

Blueprint for a Viable Philippines

HIGHLIGHTS

1. The nation is in crisis:
 - a) The economy is not growing fast enough to meet the needs of a rapidly multiplying population.
 - b) On top of this, the economy is extremely vulnerable to external conditions because of its excessive dependence on earnings from overseas workers and on foreign loans and investments.
 - c) Political stability remains elusive because of mass poverty and the exclusion of a large number of our people from meaningful participation in the nation's life.
 - d) Crime and insurgency continue to rise because of glaring inequalities in life chances and opportunities.
 - e) The future of our young people is bleak because of the deterioration in the quality of public and private education.
 - f) Unbridled corruption and cynicism are rampant both in the public and private sectors.
 - g) The credibility of our electoral process is fast diminishing because of massive vote buying and electoral fraud.
 - h) Our confidence is declining in the ability of the present political leadership to lead the country out of the rut it is in.

- i) The government is increasingly unable to make both ends meet, as indicated by chronic budget deficits.
- j) The government is also increasingly unable to service the public debt without having to take out new loans.
- k) There is corruption of the justice system at all levels.
- l) There is an alarming rise in criminality and criminal syndicates (drugs, kidnap-for-ransom, smuggling, and trafficking of human beings).
- m) Public morale is declining as shown by rising rates of emigration.
- n) Armed conflict persists in Mindanao and the countryside.
- o) Morale is low among government employees and ordinary soldiers.
- p) Public infrastructure is deteriorating.
- q) The natural environment is being degraded.
- r) Our culture suffers from a lack of cohesiveness, purpose, and vitality.

2. The **Blueprint** is meant to be a comprehensive and coherent strategy to address the crisis, arrest public cynicism, and reverse the rapid decline of the State as an instrument for achieving the collective goals of the national community.

3. The **Blueprint** requires for its realization and implementation a Strong Developmental State. This State is strong not in the sense of being authoritarian or arbitrary, but in the sense of being willful in the enforcement of its laws and resolute in the pursuit of its programs. Its principal object is to toughen our institutions and restore public confidence in them, free them from captivity by vested interests, and enshrine the rule of law in our society. Equally important, the Strong Developmental State aims to establish the conditions for sustained and equitable economic growth, so that private enterprise may flourish hand in hand with, rather than at the expense of, the realization of vital social objectives. The Blueprint prioritizes the fulfillment of the people's minimum basic needs, the termination of patronage as a mode of governance, the curbing of corruption at all

levels, and the application of the full force of the law against drug and organized crime syndicates, smugglers, land-grabbers and illegal loggers. The Blueprint is informed by a moral vision of social justice, solidarity, freedom, and peace. It places at the center of its framework the development of the Filipino people to their fullest potential, and the responsibility of the State in ensuring this.

4. The **Blueprint** seeks to establish at the grassroots level, as a counterfoil to any authoritarian tendencies that might arise from a strong state, the foundations of deliberative democracy. Set forth and devised by Professor James Fishkin of Stanford University, it is an idea that a strong democracy is contingent upon informed, active citizens, and on public judgment rather than public opinion. (Public judgment is an enlightened opinion arrived at through dialogue, engagement, and the consideration of multiple perspectives.)
5. **Work-in-Progress:** The Blueprint for a Viable Philippines in its present form is merely a first draft and by no means comprehensive nor complete. It merely puts forward in broad strokes the basis of what the proponents perceive to be the primary steps that can be taken for the country to survive to enable the citizenry to pull themselves out of the deep rut they are now in. It has been observed that all our problems are linked internally and internationally. As such, proposed programs must therefore respond to one central objective: that of taking back the control 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 for the greater number of Filipinos.
6. The **Blueprint** describes the current situation, offers an alternative analysis of our national problems, and, on the basis of the analysis, outlines a set of responses or approaches to these problems. The best way to present the Blueprint's distinctive features is to contrast its analysis and recommendations with those offered by the present government and/or other conventional frameworks.

ANALYSIS AND RECOMMENDATIONS

A. STRUCTURES AND FORMS OF GOVERNMENT

The Situation: The current view tends to treat the shift to the parliamentary and federal system as a cure-all for the nation's ills. The change to the parliamentary mode is expected to free legislation from the gridlock in which it is presently trapped, and to make the President more accountable to other politicians and more easily replaceable if necessary. The shift to the federal system on the other hand is meant to release resource-rich regions from the restraints of centralized government, offer a solution to the Muslim insurgency in Mindanao, and allow the diverse regional communities of the nation enough leeway to define their respective paths to development.

BLUEPRINT Analysis: The choice of structure and form of government is secondary to the need for a strong, autonomous, and willful State that can carry out a development program for the whole country. There is a danger that the decentralization of political power may just provide powerful regional elites, unchecked by national institutions, the occasion to enlarge their power base. Given the urgency of our developmental problems today, it is unwise to weaken State authority at this juncture by dispersing its powers.

BLUEPRINT Recommendations: If we are serious about changing our form of government, we should first prepare the ground on which the new forms could grow. For example, an effective parliamentary system requires the participation of mature political parties that are not dominated by strong personalities and dynasties. By promoting and improving the existing party-list system, we may be able to develop the kind of political parties we want. A federal system, on the other hand, demands the prior existence of stable institutions and mature constituencies at the local level. We should do so even now by deepening the base of political participation. But most importantly, any attempt to design new forms of government must draw its wisdom from the democratic participation of the people. All these cannot be merely legislated into existence. Constitutional revision in a time of cynicism may be a fatal mistake.

B. DEBT

The Situation: The current approach to this problem is to honor all existing obligations, regardless of how and under what circumstances they were incurred, in the hope of negotiating the best repayment terms possible. These debts are paid both from annual budgetary allocations and from the proceeds of new debts incurred by the government.

BLUEPRINT Analysis: The process of securing new loans to pay off old debts reduces our ability to explore new avenues for growth. Moreover, allotting a growing portion of the national resources just to meet interest and principal payments is no longer sustainable. It sacrifices the basic needs and well being of the masses of our people just to satisfy our creditors. This is slow suicide, and it is immoral.

BLUEPRINT Recommendations: Government will initiate a comprehensive debt audit aimed at uncovering the hidden history of our indebtedness and assigning responsibility for this national burden. In line with this, government will investigate the settlement of fraudulent and behest loans, highlighting the complicity of international institutions and creditor banks in the contracting of odious debts as well as the role of local agents (e.g. law firms and government offices). It will form a multi-sectoral panel to re-negotiate official debts with other governments and multilateral institutions, with the end in view of securing a minimum 5-year relief from interest payments. This will give us sufficient space in which to grow and attend to the needs of the very poor. As in the case of private sector borrowings, issuance of sovereign guarantees for government owned and controlled corporations will be discontinued. The Debt and Risk Management Unit will be strengthened. The prime objective is to reduce the debt stock and secure advantageous terms for the government.

C. PUBLIC FINANCE AND FISCAL CRISIS

The Situation: The existing approach is limited to improving tax collection, notably by raising and expanding the scope of the Value Added Tax. The main object is to impress the international credit rating agencies about the country's ability to pay its obligations in order to improve the government's access to foreign credit. This in itself is not a bad idea provided the larger share of the burden is not borne by those who are already poor.

BLUEPRINT Analysis: Tax leakage and corruption are the most important constraints to government's ability to improve the fiscal picture. VAT is the easiest to implement but it is basically anti-poor. Allotments for social services have already been cut to the bone and cannot be pared down any further. The guiding principles must be based on good tax administration, progressivity, and equity. Revenue generation must also be guided by sustainable development objectives. Too many fiscal incentives have also resulted in massive foregone revenues. Large savings can be made if non-performing GOCCs are abolished or merged, and the government bureaucracy is streamlined. Successive administrations have retained non-performing GOCCs as milking cows and as instruments of political patronage.

BLUEPRINT Recommendations: Protect and increase expenditures allotted basic social services and social justice programs as these benefit the poor and serve as the foundation for long-term growth. Shift to a simplified, universal and equitable gross taxation system. Shift from specific to ad valorem taxes in the case of liquor and cigarettes and petroleum products, carefully guarding against clever transfer pricing schemes aimed at avoiding payment of higher taxes. Instead of the administration-sponsored VAT bill that was recently passed by Congress, address the leakage problem. This includes arresting the losses of the National Power Corporation (NPC) by junking the administration's populist policy and renegotiating NPC contracts with independent power producers (IPPs). End the financial hemorrhage of the Metropolitan Waterworks Sewerage System (MWSS), which includes immediate drawing of Maynilad's performance bond (amounting to US\$120 million). Support the BIR's administrative reforms that address leakage. Broaden the over-all tax base. Explore presumptive taxation. Practice the polluters pay principle by putting in place a targeted petroleum tax targeted at the car-owning middle

classes and the rich. This can be supplemented by a carbon tax so that dirty power is more heavily taxed. Impose an across-the-board import surcharge which addresses declining BOC revenues and maximizes revenues from tariff rates that are consistent with WTO commitments. Rationalize fiscal incentives and phase out special economic zones that have no backward or forward links to the domestic economy (while ensuring safety nets for workers to be displaced). Reduce and reform pork barrel funds including the biggest pork barrel — the President's non-transparent huge discretionary funds. Abolish or merge losing and heavily subsidized GOCCs. Sell all sequestered or surrendered assets from the Marcos era. Impose higher taxes on various forms of luxury consumption and real property. Rationalize fiscal incentives. Streamline the government bureaucracy. Compel revenue-generating agencies to promptly remit earnings to the National Treasury.

D. INDUSTRIALIZATION

The Situation: There is no real industrialization strategy or master plan to speak of today. The existing economic program is highly dependent on the investments and technologies brought in by foreign firms, whose business activities have negligible linkages to domestic industries.

BLUEPRINT Analysis: The main problem we have is the poor technological capability and backward product and process technologies of our domestic industries. As a result they are not competitive in the global market. The processes and technologies they use are also highly damaging to the environment. We need a National Industrialization Strategy and Master Plan.

BLUEPRINT Recommendations: Pursue an industrialization strategy that is synergistically linked to the modernization of agriculture and the service sectors. From export-processing enclaves that merely exploit cheap labor, the country will shift to regional and provincial industrial clusters. Foreign direct investments will be invited to seed or stimulate the growth of such industrial clusters. The main object will be to promote the development of homegrown but globally competitive industries. The continuous upgrading of human resources and

technologies to international benchmarks and the development of basic capital goods and engineering industries will make this possible. The strategy will also seek to upgrade mature or traditional domestic industries (e.g. housing, coco-chemical industry, etc) even as the country searches for niche opportunities (like electric vehicles and biotechnology, maritime, materials, software, pharmaceutical, and mass transport industries) to which it can leapfrog. The State will prohibit environmentally unsound and risky technologies. It will promote the inherent creativity of Filipinos by encouraging them to “think locally and act globally.” The key to all these is the mobilization of the State’s enormous regulatory and procurement powers to promote entrepreneurship and upgrade the technological capabilities of domestic firms.

E. AGRICULTURE

The Situation: Despite the government’s claim of relatively high agricultural growth rates, there is no discernible increase in rural jobs and incomes. The rates of unemployment and underemployment have become worse. Our farmers suffer from high costs of fertilizer (twice the world prices), seeds (much higher than Thailand, Vietnam, India, and China), and high post-harvest losses (much higher than our neighbors). The Philippines has become a net importer of agricultural goods, in stark contrast to the performance of net exporters like China, Indonesia, Malaysia, Thailand and Vietnam. Philippine agriculture trails far behind its ASEAN counterparts in terms of comparative yield, production costs, and prices of agricultural commodities. Indiscriminate liberalization has threatened the survival of our farmers in the rice, corn, poultry, and vegetables sectors.

BLUEPRINT Analysis: The absence of adequate budgetary support for agricultural modernization has retarded Philippine agriculture. Lack of coordination, waste, and inefficiency hamper the effectiveness of our agricultural research and extension agencies. The lack of dynamism and competitiveness of the country’s agriculture is also due to the continuing dominance of monopolies that control capital formation in the countryside. The continuing absence of any planning framework to integrate and strengthen the various strands of the nation’s

agriculture is bound to sink agriculture even further, and consequently drive more people to the cities.

BLUEPRINT Recommendations: Increase rural folk's access to productive resources. Complete the implementation of the agrarian reform program, and strengthen land and asset reform by bringing back reformed lands into the circuit of commerce. Pump-prime agricultural modernization by increased investments in irrigation, post-harvest facilities, and other support infrastructure. Insure optimal access to rural credit by making available a P300 to P400 billion fund to at least 5 million of the poorest rural families. These funds will be sourced from the full and focused compliance with the existing Agri-Agra Law (PD717), as well as from official long-term soft loans. Integrate agro-based industries into a network of corporate and cooperative business clusters that will create a synergy of initiatives from farmer and fisherfolk communities, micro, small and medium enterprises. Reorganize and strengthen all the agencies and institutions central to agricultural and rural development with a view to making them effective instruments of rural transformation and agricultural modernization. Improve the complementation between the Department of Agriculture and the local government units. Strengthen Philippine representation in the World Trade Organization through regular consultations and joint initiatives with similarly situated and disadvantaged nations. Expand bilateral trade and technology exchange with other countries.

F. SCIENCE AND TECHNOLOGY

The Situation: While we have an agency called Department of Science and Technology, this body is in no position to implement a comprehensive program to upgrade the scientific and technological capacity of the country. Its functions are residual and auxiliary to the requirements of a development program dependent on imported technology. The resources at its disposal are marginal and way below UN benchmarks for less developed countries. The promotion of science and technology occupies a very low position in the government's scale of priorities.

BLUEPRINT Analysis: The declining productivity of the country's industries is directly attributable to the lack of any national program to upgrade technological capabilities on a sustained basis. This situation predisposes local firms to import all their technological requirements. There is no way the country can industrialize and catch up with its neighbors without a national science and technology development strategy and catch-up plan for technology.

BLUEPRINT Recommendations: Formulate and implement a National R&D Portfolio and Technology Roadmap aimed at generating or acquiring technologies that conform to the nation's Industrial Master Plan. Integrate the country's S&T system and production system within an innovation-driven economic development program. Pursue a leapfrogging catch-up strategy of S&T development aimed at raising the country's capabilities to globally competitive levels in selected fields. Develop the country's S&T resources to minimum UN benchmarks.

G. TRADE

The Situation: External trade has been the principal driver of the economy since the advent of trade liberalization. The era of import-substitution, which promoted the growth of local manufacturing, was terminated in favor of an export-oriented policy. This policy attained its full realization with the country's admission into the World Trade Organization, at a time when local industries and agriculture had been severely emasculated and rendered unfit to meet the challenge of global competition. Once the Asian continent's second most promising economic power (after Japan), the Philippines has since lagged behind most of its Asian neighbors.

BLUEPRINT Analysis: Having failed to modernize agriculture in the years prior to WTO, the Philippines has become a net importer of agricultural products, perennially unable to produce enough for its own people. The program of export-oriented industrialization, on the other hand, created not sustainable industries but import-dependent re-export businesses that thrived on cheap labor and lavish tax incentives. The Philippines is today largely a consumer society that imports its most of its requirements and pays for its consumption with the

earnings of its OFWs. It may register some growth from time to time because of the expansion of the service sector, but this is almost always a jobless form of growth.

BLUEPRINT Recommendations: Trade policy will be adjusted to the requirements of the country's long-term economic growth, rather than made to serve as its principal driver. Commitments to further trade liberalization, whether multilateral, regional or bilateral, will be frozen pending a full review of the impact of indiscriminate trade liberalization on the country's economy. Without violating WTO commitments, selectively raise tariffs for industrial and agricultural imports. Adopt urgent measures against dumping and import surges that kill local industries. Strengthen the country's participation in South-South initiatives, especially within the WTO. Strengthen ASEAN's function as a mechanism of regional industrial cooperation and growth. Apply draconian measures to stop all forms of smuggling. Reduce the cost of doing business in the country by curbing corruption and facilitating new investments. Tap the full potential of the domestic market as a base for a self-sustaining dynamic economy.

H. LABOR AND EMPLOYMENT

The Situation: Given the present state of the economy and the growing number of young Filipinos entering the labor force every year, the rate of unemployment has steadily gone up. The most favored response of government to this situation has been to accelerate the export of Filipino labor. Accordingly, the main function of the government has been to locate all types of job opportunities for them outside of the country, totally oblivious of the perils of cross-cultural employment, the extreme dangers to which our OFWs are exposed, and the social effects on the families they leave behind. Meanwhile, the process of de-industrialization has taken its toll on the domestic labor front in the form of low wages, job casualization, and the denigration of the role of trade unions in both the public and private sectors.

BLUEPRINT Analysis: The overseas employment program which has enticed whole generations of Filipinos to look for work abroad has produced both positive and negative consequences for our people. There is no way to stop it at this point, but a lot can be done to manage it so that its most

pernicious effects are avoided. With respect to the domestic labor force, the main problem is dealing with a situation where the bargaining power of labor is weak under present conditions.

BLUEPRINT Recommendations: The government shall insist on minimum guarantees for its nationals by forging bilateral agreements with governments of host countries. Where such agreements do not exist, the government will discourage its nationals from seeking or accepting employment in these countries. Our embassies and consulates abroad will be mobilized and reorganized so that the protection of the rights of our OFWs becomes their principal mandate. The government will train returning OFWs to become entrepreneurs, and to help them invest their earnings wisely. On the domestic front, the government shall encourage the formation of workers cooperatives. It will promote industrial harmony by encouraging companies to come up with wage extenders to help workers cope with the rising cost of living. It will promote the settlement of industrial disputes through arbitration and conciliation. It will initiate regular dialogues between labor and business with a view to encouraging long-term investments and stable employment.

I. ENERGY

The Situation: The existing government strategy in the energy sector revolves around the privatization of the National Power Corporation, which in essence entails the dismantling of all the mechanisms of State control over energy. The instrument to achieve this is the EPIRA Law, which is premised on the expectation that private investors can be prodded to add new capacity into the existing energy supply of the country. This, as we know, has not happened. Meanwhile, the Napocor is no longer authorized to contract new capacity. The prospect of a severe energy shortage in the very near future haunts the country.

BLUEPRINT Analysis: The supply of energy is too important to the country's economic growth to be left entirely to the vagaries of the market. New capacities need to be started even now if we are to avoid the kind of power outages that bedeviled the country when the economy started to pick up in the early '90s. Right now, the country is too dependent on imported fuel

products. This may be unavoidable in the transport sector, but we should be able to reduce our dependence on fuel oil for our industrial needs.

BLUEPRINT Recommendations: The government will formulate and implement a strategic energy development plan that, as it measurably reduces its dependence on coal, will (1) pursue efficient operation and maintenance of existing thermal power plants and effective energy conservation in the short term; (2) seek technological self-reliance in the design and construction of power-generating plants and other power-related equipment in the medium term; and (3) strive to attain national energy security and self-sufficiency in the long term through the full development and exploitation of the country's renewable energy resources including geo-thermal energy, solar energy, bio-energy, and wind energy resources as well as non-renewable energy resources such as petroleum, natural gas, and coal, even as it ensures the protection of the environment in the choice and use of energy.

J. ENVIRONMENT AND MANAGEMENT OF NATURAL RESOURCES

The Situation: The current philosophy is to exploit the country's natural resources to the maximum possible in order to create jobs and bring in needed foreign investments. This shortsighted view pays no heed to long-term environmental destruction and rapid depletion of the country's natural wealth. This is evident in the actual priorities of the Department of Environment and Natural Resources.

BLUEPRINT Analysis: The destruction of the country's remaining watersheds continues unabated due largely to the failure to delineate forest lands. Large tracts of productive agricultural land are being converted to non-agricultural use. The same degradation is happening to coastal and marine resources. Today, as a result of the Supreme Court decision lifting the ban on mining, the country's mineral wealth is drawing waves of foreign investors to our shores. New mining areas are being opened up even before the old mine sites and their surrounding communities have been rehabilitated. The country looks towards the resumption of mineral exports, the

demand for which now seems limitless given China's development surge.

BLUEPRINT Recommendations: The government shall encourage the judicious use of our natural resources, support community-based conservation efforts, and ensure the equitable and rational sharing of the fruits of their use and development. It will enforce a strict logging ban on all remaining natural forests, and rehabilitate severely degraded critical watersheds. It shall institute a new land management policy to supplant the Public Land Act of 1936 and the Property Registration Decree of 1978. It shall uphold the ancestral rights of indigenous communities at all times. It shall determine the country's mineral resource base. It shall require mining companies to link up with mineral processing industries in the country. It shall rationalize small-scale mining and identify areas exclusively reserved for small-scale miners. The government will jointly manage and monitor projects undertaken by foreign firms to safeguard the government's share and protecting the environment. It shall immediately stop the dumping of toxic wastes into Philippine waters. And finally, the government shall adopt and implement a comprehensive waste management system for each town and city. It will likewise initiate a national program to clean up the country's lakes, rivers, bays, and coastal areas, and rid them of fishpens.

K. CULTURAL COMMUNITIES AND AUTONOMOUS REGIONS

The Situation: There is no national program to protect the nation's cultural communities. The constitutional provisions safeguarding the rights of our indigenous peoples and, in the case of the Cordillera and Bangsamoro peoples, establishing autonomous regions, have remained empty promises. Our tribal communities are among the most shabbily treated minorities in the world. There is no respect for their traditions, and no value assigned to their cultures.

BLUEPRINT Analysis: Like the poor in almost every region of the country, the indigenous minorities are looked upon as dispensable members of the national polity. They are seen as objects of charity, people who should merely be taught to catch up with the rapid pace of modernization. This is a misguided

policy, one that is driven by the greed of politicians and economic elites.

BLUEPRINT Recommendations: Concrete steps will be taken to actualize the indigenous peoples' constitutional rights to preserve and develop their own way of life. The ancestral areas from which they draw their livelihood and in which their cultures are rooted will be respected. The remaining obstacles to the full recognition of the right to ancestral domain will be removed. The concept of autonomous regions shall be given flesh in full consultation and coordination with the indigenous peoples of Mindanao and the Cordilleras. All practices reminiscent of internal colonialism will cease.

L. POPULATION

The Situation: There is no recognition by the government of the seriousness of the population problem. All population programs have been delegated to the local governments, at which level they either languish in neglect due to lack of resources or due to outright hostility to such programs by incumbent local officials. Population policy suffers from benign neglect from the national government.

BLUEPRINT Analysis: Government officials have tended to bow to pressure from the Catholic hierarchy because the latter has threatened to campaign against all officials endorsing artificial means of birth control. The fact is that many poor families are not deterred by Church preaching on the matter. They are anxious to plan their families and control pregnancies but, given their poverty, the means to do so are not available to them.

BLUEPRINT Recommendations: The government will promulgate a population policy that addresses the main issues of unmet needs in relation to desired family size and population momentum. The government will also actively take the lead in financing and implementing a population program based on the safest and most effective means available. It is understood that abortion is out of the question here. It will also invite the Catholic Church to a dialogue aimed at coming to an understanding of the urgency of the population problem. They

can promote the natural family planning method as it does not go against the teachings of the Church.

M. HEALTH

The Situation: Public health has remained very low in the scheme of priorities of the government. This is especially so in the light of the fiscal crisis. There is no meaningful preventive or primary health care program to speak of at the local level. Existing health services are hospital-based, and access to them has been made dependent on the acquisition of PhilHealth cards, which have become instruments of political patronage rather than a matter of right. Severe malnutrition has aggravated the health problems of our people.

BLUEPRINT Analysis: The distribution of hospitals is highly uneven. With the devolution of health services, the quality of many provincial hospitals has deteriorated. The government has tended to favor corporate interests over public welfare. It has been unable to regulate the quality and cost of health services and products. Of the minimum basic needs, health care is the most basic to rebuilding the country's productive capacity.

BLUEPRINT Recommendations: Reverse the decentralization of the primary health care delivery system, and install a real social health insurance system that improves people's access to health services under affordable payment schemes. The government will prioritize three programs: (1) control of longstanding communicable disease problems (TB, malaria, leprosy, and HIV) as well as emerging new diseases; (2) immunization of all children against the major childhood killer diseases; and (3) reproductive health and family planning. Free up resources that can be used to rehabilitate government hospitals as well as to fund priority health programs. Form local health boards that can tap the participation of local communities in the provision of health services. Most urgently, the government will respond to the scandal of large-scale malnutrition by launching an extensive and sustainable feeding program of starving families throughout the country. Reduce the cost of medicines through price controls in the short term and through the expansion of domestic self-reliance in pharmaceutical production, in the long term.

N. EDUCATION

The Situation: The Philippine education system has been the subject of intermittent reviews. While other countries have worried over the relevance of their educational curriculum to the demands of modernity and globalization, our concerns have remained basic: the chronic lack of classrooms and textbooks and teachers. Not enough attention has been paid yet to the quality of instruction and the relevance of the curriculum, although no doubt these are equally pressing problems. Curricula do not foster love of country nor nurture a strong sense of national identity. Compounding the basic problems brought about by the paucity of resources allotted to education is the extreme poverty of our people at the bottom rungs of the population. Poverty results in high dropout rates at all levels and poor performance at school. Pressing economic need also forces many highly qualified teachers to seek alternative employment abroad.

BLUEPRINT Analysis: The country is simply not spending enough to educate its people even at the basic primary and secondary levels. The lack of funds is understandable in the light of the massive allocations for debt servicing every year. The overcrowding and deterioration in quality of public schools has forced many middle class families to look for better facilities for their children in the private sector. But mediocrity and shallowness have characterized both public and private schools. Employers who are aware of this have consequently tended to demand college degrees for jobs that objectively can be carried out by anyone with basic functional literacy.

BLUEPRINT Recommendations: Double or triple the current budget for education. Develop a new curriculum that is strong in history and culture to foster patriotic and social values and nurture a strong sense of national identity. Tap the private sector and the local communities for a comprehensive program to upgrade basic public education throughout the country. Make the salaries of teachers and professors competitive enough to draw the best and brightest minds to the teaching profession. Raise professional standards for all teachers. Retain Filipino as the principal medium of instruction at the grade school and high school levels. Teach English and Chinese as second languages at all levels. Reduce the number of state colleges and universities and establish instead a National Open Virtual University that will offer high quality and affordable

college education to as many people as possible, especially working adults. Develop non-formal education as a primary component of the educational system. Establish community-based day care centers. Offer adult education programs in every community center.

O. MEDIA

The Situation: The Philippine mass media has become little more than the handmaiden of advertising companies, the principal instrument of a consumerist culture. Its principal goal has been to gather audiences, sort them out, and deliver them over to the lords of the world of consumption. The mass media has played, in contrast, a minimal role in the formation of a mature polity, in strengthening a sense of national identity, or in the development and promotion of a national culture. In short, it has abdicated its essential public functions. Instead, what drives it is basically the quest for private profit and political influence.

BLUEPRINT Analysis: The mass media is an important extension of the educational system. It is not only a source of information; it also forms tastes and promotes certain types of values. Its autonomy from the state must be preserved, but at the same time, it must be made to assume its obligations to society.

BLUEPRINT Recommendations: Establish a Board of Governors for Media consisting of media professionals of unquestioned integrity that will function as media's own watchdog and regulatory body. The Board will not only monitor media abuse, but also will more importantly recommend measures that align media programming and content with social objectives.

P. SPORTS

The Situation: The state of sports in the Philippines is appalling. Physical education is not getting sufficient attention — especially as an important means in inculcating values in the development of our youth.

BLUEPRINT Analysis: There is no strategic education and national sports program. Moreover, the ambiguous relationship between national sports associations (NSAs) and the government causes further confusion and turfing problems.

BLUEPRINT Recommendations: Develop and implement a national sports development program. Rationalize the relationship between government and the NSAs. Give preferential support to the development of sports where Filipinos have the potential to excel internationally such as boxing, martial arts, bowling, billiards, badminton, etc.

9. HOUSING

The Situation: The government's neglect of this basic need is evident in the growing number of illegal settlers in every major urban center of the country. In Metro Manila alone, no less than one-third of all residents are squatters. The provision of housing has tended to serve the middle and upper income groups far more than those with only marginal incomes. Government initiatives undertaken to build homes for low-income groups cannot cope with the huge and growing number of poor families to be served. Every improvement of facilities in the cities has only served as a magnet for new migrants from the countryside. The problem goes back to the lack of job opportunities and facilities for individual advancement in the countryside.

BLUEPRINT Analysis: It is obvious that the housing problem in its present form cannot be addressed simply by allowing the play of demand and supply in a free market system. For one, studies show that regular housing produced by the private sector (with government financing or guarantees) is not affordable to many people. Second, data show that those in the middle to high-income bracket have captured a significant percentage of housing subsidies. Also, one factor that has pushed up the price of housing is overpriced land as a result of problems in the distribution and rationalization of land. Proper delineation and zoning of land should be made. In any event, cities like Metro Manila have to be decongested. Any initiative in this area, as in education, requires massive resources that the government may not be able to raise in the short term.

BLUEPRINT Recommendations: Recognizing that access to housing is a right, the government should increase its budgetary allocation for housing. However, given scarce public funds, targeted subsidies to the poor should be prioritized and the leakage of subsidies to middle and high-income groups should be plugged. Formulate a clear land use policy at the national level. Improve security of tenure of land and land registration. Impose a higher tax on idle land. Embark on a Balik-Probinsiya Program to discourage in-city migration through a relocation assistance program complemented with an employment generation program in the rural areas. Housing and employment must be tackled as an integrated problem. Professional squatting syndicates that prey on small lot owners and helpless squatters will be pursued and prosecuted. Industries that relocate to non-agricultural areas outside the cities will be given special incentives. The provision of low-cost housing will be given more priority. To reduce the cost of housing for the poor, the government will adopt a modular house construction approach in which housing designs will be standardized and modularized housing components will be easily assembled.

R. JUDICIAL SYSTEM

The Situation: The practice in almost every administration has been to pack the judiciary, just like any other branch of government, with individuals whose most important qualification is their political connection. The continuing education of judges and government prosecutors, while important, is not enough to cure the ills brought about by the appointment of mediocre and incompetent judges. The existence of corruption in the judiciary is also a prevalent concern.

BLUEPRINT Analysis: Case congestion, delay, and the lack of appreciation of the potential contribution of a more informed interpretation of the law and the Constitution in the Philippine setting, continue to be the main problems of the justice system. Within such a system, corruption is easy; where the poor and powerless are involved, justice is seldom delivered.

BLUEPRINT Recommendations: Appointments to the Supreme Court should be the result of a professional evaluation of the candidate's credentials in legal interpretation and court

management. Their integrity should be beyond reproach. The Supreme Court should be more judicious in its choice of cases. It should focus more on cases with policy implications. The appointment to the judiciary shall be transparent and open to public scrutiny. Judges who make wrong decisions because of incompetence or corruption shall be liable to civil damages as well as administrative and criminal sanctions. The bar exams will be made less important than they are today by opening new venues for training, like apprenticeships. The use of Filipino in court procedures will be actively promoted to make the law more accessible to the poor. There will be a program to translate and disseminate statutes in Filipino. The Commission on Human Rights shall be given prosecutorial powers.

S. INTERNATIONAL RELATIONS

The Situation: Our country's external relations have not served our long-term national development goals. Effective external policies can play a vital role in promoting the country's economic, political, security, and socio-cultural interests. They can open up markets for Philippine products and services and help create an environment of peace and security conducive to human development.

BLUEPRINT Analysis: The present political leadership has not manifested a reliable understanding of the complex global changes that affect the national community. It has failed to identify the country's fundamental interests and to strategize those interests in the complex global setting. Lacking in long-term vision and direction, the Philippines has been at the receiving end of strategies alien to the interests of the national community. Issues requiring urgent review are the following: (1) the definition of Philippine territory which poses security and environmental problems for the country; (2) economic migration and the broader phenomenon of globalization which have a powerful impact on the economy; and (3) Philippine participation in the US-led global war on terrorism policy, which poses important problems for national security and RP-US relations.

BLUEPRINT Recommendations: The Philippine government will prioritize effective governance over its territory and people by developing the capability to defend and maintain control over

its territory. The Department of National Defense (DND) shall define its policies, plans, and programs in a conscious bid to free itself from the singular influence of any foreign country. The push toward regionalism, especially within ASEAN, and the ASEAN Plus 3 countries — China, Japan, and South Korea — will be pursued. Regionalism will strengthen Philippine leverage in economic and security negotiations. The Philippines shall develop closer ties with South countries and engage in more South-South cooperative ventures and initiatives. It will also deepen its participation in global initiatives on the environment, women, population, HIV-AIDS, and social development.

T. MILITARY

The Situation: Since 1972, when Marcos declared martial law, the military has become increasingly politicized. This has led to demoralization, disunity, and corruption in the AFP. In the face of the incompetence and corruption of the civilian political leadership, more and more young officers and enlisted men are inclined to actively intervene in the nation's governance.

BLUEPRINT Analysis: The only antidote to military intervention today is the stabilization and modernization of the institutions of governance. Young officers see themselves as agents of political modernization. Widespread corruption in government, mass poverty, and the mockery of the electoral process will make military intervention probable. But the military cannot be an effective instrument for social reform unless it is first reformed.

BLUEPRINT Recommendations: Purge the AFP of scalawags, and raise the salaries of soldiers to realistic levels. The AFP should be downsized into a lean and mean force, equipped with modern weaponry. Promoting the local manufacture of arms, ammunition, and communication and transport facilities will end dependence on the US in the quest for modernization. A strong Navy and Air Force shall be established. Instead of a Reservist Force, defense militias similar to the Swiss militias shall be organized in every community to complement the AFP.

U. POLICE

The Situation: Corruption plagues the country's police forces. Whether part of a national force or devolved to local governments, the police forces are generally a picture of neglect. Badly equipped and poorly trained, they end up being dependent on the largesse of *jueteng* lords and local warlords.

BLUEPRINT Analysis: There is no way to maintain peace and order without a police force that the public can trust. Corruption and lack of professionalism are the main problems of our police.

BLUEPRINT Recommendations: Purge the police force of crooks and scalawags and human rights violators. Raise the salaries of policemen to reasonable levels. Create three types of police forces: (1) Special Action Forces, who will be armed and trained in the National Police Academy; (2) Regular Police, who will be unarmed but trained; and (3) Community Guards, who will be unpaid volunteers, unarmed and responsible for information gathering and maintaining peace and order in their communities. This is the people-in-arms that Thomas Jefferson and Tom Paine considered essential to a democracy. Living in their own homes and earning their livelihood as civilians, they would operate outside the military chain of command, but may be placed under local governments. But when called to active duty they would be integrated under regular units.

V. BUREAUCRATIC REFORMS

The Situation: Successive administrations have transformed the whole bureaucracy into a dumping ground for political appointees without qualifications. This has made it very difficult to form a career civil service that, with its professionalism, can survive political transitions. The present administration has so far been the worst violator of the norm of professionalism in the civil service. The Arroyo administration has compromised the political neutrality of the bureaucracy by the extensive use of government agencies and offices to engineer her election, and after the election, by using appointments to the bureaucracy to pay back political debts.

BLUEPRINT Analysis: A strong professional civil service is the pillar of any democracy. So long as there is a politically neutral public bureaucracy, the nation will be able to withstand the most severe political storms. Such a civil service is what guarantees continuity of government programs despite changes in administration. The present bureaucracy is not only plagued by corruption and saddled by incompetent political appointees; it is also burdened by its size. Many government offices and agencies have overlapping functions.

BLUEPRINT Recommendations: Streamline the bureaucracy by abolishing redundant offices and merging agencies and organizations with overlapping functions. Trim down the number of government personnel by offering attractive optional retirement packages. Merging those with complementary functions will reduce the number of government departments. Promotions will be based not just on credentials but more importantly on demonstrated competency. Review the Salary Standardization Law with a view to upgrading the salary levels of crucial categories of government personnel. Presidential appointments to the bureaucracy will be confined to the secretary level and no more than one-half of the undersecretaries in every department. All other offices below the undersecretary shall be career positions. Train the next generation of civil servants by active recruitment among the best and brightest young Filipinos.

W. INFRASTRUCTURE (*Construction, Transportation, Communication*)

The Situation: The country's underdevelopment is immediately visible to any outsider by the sad state of its urban mass transport system, its domestic air transportation, and inter-island maritime system. It is also seen in the lack of adequate sewerage, waste management, flood control, and traffic management systems. The advent of cellular phones has somehow eased communication throughout the country, but without this, conventional telecommunication remains grossly inadequate to a developing country's needs. Without a solid program to modernize the country's infrastructure, no meaningful development can possibly take place.

BLUEPRINT Analysis: Poor infrastructure (construction, transportation, communication) is a major concern. Issues related to these are: poor and inadequate mass transport system in urban areas, road and railway systems, domestic air transport system and inter-island maritime system. There is also a problem with sewerage systems, waste management, flood control, and traffic management as well as poor design and workmanship of buildings, roads, bridges, airports, piers, etc. Private contractors and public officials are rarely held criminally liable for failed, defective, and overpriced projects. There is no long-term and comprehensive planning and coordination in road construction, traffic management, vehicle registration, and public transportation franchising and regulation. Existing telecommunications systems do not meet international standards. All these are result of management weaknesses: lack of strategic planning, compounded by corruption in our bureaucracy.

BLUEPRINT Recommendations: Create a modern, comprehensive, integrated and efficient mass transport system in urban areas, and install more effective traffic management systems. Develop a modern and extensive railway and highway system in Luzon, Mindanao and other major islands. Expand the “roll in, roll out” domestic shipping system and modernize the country’s inter-island maritime system. Formulate a master plan to interconnect the country’s major islands by “maritime highways,” bridges and tunnels. Install modern sewerage systems in urban areas (e.g. prohibit the use of open-trench drainage systems along roads and buildings, adopt effective flood control systems). Upgrade to international standards through international benchmarking and R & D the design and construction of roads and buildings, the domestic air transport system, and the telecommunications system. Create a modern comprehensive, integrated, and efficient mass transport system in urban areas, install more effective traffic management systems, reduce the number of buses and jeepneys in cities, and phase out the highly polluting two-stroke tricycles. Promote tropical and green architecture in the design of buildings and houses. Consolidate the DPWH, MMDA, LTO, LFRB and other similar agencies into a Department of Public Works and Land Transportation. Ensure accountability and transparency of government officials (e.g. replace government bidding system based on the “lowest bid “ with the “longest warranty period”). Should a project fail or become defective within the warranty period, make criminally liable involved government officials, contractors, and other relevant private parties.

FINAL NOTE

The Blueprint for a Viable Philippines is a work-in-progress. It is just a first draft, neither comprehensive nor complete. It merely puts forth in broad strokes the primary steps that can be taken that will enable our country to survive, to give back hope to a citizenry whose lives have slowly been sapped of vitality and energy.

For years we have followed Western prescriptions favored by the elite. For years our masses only got mired deeper in poverty while the wealth of the elite continued to grow. It is time for a new approach.

All proposed programs are focused on one central objective: taking back the control 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 for the greater number of Filipinos.