer mechanism, and Filipinize significant aspects of the energy sector. Moreover, past policies and programs also increased the energy efficiency of the economy as a whole and established socialized pricing as a principle in the distribution of a crucial commodity.

A sound energy resource development and management program should start from a recognition of the following: (1) the supply side of the market in the sector tends to be oligopolistic and benefits cannot be reckoned merely from the perspective of short-term profitability; (2) energy availability and pricing are crucial determinants of economic growth; and (3) constantly fluctuating prices lead to general instability.

Thus, a long-term energy program is required where the government should play a key role. Private sector participation should be encouraged but only under competitive conditions. Where such conditions are not technically feasible, an efficient regulatory mechanism should be established and maintained.

2. Transport

For economic modernization, the efficient movement of people and goods is crucial. The national transport system should eventually be a strong and efficient trimodal system, with land, air, and water transport geared for use in the modern world.

The archipelagic character of the country requires a modern shipbuilding industry and marine transport system for our economic development as well as for political and cultural integration.

Our air space is vast; therefore our air transport industry should also be upgraded.

In Metropolitan Manila, Metropolitan Cebu, and other emerging urban centers in the three island groupings, efficient railway and other mass transport systems are now imperative. Billions of pesos are lost in wasted fuel and lost working hours because of enormous traffic congestions and dire shortage of public conveyances.

3. Infrastructures

Infrastructures include transportation (roads, bridges, railways, airports, harbors), water resources (water supply, irrigation, flood control and drainage system, coast protection, sanitation and sewage, etc.), energy (electricity, power resources, etc.), communications (postal services, telecommunications, etc.), and others such as national buildings, schools, health facilities, etc.

A national infrastructure development plan must be designed to support the productive, industrial, agricultural, and service areas of the economy.

In the first year, the expansion, strengthening, and maintenance of in-

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infrastructures will require emergency employment. This will ease the unemployment problem to some extent.

Our telecommunications system should be efficient, adequate, cheap, nationwide, and global. Information and communication are vital to industry and society, and people have a right to them.

Infrastructure policies should involve thorough planning and implementation in order to overcome the infrastructure constraints on industrial, agricultural, and service sectors development.

E. Foreign Policy

Philippine foreign policy has continually viewed international problems and issues from the prism of United States objectives. Therefore, the first step towards a nationalist alternative is to alter this one-sided arrangement in favor of more mature, equitable RP-US relations.

Our foreign policy must operate in the light of the changing global realignment of forces and the decline of the two superpowers.

The decline of US-Soviet hegemony in global affairs opens up significant possibilities for developing countries to pursue wider, independent options and objectives in their external relations. Philippine security perspectives will now have to anticipate new areas of concern as presenting either potential allies or antagonists, or trouble spots in its regional surroundings, rather than automatically basing its outlook on the stereotypes of traditional East-West confrontation. The Philippines has to re-examine its relations with the US, Japan, European Economic Community, Middle East, and Eastern Europe; its role in Asia, ASEAN, and the Asia-Pacific Economic Forum; and its membership in international govern-

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tions with interna-

mental organizations for the purpose of developing mutually beneficial relations which will eventually enhance our national power.

tions and its rela-
tional non-govern-

Philippine strategic interests in the political and security areas cannot be separated from economic objectives. External trade expansion must therefore go hand in hand with product, trade, and market diversification. The new government must ensure, for the sake of national interest, that economic cooperation, foreign aid, and foreign investment go beyond traditional ties. It must break away from the pattern of US economic dominance under which we have been exploited and used as a pawn in the chessboard of global politics. It must explore options more advantageous to our interests, including closer "South-South" cooperation in trade, investment, and technology transfer.

Right now, it is important for the Philippines to understand and prepare practical policy measures with regard to the emergence of Fortress Europe, the US-Canada-Mexico Free Trade Pact, and the Japanese efforts to organize the Asia-Pacific countries in "geese formation" with Japan at the head of the pack. These developments have vital economic and political implications for the Philippines.

Now that the era of the Cold War has ended, the Philippines must help pursue the 1976 ASEAN Bali Summit Declaration, calling for the creation of a Zone of Peace, Freedom, and Neutrality (ZOPFAN) in Southeast Asia, as well as heed the call for a Southeast Asia Nuclear Weapons-Free Zone (SEANWFZ).

In the light of the foregoing, the existence of foreign military bases on our shores along with the onerous security agreements constitute a barrier to the pursuit of an independent foreign policy.

Conclusion - Peace, Unity, and Independence

A firm, creative leadership, guided by a nationalist vision for development can rally Filipinos to work for social renovation and national reconstruction.

Government must focus on: preparing a national program of industrialization, agro-industrial development, investment and income generation and employment; an assertion of the national will to remove military bases and foreign troops from our land and convert these bases into modern commercial-industrial zones; a just and comprehensive strategy to resolve the external debt problem; and a program of rural transformation that must include a real comprehensive land and natural resources reform and agro-industrial development.

These tasks shall involve not only the leadership but all sectors of society.

Given a pluralistic environment, the new government can get the peace process going through talks with the armed rebels — New People's Army, Moro National Liberation Front, Reform the Armed Forces Movement-Soldiers of the Filipino People, and Young Officers' Union. There should be no preconditions to the peace negotiations. The government can initiate the whole process through a formal declaration of a nationwide ceasefire.

Most of the rebels have been forced to take up arms based on their perception that urgent socio-politico-economic reforms were impossible through constitutional means. With the reform program of the nationalist government and the official pronouncement on democratic pluralism, there will be a solid basis for dialogues with the armed rebels. It is hoped that such a dialogue, reinforced by a nationwide ceasefire, can pave the way for a just and lasting peace for all.

A positive development in the world today that the nationalist government should take full advantage of is the end of the Cold War. The end of the Cold War should encourage the further development of political pluralism within the country which is necessary for national unity.

With peace and unity, the new administration, carrying its reform program, can stand on firmer ground. Our envisioned prosperity must create the material conditions and the cultural infrastructures for nationalist development, in a similar manner that nationalist development must prepare the ground and establish the foundations for a peaceful, united, and independent Filipino nation.

The makers of that future can be none other than we Filipinos ourselves. We can do it if we renew that historical self-confidence and determination that has been the source of our national pride. Let us bridge the past and the present through the completion of our full nationhood. We are certain that our vision, inspired by the glorious struggles of our forefathers and implemented by a nationalist leadership that is creative, enterprising, and forward-looking will ensure the survival and transformation of the nation.