

Our country is in a bad shape – 26 years after our peaceful “people power” uprising and the restoration of democracy, this is what we have:

*We have hardening poverty everywhere and a growing disparity between the “have and the have nots”; darkening prospects for so many young people; the dominance of the oligarchy in the economic life, distorting market forces, deterring healthy competition; pervasive blatant impunity underscoring a weak rule of law and the inability of a soft state to protect all its citizens; a dysfunctional democracy with no real participation of the citizenry; and concentration of power in the epicenter and a highly centralized bureaucracy, neglecting the periphery of governance.*

The problems are with the system – not with the Filipino. The structures provide no clear way out of this socio-economic-political quagmire; no incentives for integrity, good performance and accountability for public office holders and our political leadership; and scant possibilities for ordinary citizens to be active stakeholders in our democracy.

**The Centrist Democratic Party of the Philippines** has been established to effectively address the systemic problems of our country, among others: reduce poverty, create jobs, increase competitiveness, protect the environment, improve the judicial system, introduce electoral reforms, enforce the rule of law and truly make democracy work.

We have a clear political philosophy, anchored on the core value of HUMAN DIGNITY, guided by principles of Christian and Muslim social teachings – which we translate down to concrete and credible concepts and programs.

The underlying principles of our political agenda are our adherence to personal freedom tempered by personal responsibility, justice, solidarity, subsidiarity and equal opportunities for all.

We are a Political Party owned, funded and controlled by its members – ordinary, committed citizens of the Philippines. We are a party that will hold accountable through its members our elected representatives, not only during elections but also in between campaign periods. We serve no special interest groups, oligarchs or dynasties looking for power and profits. Our mission is to serve the Filipino.

## **I Philippine Social Market Economy**

A. Our first priority: overcoming poverty and underdevelopment

The economy has to serve the people. Nearly half of the population is considered poor and one quarter lead miserable lives below the poverty line, in the fringes of society. This is an unacceptable condition. Human dignity embraces a people’s deep longing for freedom, for being responsible for themselves and their families and for being useful members of the community.

### **(1) Job Creation through Free Market mechanisms and peoples initiatives**

We do not believe in mere social assistance and redistribution of incomes as first measures to fight poverty. The core tool for poverty reduction is the creation of decent jobs for everyone able and willing to work. Jobs cannot be created sustainably by State fiat. We believe in the superior steering capacity of the free market mechanisms, which brings together in an efficient manner the capacities of people to produce and supply what is demanded at reasonable prices. More jobs are created by the citizenry themselves when these prerequisites are present:

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- quality education is provided to all citizens;
- access to open markets where they can offer their goods and services ;
- state bureaucracy and regulatory agencies are supportive of the business environment and economic activities;
- infrastructure is in place – power, water, communication and transportation;
- protection against unfair trade practices, discrimination and intimidation or violence by powerful market actors, cartels and monopolies;
- access to credits with reasonable interest rates and conditions and a well-developed cooperative banking sector; and
- organized and legitimate business associations and chambers of commerce/industry established to enhance ethical practices and encouraging their membership to adopt improved systems/technologies.

## **(2) The Role of the State to provide a supportive framework**

A “weak and soft state” is unable to play a vital role in providing political, legal and economic framework for businesses to flourish. It curtails positive economic activity and discourages dynamic responsibility of its citizens. Such is the condition of the Philippines today. We therefore propose a strong subsidiary state. To this end:

- we support the adoption of the draft bill in Congress of a strong and independent Competition Commission (an Anti-Trust mechanism) that will break the grip of monopolies and cartels on all markets, ensuring fair competition and open market access for local and foreign investors and local informal businesses;
- we will reinforce the independence of the Central Bank and promote an effective and transparent financial market system, making sure that the Financial Industry serves the real economy and not focus on instruments and strategies benefitting only its own stakeholders to the detriment of the larger investing public;
- we will streamline and simplify the registration and licensing processes for all types of businesses supervised by the regulatory bureaucracy and install mechanisms for transparent, effective and affordable procedures;
- we will give priority to the rehabilitation and improvement of basic infrastructures (roads and bridges, power, water, communications) with special emphasis on the dissolution of cartels in especially in the port services, ferry providers and other transport operators; and
- we will support and encourage the promotion of Small and Medium Enterprises – not through government subsidies, but through access to credits and compelling the systematic assistance by business associations and local chambers.

## **(3) Strategic approaches for the promotion of inclusive growth**

These approaches are to be applied by the State to ensure economic growth in the outlying areas:

- we will implement a countrywide economic development program where each province will have at least one medium level development centre identified and supported in its infrastructure development;
- we will create countrywide, 80 – 100 hubs for local and foreign investors in order to provide jobs for the many young people who cannot be employed in the farming and fishing sectors. We have to offer them an alternative option from migrating to the slums of the big cities; and
- we will increase the state budget for applied research which currently is the lowest in the region.

## **(4) Modernization and restructuring of agriculture**

We strongly support the modernization and restructuring of agriculture and the development of agricultural processing industries. It is necessary to build our future on products where we have comparative advantage over other countries in the region. We have to stop subsidizing products which we can import cheaper from other countries – as long as the supply from regional or global markets is reasonably safe and sustainable. We will promote local and international investments in value added processing as substitutes for incomes derive from waning traditional farming and fishing.

### **(5) Responsible management of structural changes in fishery**

Our country is blessed with rich maritime resources which have been the source of income for millions of families of fishers for centuries. Today the majority of the fisher folks are living in deep poverty with dark prospects. Irresponsible forms of fishing have reduced dramatically the potential yields. In most places the ordinary small fishing boats are no longer allowed to fish far outside the coastal areas as these are now reserved through agreements for huge trawlers, mostly from other countries. The profits from selling the catch at local markets are inadequate due to systemic problems, among which are: the bad conditions of roads, high ports service fees, unscrupulous middle-men backed by the rich families and patrons on many islands. We cannot stop the trend to bigger boats and units and the structural changes in fishery but we will strictly implement the laws against illegal practices of fishing. We will open the markets for the numerous cooperatives of small fishermen and break the power of middle-men and big traders. And we will systematically work on alternative job opportunities for young people from the fishing villages who could no longer find jobs and income in traditional fishing.

### **(6) Responsible mining**

We need to use all the natural and human resources of our country to overcome poverty and to achieve decent living conditions and welfare for all. This includes the systematic exploration and use of the rich mineral resources of our country by local and international investors. However, mining has to be done in a responsible way. We will enforce a strict adherence to all regulations on health protection and safety and payment of decent wages, a fair participation of the local population from the profits and benefits of the mining activities and the rehabilitation of the natural environment at the mining sites.

### **(7) Systematic attraction of foreign technology and investment**

We believe in the benefits of free trade and investments in a globalizing world. The unilateral protection of our national markets against foreign technology and investments is anachronistic and supports only the small group of owners of huge Philippine companies who are dominant in monopolized or cartelized markets. We have to amend the provisions in our 1987 Constitution which hinder foreign investors to build up production and bring in modern technologies into the Philippines, creating jobs and income for many poor families. However, the state has to ensure the strict enforcement of our labour laws and environmental protection regulations on both the local and foreign owned companies.

### **(8) Responsible taxation policy for an increased state budget**

The State needs additional revenues to play its supportive role for poverty alleviation, inclusive economic growth and to provide for social assistance. The Philippines is at the tail end among all other Southeast and East-Asian countries with regard to tax collection. We favour a system:

- that exempts from income tax the poor with subsistence incomes;
- of progressive income tax, leading up to 50% tax rates for very high incomes; and

- of collection of high consumption taxes for cigarettes, alcohol and luxury goods.

We have to encourage and support young citizens to take over entrepreneurial risks. Taxation should not punish the ones who are willing to take economic risks. We will support the reinvestment of private or corporate profits by tax free regulations in all economic sectors beneficial for the development of the country. However, no private person shall be allowed to save more than 50% of his profit/income taxes by tax free regulations. And we will ensure a strict and systematic tax collection through the professionalization of the tax collectors and the prevention of any type of corruption.

## **B. Our responsibility for the future for our children: sustainable growth through the use of clean energy and environmental protection**

We believe that we are the stewards of the Earth and that we are dependent on its resources and are thus responsible for protecting and maintaining these for the human race. We uphold and shall enforce the 1987 Constitutional provision regarding the responsibility of the State, as the collective representative of the people, to “protect and advance the right of the people to a healthful and balanced ecology in accord with the rhythm and harmony of nature.” We believe that this right does not cover only the present generations but also the generations yet unborn, and that this principle of equity also applies across communities and nations within one generation.

### **(9) Poverty and Environment**

We recognize the interrelationship of poverty and environment where the poor:

- a. live in places that are ecologically more vulnerable;
- b. derive their livelihood income from natural resources;
- c. are more vulnerable to environmental shocks with less coping mechanisms; and
- d. can cause the degradation of the environment.

We recognize therefore that in order to address the poverty situation of the country, we must ensure the protection of the environment. Such environmental change, however, is not a simple technical issue but has political implications considering the unequal distribution of environmental costs and benefits, where change signifies wealth creation for some versus impoverishment for others. We shall therefore ensure the proper assertion of the State’s responsibility, ensuring the protection and proper management of our country’s natural resources, to ensure that these are done in an equitable manner while taking into consideration the true value of ecosystem services and the full costs of environmental degradation.

### **(10) Development and Environment**

Further, in light of the drive towards growth and the need for resources to support such growth, we shall emphasize the need for dematerialization of production processes to allow sustainable levels of material flows. We shall therefore encourage the development of technologies that increase productivity and efficiency, recycling, and more sustainable consumption patterns.

### **(11) Climate Change**

We recognize the Intergovernmental Panel on Climate Change’s findings that climate change is already an “unequivocal” phenomenon. We also realize that the Philippines is one of the most vulnerable countries to climate change impacts and thereby adopt the precautionary principle and shall take a more proactive position towards addressing climate change. We shall prioritize increasing communities’ resilience to climate change impacts (adaptation and disaster risk reduction) by ensuring the conduct of vulnerability assessments and the integration of these findings into the planning process and

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systems of local governments. Moreover, despite the country's low contribution to worldwide greenhouse gas emissions, we shall already seek means to manage emissions and encourage the development of low carbon communities as part of our moral obligation as guardians of the Earth.

Finally, in light also of the cross-sectoral nature of the issue, we shall encourage coordination and cooperation among the institutions, the participation of local communities in the planning and implementation of strategies, and further empowerment at the local level.

#### **(12) Renewable Energy**

Development and growth demand energy. At present, there is still a sizeable Philippine population without access to electricity and rely on conventional sources of energy (i.e. firewood, charcoal, biomass etc.). The additional time and effort for their collection/production result in lost opportunities for income and education as well as poorer health, especially for the women in the household towards whom such responsibilities are given. Thus, in order for us to lift people out of poverty, we must provide them access to affordable modern sources of energy, since these are also prerequisites for safe drinking water, lower child mortality rates, agriculture, lighting, transportation, telecommunications and entrepreneurship. It is with this perspective and the knowledge that our supply of fossil fuels in this world is limited that we find it mandatory to actively decrease our dependence on fossil-fuel based energies as we encourage rapid development of technologies to make almost limitless amount of renewable energies accessible and affordable to the majority of the population.

#### **(13) Air Pollution**

It is necessary that people are given rightful health care. The air pollution levels in major Philippine cities are above maximum particulate levels. It is estimated that more than a million people get sick and thousands die prematurely every year due to outdoor air pollution in urban areas in the Philippines. Most vulnerable to these are the urban poor who live on the side of roads exposing themselves to the highest level of air pollutants that will have detrimental effects to their health and welfare, thereby affecting their productivity and general well-being. It is our responsibility then to create more livable cities, by not only enforcing air pollution laws consistent with the Clean Air Act, but by also planning urban spaces and by developing and implementing policies and programmes that will reduce the incidence of emissions at a systemic level. Special attention must also be given to the transportation sector from which majority of these emissions stem.

#### **(14) Water Pollution**

Water pollution has also become an increasing problem in urban areas, with almost half of the pollution coming from domestic solid waste and wastewater, leaving water bodies biologically dead. Poor solid waste management, together with the absence of sewerage systems, results in the contamination of these waters. This is further worsened by the presence of slum communities along rivers, creeks and coastal areas where communities dispose their waste into the nearby water bodies. The lack of access to safe water, whereby the poor bear the majority of the burden, results in increased malnutrition and high morbidity rates. We shall therefore ensure that proper waste and sanitation systems are set in place and fully implemented to avoid the further pollution of our waters, as we seek to rehabilitate existing water bodies.

### **C. Fighting for a humane society: Each and every citizen is entitled to live in dignity.**

This has to be ensured by the State. Open markets and fair competition, protected by a strong state, are fundamental conditions for a productive economy, in which enough goods and services can be

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provided for the welfare of all citizens. But they have to be accompanied by effective policies and measures of a socially responsible state in order to create a humane society in which each and every citizen can live in dignity. The State has to ensure decent life for the weak and the disadvantaged members of society. He has to address the manifold present social problems in the Philippines.

#### **(15) The family – fundamental structure of society: to be supported by the state**

We believe that the family as the fundamental structure of a humane society has to be promoted and protected by the state. The state has to support the parents in bringing up, taking care of and educating their children – where necessary, also with financial assistance. When a family cannot live a decent life by their own resources and no help is available from relatives or private and religious organizations, the state has to provide social assistance to overcome this situation as fast as possible - but always with the approach for self-help so as not to perpetuate dependency.

#### **(16) Effective protection of human life**

We believe in human life as the highest good and value. It starts in the family and has to be protected from conception until natural death by the state. The state has to provide counseling and financial assistance – subsidiary to religious and humanitarian organizations - to pregnant women who find themselves in desperate situations allowing them to give birth under safe and decent circumstances. But it is not enough that the state prevents killings and prohibits abortions. The state has to get serious with its efforts to end the culture of impunity, to investigate crimes effectively and bring to the courts the perpetrators - the ordinary criminals, extremist rebel groups, members of ruthless clans or business groups, powerful individuals in the security organs - ensuring a speedy process of justice for all

#### **(17) Responsibility for children's lives in dignity**

We strongly believe that parents have the first and highest responsibility to ensure a life of dignity for their children. This includes not having more children than they can take care of avoiding a situation where such children, with high probability, will grow up later in deep poverty and misery. It is the obligation of the state to help parents to understand this responsibility by enlightening them through information and counseling services. However it is the sole decision of each couple to decide on which measure they will employ to eventually limit the number of their children – as long as they respect the absolute taboo of taking human life.

#### **(18) State shall enforce responsibility of both parents**

The state has to support also the mothers or fathers, who are left alone by their partners to take care of their children. We will ensure that legal measures will be drafted and enforced systematically to hold both parents financially responsible for the upbringing and care of their children, if one of them decides to leave his partner alone with the child. This we owe not only to the parent – mostly the mother – who is taking over the responsibility alone for the child, but also for the children, who are often suffering under most miserable living conditions.

#### **(19) Stop the trend for Philippine citizens to look for employment abroad**

We have to reverse the trend for more and more Filipinos to leave the country in order to find gainful employment and income. The actual situation at the Philippine labour market and the active support of this migration by the Philippine Administrations in the past for fiscal reasons has not only lead to an

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exodus of many of the brightest young people of the country and many of the more dynamic personalities even among the less educated parts of the population. It also creates huge collateral damages in the Philippine society, as many of the migrants are mothers or fathers of young children left behind with grandparents, relatives or surrogate parents - leading often to the complete and final breakup of the families. A policy which actively encourages and supports foreign investment in the Philippines – last, but not least by amending the restrictive passages against foreign investment in the Philippine Constitution – can contribute effectively to build on the comparative advantages of the Philippines in international competition and to open options for these people to find employment in our country. However – given the reality of a huge number of Overseas Filipino Workers all over the world - we will work on mechanisms for a strong reduction of costs for the transfer of money by OFW to their families and for attractive models of investment for major part of these transfers in local and regional projects.

#### **(20) Ensure quality education for each and every Filipino child**

Education is a fundamental right of each person. It is the basic and most important precondition for the equality of opportunities. Education is the first and indispensable tool for overcoming unemployment and underemployment in the country, because it provides human beings with the opportunity to develop their talents and skills for a productive participation in economic life. The Philippines is the country in East- and Southeast-Asia spending the lowest share of its GDP for education. We will triple the national budget for education within 3 years. We have to ensure that each child will be enrolled in school and that at least 90% of all children can finish high school. In order to achieve this goal we have to extend the Conditional Cash Transfer Program beyond its scheduled limited duration and sharpen its focus on the basic education of poor children. We have to offer free meals for children of poor families during their school classes and assure the free provision of school books and learning materials for them. We have to rehabilitate school buildings and facilities all over the country and to provide the schools with decent teaching facilities and equipment. And we have to increase the salaries of the teachers to enable them to live by these salaries without being forced to look for other jobs and sources of income.

#### **(21) Education Initiatives**

The system of education must be crafted to serve the citizenry, especially the young people as an entry into the labour market. It is a betrayal for the young to waste precious years paying exorbitant fees at educational institutions that are unable to provide them the skills that are demanded at the labour market. We also acknowledge the diverse and disparate aptitudes of the populace and therefore the system must be so designed as to serve well both the professional and vocational calling. The dual system of education shall become, in a medium term perspective, dominant. To this end:

- we will shut down state and private education institutions which lead their students into a future of unemployment and frustration;
- we will promote the establishment and further development of institutions offering engineering and other types of vocational technical courses attuned to market driven demand; and
- we will systematically develop the dual system of professional/vocational training by involving the private local and foreign companies into an effective cooperation with technical schools and academic institutions both in the development of curricula and in the integration of major modules of practical learning in factories, workshops, offices and laboratories in the respective careers and professions, under the joint supervision of the Chambers of Commerce and Industry and the respective State Agencies.

#### **(22) Improvement and extension of the public health care system**

Health care is another fundamental right of each human being. The public health system in the Philippines is in a miserable condition. We have to ensure access to basic health services for all people in all parts of the country. Members of very poor families are entitled to free medical care and medicines. The PhilHealth insurance system has to be cleaned from corruptive practices – like the distribution of PhilHealth membership cards during election campaigns – and extended to all groups in the population, which cannot afford private health insurances, i.e. small vendors, farmers, fisher folk. The prices of medicine in the Philippines are among the highest in the world. We will open the pharmaceutical market for real and fair competition and break the market power of the actual dominant distributors.

### **(23) Social Assistance – protection of the weakest**

We believe in the principle of subsidiarity. When a citizen or a family is not able to cover basic needs for survival, the relatives, neighbours, religious or private humanitarian groups and services shall show solidarity and support them. However, if this private help is not available or not sufficient, the state has to guarantee a minimum of material means to ensure a life of dignity for these citizens. This social assistance shall focus on helping these citizens or families to overcome the situation and not to create permanent dependency from state subsidies. However, in cases of unsolvable problems or weaknesses, handicaps or diseases the state support must be permanent. It shall be organized at the level of the smallest local government units in order to ensure a targeted assistance based on a realistic assessment of the situation of the respective citizens or families. The national administration has to provide and transfer sufficient funds for this assistance out of its national budget to the local governments.

### **(24) Address the problem of the slums and urban poor**

The living conditions of huge numbers of Filipinos in the urban slums of the country – including many millions of children and youth – are an unacceptable violation of human dignity and a scandal for a value based democratic country. The key approach for the solution of the urban slum problem is the reduction of the pressure from uncontrolled migration from poor rural areas into the big cities through:

- the systematic development of urban centers with modern infrastructure all over the country connected by efficient transportation systems; and
- the reduction of the high population growth rates in the poor rural families.

However, where huge slum areas already exist and cannot be dissolved in a humane way by enticing the inhabitants to go back to the places where they came from, integrated solutions have to be designed and implemented involving the residents of these areas assuring them of livable environments with prospects for decent, normal lives. As it has been demonstrated by so many civil society initiatives and projects, the solutions have to build on the empowerment of the target groups, their education and professional training, their self-help efforts for building houses and neighborhoods and developing sustainable small businesses. But the state has to systematically support these integrated, self-help based efforts by providing clear and supportive legal and political framework, schooling, and access to electricity and fresh water at affordable prices with the necessary funds. We demand that each city government affected by these problems develop a realistic medium term plan to solve their slum problems. And we demand further that the national administration develop a national coordination and support programme in tandem with these cities.

### **(25) Improving the situation of the Labour Sector in the country**

In recent years the number of Filipinos employed in call centers and other out-sourcing sectors of

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international companies and factories has been growing continuously. However much more growth of these employment opportunities would be possible, when the Philippines:

- would open up its economy to more international investors;
- dissolve monopolies and cartels in local and national markets; and
- reduce cumbersome bureaucracy

Less than 10% of the Philippine labour force is currently included in the formal sector – the rest is working in completely unprotected conditions. The Philippine labour laws follow international standards, but in many cases they are not implemented. We promote a continuous, institutionalized dialogue between the Philippine employers' associations, the trade unions and the government on:

- the development of decent and realistic labour laws and protective regulations and their strict implementation;
- a labour market policy drawing more and more of the informal sector into this protected framework; and
- at the same time improve overall productivity and increase the competitiveness of the major economic sectors in the Philippines in the regional and global framework
- and we will promote the development of a co-determination model in which elected representatives of the workers and employees in major companies will share responsibility for the management and strategic decisions with the representatives of the capital.

#### **(26) Adopting and implementing a fair land use law**

We support the adoption of a fair land use law by Congress. The majority of the farmers and small house owners have to live in locations where they do not have clear legal ownership of the land. This creates complicated situations with regard to the use of income and profits earned on this land and a major disincentive to potential small and medium investors from putting in businesses with the attendant jobs creation. We believe that a fair and socially just land use law is a precondition for social peace and successful economic development in each country. We demand that government give priority to the adoption of such legislation and set up effective monitoring and control systems for a transparent and fast implementation of the law in all parts of the country.

#### **(27) Protecting the consumers in a highly cartelized market**

The Philippine markets for food and goods for daily consumption are dominated by few powerful businesses and conglomerates, restricting competition to the disadvantage of the consumers. This is further complicated by the overwhelming, uncontrolled and omnipresent advertising and a nearly complete absence of control of quality standards and proliferation of fake products – even in sensitive markets like medical products. We demand the development of a strong consumer protection authority with branches in the different parts of the country. This authority should have the right to monitor and investigate the authenticity and quality of products and should have access to the main popular media in order to inform the population. Furthermore it should be able to initiate law suits against the producers and distributors of fake products and dangerous products on behalf of the consumers.

#### **(28) Protecting culture, rights and equal opportunities of indigenous people**

Several million indigenous people from many different tribes are living on the different islands of the Philippine archipelago. There is discrimination against the use and practice of their culture and language, the respect of their traditional rights and mores and in their participation in social, economic and political life of the country. The problem is not so much the absence of protective laws, but the lack of implementing secondary laws, contradictions between the laws protecting them with other laws of the country and the lack of systematic implementation of these protective regulations. We have to

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support the many initiatives from civil society organizations and some less powerful state agencies to empower them and to bring them into the mainstream of the socio-economic development and political life of the country. The improvement of their situation has to be a cross-cutting issue to be considered systematically in the impact of all new legislation and policies.