

# **CLASH OF DEVELOPMENT PERSPECTIVES: Marginalization in the Philippines**

Bobby M. Tuazon

**ABSTRACT:** Sixty years after various development models were introduced in the Philippines, the marginalization of majority of Filipinos remains even as many formerly developing countries have overtaken our country which used to enjoy one of the highest growth rates in Asia. The dire socio-economic situation in the Philippines provides a fertile ground for alternatives to development as expressed in social movements and conflicts in the country while the once hegemonic development models are being debunked elsewhere in the world.

## **Introduction**

The Philippines is considered as the “NGO capital” of Asia per capita<sup>1</sup> if not of the world. The number of registered NGOs<sup>2</sup> in the Philippines in 2009 is 60,000<sup>3</sup>. During the administration of President Corazon C. Aquino (1986-1992), the use of the term “NGO” was expanded, one way or the other, with many groups considered as clubs or traditional civic organizations began to classifying themselves likewise as “NGO”. Similarly, some public officials also formed their own NGOs named thereafter as government NGOs or GO-NGOs (sometimes called GRINGOS). That was the time when many foreign funding agencies – Overseas Development Assistance (ODAs) or official state funders, private or church foundations, and multilateral finance agencies like the International Monetary Fund (IMF), World Bank (WB), and Asian Development Bank (ADB) – began to channel big amounts of grants to NGOs in the Philippines.

This is the reason why the Aquino I (to refer to the Corazon C. Aquino presidency) period also saw the proliferation of NGOs many of these believed to be traditional groups and GO-NGOs that were lured by the shift in significant development funds from governments to non-state and non-profit organizations. It was part, after all, of the funding agencies’ precautionary measure to protect their funds from misuse and corruption as was experienced during the Marcos years (1966-1986). Just the same, even if the respectable name of “NGO” may have been used by some groups for different reasons the number of real cause-oriented NGOs in the Philippines that espouse people-centered development, social reform, democratization, or community rights is likewise increasing.

The active role played by an increasing number of NGOs in the Philippines manifests a felt need toward addressing social, economic, as well as political reforms in the country. More manifest, however, is the dismal performance – if not utter failure – of government in bringing about a national environment that translates widespread apathy to hope, hunger to a decent life, or social conflict to a just and lasting peace. Such poor record by government is thus forcing a sizeable number of NGOs to transcend from what used to be providing relief service or simple livelihood alternatives to new programs involving the investigation of failed policies and crafting alternative strategies and paradigms that challenge state-sponsored development. Inevitably, such trend brings a number of NGOs and civil society organizations (CSOs) to a paradigm collision with the development policies and strategies of government not only on the policy level but also on

perspectives. Admittedly, though, some NGOs have dropped their independent and critical stance or resistance as they become involved in state and even foreign-funded projects eventually embracing the “development paradigms” that they once criticized as being not in conformity with Philippine conditions and the socio-economic interests of the people.

## **Objectives**

This paper aims to dissect the contemporary clash of development perspectives as reflected in both state and non-state actors particularly NGOs and ideologically-driven political forces.

Necessarily, this objective will bring this brief study to look at the underlying conditions – social, economic, and political – insofar as these conditions also continue to fuel social tensions and even armed conflicts.

This paper forms part of a bigger study on marginalization in the Philippines which the author is undertaking.

## **Framework**

The critical approach and social theory that are designed to frame this brief study will also re-examine the current and emerging “development perspectives” as well as “post-development theories” with the ultimate objective of determining alternative development paradigms that may prove to be appropriate to Philippine conditions.

## **Methodology**

In the main, this paper uses the tool of policy, library, and internet research to arrive at a broad survey of development perspectives, models, paradigms, programs, and policy actions pursued in the Philippines in the last 60 years.

In addition, the various data culled from numerous institutional studies as well as exposure to various notes and papers drawn from conferences and discussion forums attended by the author on related issues of development and governance have provided significant support in the study. Data gathered from this wide array of sources are studied and analyzed using the critical approach in the context of the perceived performance of the different development paradigms or models and their impact in addressing marginalization in the country. The result of the study is presented below.

## **Brief Overview of Philippine Context**

Among many so-called “Third World” developing or under-developed countries, the Philippines has been consistently one of the leading case studies related to development perspectives not only among the local academe and policy research institutions but also foreign universities, think tanks, international NGOs, and multilateral aid agencies. Many of them are baffled by the fact that, despite the introduction of various development paradigms and economic strategies (with billions of dollars of overseas funds to boot) over at least the past 60 years, the Philippines remains classified as among countries showing poor development indications in Asia and throughout the world.<sup>4</sup> While

the Philippines used to be second to Japan in GDP terms six decades ago – with GDP per capita the fastest growing in Southeast Asia<sup>5</sup> - it is now in the so-called basket case economies, i.e. characterized by endemic poverty and chronic unemployment, with many neighboring countries already overtaking the former.

A brief overview of the Philippines' history and contemporary situation will shed light on this phenomenon.

The Philippines underwent 400 years of colonization - by Spain (for nearly 350 years), by the United States (50 years) and, for a brief period during World War II, by Japan. The post-WW2 period saw the country being tied to what progressive historians and scholars call a neo-colonial relationship with the U.S. which imposed onerous treaties and agreements related to trade, the use of natural resources, and military facilities (1947-1992) - now being restored reportedly under the Visiting Forces Agreement (VFA) and other supporting agreements. Meantime, social unrest and rebellions continued to rack the newly-independent country (1946) starting with the resurgent Huk movement that demanded land distribution followed by the nationalist movement of the 1960s and armed struggles waged by the Leftist New People's Army (NPA) and, in Muslim Mindanao, the Moro National Liberation Front (MNLF) and later, the Moro Islamic Liberation Front (MILF). The turbulent years of the late 1960s-early 1970s provided the pretext for President Ferdinand E. Marcos to declare martial law in 1972 with a dictatorship that, in February 1986, would be ousted in a people power uprising. A second civilian uprising in 2001 also ended the regime of Joseph E. Estrada over allegations of plunder, corruption, and links to illegal syndicates. Another president, Gloria M. Arroyo (2001-2010) would have suffered a similar fate had she not enjoyed majority control of Congress thus pre-empting at least four impeachment complaints on charges of electoral fraud, corruption, and human rights violations.

In short, for the past 60 years, the newly-independent and, at other times, emerging democracy that is the Philippines has undergone periods of social unrest and continuing rebellions, economic crisis and political instabilities that saw its political system swinging from constitutional democracy cum presidential system to authoritarian rule and back to a period of democratic restoration with sporadic stages of coup d'état attempts, calls for constitutional change, and several campaigns for parliamentarianism or federalism. Through these years, as the Philippine government under various presidencies maintained special relationship with its former colonizer, the U.S., and close ties with Japan and western Europe it became inevitable that whatever post-independence development goals it promoted were configured or inspired by American and western models. These western models encompassed not only economic programs involving investment, trade, and agriculture but also key political institutions as well as education.

### **Marginalization and development perspectives**

From a regional or global perspective, “marginal” can be used to describe the Philippines when compared with other countries that have either industrialized, or overcome obstacles to growth and attained an economy that indicates a reduction of poverty and improved life among their peoples. Marginal or marginalization can also refer to either individuals or social groups and communities such as those in the Philippines. As a sociological term, “marginalization” is the social process of becoming or being relegated to the fringe of society, e.g., “the marginalization of the underclass,”

etc. At the individual level, marginalization results in a person's exclusion from meaningful participation in society, e.g., single mothers, persons with disabilities, lesbians/gays (Lessa, 2006; Leslie, 2003) as well as indigenous people and women (Yee, 2005 and Brown & Strega, 2005).

The most common result of marginalization is material deprivation arising from the unfair or unequal distribution of income and material resources such as food and shelter or exclusion from services, programs, and policies (Young, 2000). The advent of globalization has also been blamed for the increasing patterns of marginalization by aggravating poverty and pushing large populations to become migrant workers while governments and big corporations fail to address these issues (George, P SK8101, 2007). Individuals as well as whole communities or sectors (such as labor and farmers) who are victimized by various forms of oppression and deprivation that contribute to graver social problems resulting in marginalization are linked to larger structures in society (Mullaly, 2007). Mark Burton and Carolyn Kagan<sup>6</sup> sum up marginalization as “a slippery and multi-layered concept. Whole societies can be marginalized at the global level while classes and communities can be marginalized from the dominant social order.” Although at times marginalization characterized by social deprivation and denial of rights may leave people to become passive or fatalistic it also leads to resilience and resistance. Burton and Kagan (2003) again: “In resilience there is the potential for an enhanced, reclaimed and re-invented identity. The very fact of being oppressed, of having fundamental rights denied or diminished, elicits attempts to remediate the situation.”

The Philippines is a highly-structured, class-based society arising from the uneven distribution of wealth and economic resources and the limited access to education, health, shelter, and other social services by a vast majority of the population. Poverty grips both urban areas where huge clusters of informal settlers or urban poor are found, and rural areas where landholdings are concentrated in a few families. Marginalization thus defines the vast majority of the people in terms of low income, lack of employment, and lack of access to basic amenities and social services. The vast majority of people suffer from economic and social deprivation and are likewise politically marginalized by their lack of or limited representation in government most particularly in Congress and the LGUs. To clarify, since the first Philippine Assembly of 1907, Congress has been dominated by oligarchic families by as high as 85% (Senate, 15<sup>th</sup> session). Even the Party-list system, provided in the 1987 Constitution as a “social justice tool” enabling the marginalized sectors representation in the legislature, has been co-opted by traditional politicians and family dynasties.<sup>7</sup> Presently, there are bills filed in Congress seeking to re-define “marginalization” the effect of which will legitimize the participation of the rich and political dynasties in the Party-list system thereby consummating the process of subversion and co-optation by the rich. Clearly, social inequality determines the power relationships in the Philippines with family dynasties at the helm of both the economic and political spectrums. Disturbingly, various “development strategies” adopted in the Philippines have failed to level the playing field in both socio-economic and political spheres or may have even aggravated this condition.

There is as yet no universally-accepted definition of development. Some theorists, according to Willis (2005), “view economic growth and increases in economic wealth as the key definition of development, others consider development to encompass ideas of greater autonomy and choice about how individuals live their lives.” While it has diverse definitions most theorists agree on the premise that development is the process that takes people from a current situation to a vision of the

future benefitting all mankind. Likewise, development is society's function to mobilize people and resources in response to opportunities and challenges (Jacobs, Macfarlane, and Asokan, 1997). Rather than just being a set of policies or programs or results development is a process. It is "an upward directional movement of society from lesser to greater levels of energy, efficiency, quality, productivity, complexity, comprehension, creativity, mastery, enjoyment, and accomplishment." (Jacobs et al, 1997)

Development as a concept emerged out of World War II when countries across the globe preoccupied themselves with economic reconstruction with new institutions and policies focusing on alleviating poverty and improving living conditions<sup>8</sup> in many countries that had attained independence or were in the process of de-colonization. Development attained its international dimension, i.e., international or global development applicable particularly to decolonized countries in 1949 when U.S. President Harry S. Truman first used it in his inaugural address:

*"We must embark on a bold new program for making the benefits of our scientific advances and industrial progress for the improvement and growth of underdeveloped areas. The old imperialism – exploitation for foreign profit – has no place in our plans. What we envisage is a program of development based on the concept of democratic fair dealing."*<sup>9</sup>

As it evolved over the next decades, international development became used in a holistic and multi-disciplinary context of human development – the development of greater quality of life for humans. It began to encompass foreign aid, governance, health care, education, poverty reduction, gender equality, disaster preparedness, infrastructure, economics, human rights, environment, and issues related to these. Instead of just short-term measures, international development sought long-term solutions by helping developing countries build their capacity to provide sustainable solutions to their problems.

In the beginning, therefore, development as a concept became associated with the United States as it emerged from World War II with an economy unsurpassed throughout the world.<sup>10</sup> Despite being the only major industrialized country intact, with half of the world's wealth in its hands and an unprecedented surplus capital, the U.S. was faced with a dilemma over how its capitalist production, investments, and export goods would expand with limitless capabilities given the fact that the rest of world including Europe had their economies devastated by the war. "Development" became the slogan for the U.S. to make the world safe for its global economy (access to vital resources and markets/investment areas) allowing the economies of its allied countries to rebuild and, hence, be favorable for American capital. Elsewhere, it began to dangle assistance to newly-decolonized countries conditional however to adopting a market-driven economy and trade to prevent them from falling under socialism then bannered by the USSR and, later, China.

Development, as promoted by U.S. economic and foreign policies, was clearly intertwined with America's Cold War politics and ideology. Development aid was extended to those countries that promised to be ideologically-aligned with the U.S. with their economies promoting liberalism and "free markets." It was however denied to those seeking independent economies, national self-determination, and openness to the socialist paradigm. In the late 1940s the U.S. took the lead in establishing the Bretton Woods institutions (now called the "Washington Consensus"): the International Monetary Fund (IMF), International Bank for Reconstruction and Development

(IBRD which is now part of the World Bank), and later, the General Agreement on Tariffs and Trade (GATT). The WB was to lend funds to states proposing economic development projects. The IMF, on the other hand, was to guarantee exchange rate stability and act as lender of last resort to keep debtor countries from collapsing. (Adopted finally in 1994, the GATT plays a pivotal role in multilateral trade negotiations and has a mandate to lower trade barriers.) Then in 1948, Truman announced the Marshall Plan (European Recovery Program or ERP) extending \$13 billion worth of monetary and technical assistance to western Europe for four years.

It is against this historical backdrop and global context that development paradigms in the Philippines, initially under the aegis of the U.S. followed later by Japan and the European Union, found their beginnings. Akin to what transpired in Europe and the rest of the world, development in the Philippines was closely associated with its former colonial master where assistance was strongly tied to economic and military conditions.

Development, measured particularly in terms of economic growth, was heavily dependent on the U.S. at least from the mid-1940s until the 1980s. Apart from the U.S., development became as well increasingly dependent on loans and other financial assistance from multilateral funding institutions like the IMF, WB, and Asian Development Bank (ADB) and increasingly on Japanese ODA. In particular, following WWII the granting of independence to the Philippines in 1946 was conditional to the retention of 23 U.S. military facilities and Bell Trade Act of 1947 which extended free trade until 1974. The U.S. promise of rehabilitation and reconstruction in the Philippines through “aid” - in the form of war damage payments – was contingent on inserting the “parity amendment” to the 1935 Constitution.<sup>11</sup> Military assistance then and now made the Philippine armed forces and counter-insurgency programs largely reliant on the benevolence of the U.S. while ensuring that various presidencies remained friendly to Washington and supportive of its regional and global security objectives guaranteed no less by the forging of bilateral and regional defense partnerships.

### **“Development models”**

As expected, the “special ties” maintained with the U.S. led the Philippines to adopt development models prescribed by – or inspired from – the U.S. The “modernization” model, one of the early paradigms crafted under the development theory on how desirable change in society is best approached, was espoused in the 1950s-1960s by Walt Rostow, A.F.K. Organski, and other American economists. Modernization is a theory that requires underdeveloped countries to adopt processes of development used by developed countries particularly the central role of state, education, and technology. It also requires developed countries to aid third world countries so as to make equal development for all possible. Modernization was the vehicle of development that sought the intervention of aid structures and practices that will result in higher living standards through increase in income, better health, and nutrition.

Modernization would later be debunked particularly during the period of nationalist ferment in the Philippines (1960s onward) where the modernization model was criticized as a myth: Development models from the West cannot be “one-size-fits-all” for the East (or South) countries where conditions are different. The model was also exposed as a post-war neo-colonial imposition to keep the developing world under conditions of exploitation and oppression and ensure the hegemony of developed or capitalist countries. Regardless of the overall impact of the

modernization model on the Philippines, what transpired during the administration of Diosdado Macapagal (1961-1965) is that the peso was devalued to the dollar and foreign exchange controls were removed. As requests for financial assistance from the IMF grew major policy recommendations<sup>12</sup> – including an export orientation policy that became detrimental to local production and basic domestic needs – were followed.

In the 1970s-1980s, the Philippines came under bitter economic prescriptions of the IMF and WB particularly the structural adjustment program (SAP). The SAP was a policy translation by the modernists at the IMF-WB of neo-liberalism advocated by Milton Friedman and Bela Balassa. Neo-liberalism became the antidote to the crisis of capitalism and economic recessions in the U.S. and Europe in the 1970s and it was prescribed to both developed and developing countries confronted with the debt trap, poverty, unemployment, and other economic banes during the period. Foreign indebtedness of the Philippines under Marcos – who faithfully subscribed to conditionalities pegged to U.S. as well as IMF-WB assistance – rose from \$2.2 billion in 1972 to nearly \$30 billion in 1986. The neo-liberal SAP, which was designed primarily for the Philippines to repay its ballooning foreign debt prescribed, among others, for the reduction of state subsidies to social services including education, as well as tax increases, and more tax incentives for foreign investments. An “open investments policy” and tax holidays opened wide the entry of agro-chemical TNCs to boost Marcos’s Green Revolution showcase and Masagana 99 fertilizer-dependent rice production. (Both costly and controversial programs have since been abandoned.) Incidentally, similar economic pills during the Marcos period led to socio-economic displacements and bigger ecological destruction as the Philippines increasingly allowed its remaining natural wealth for exploitation by mining TNCs and foreign-funded infrastructure projects such as dams, export-processing zones, and the Bataan nuclear plant. “Development aggression” became a central issue among critics, aid watchers, and a growing environment movement.

Soon, in the post-dictatorship period from Corazon C. Aquino and until today, the Philippine government’s development strategies wrapped around the Medium-Term Philippine Development Plans (MTPDPs) embraced the neo-liberal globalization perspective that incorporated not only the continuing SAP but also the globalization-promoted policies of free trade, privatization, deregulation, and labor-only contractualization. In governance, the Local Government Code (LGC) was enacted in 1991 to make the local government unit (LGU) as both a corridor and engine of regional development. The LGU system became the local machinery for decentralization and economic development. After only 10 years of implementation, the LGU-instrumentalized development program was bogged down by lack of funds and the continued paternalistic relationship between the national government and the LGUs.<sup>13</sup> The bottlenecks basically remained the same by 2011 when the LGU system was up for review. (Ironically, no significant review or impact assessment has been done so far.)

Since the 1980s, neo-liberalism became the hegemonic development perspective adopted by the government in the Philippines. As a perspective, neo-liberalism basically champions the market as the prime regulator of economic activity and seeks to minimize state intervention. Starting with the Aquino I presidency and most especially during the Ramos administration (1992-1998), neo-liberalism accelerated the integration of the Philippines into the global market.<sup>14</sup> While the neo-liberal globalization promised a level playing field in trade and investments across the globe and, with respect to the Philippines, economic growth that would make the country competitive a cursory

look at the impact assessment of this development paradigm reveals the opposite results, as will be explained later.

In recent years, the development paradigm formulated by the National Economic Development Authority (Neda), pursued in policy reforms, and espoused by a number of NGOs has been re-engineered to echo new nuances circulating not only in capitalist countries but also the United Nations Development Program (UNDP) and other world forums. The new development catchwords have included “sustainable development” or the use of resource for human needs while preserving the environment; human development index (HDI) or the holistic measurement of development measured not in GDP but in terms of life expectancy, literacy, education, and standards of living; rights-oriented development; corporate social responsibility (CSR); transparency, accountability, and performance-oriented governance; and the present “public-private partnership” and “from critic to partner” strategies.

The present government of Aquino II has continued two major anti-poverty models of its predecessor – the Conditional Cash Transfer (CCT) and Millennium Development Goals (MDGs). A development model supported by multilateral funding agencies such as the ADB, CCT is a welfare program meant to reduce poverty and is modeled after some Latin American countries. It has been rebuked by not a few critics one of whom is Dr. Sarah Cook, director of the UN Research Institute for Social Development (UNRISD) who warned that it will not reduce poverty. “Rising inequality,” Cook said in a lecture in UP Diliman last February, “contributes to the persistence of poverty even when concern for its reduction has been high on the policy agenda of governments.”<sup>15</sup> Disturbing is the finding of independent analysts and social policy scholars that the Philippines will be unable to meet the eight MDG targets by 2015 most especially extreme poverty eradication and universal primary education.

After decades of using development models adopted from – some say, imposed by – the U.S. and financial credit institutions, the Philippines now stands near the bottom of developing countries in Asia. The country’s population more than doubled over the past 60 years and we face the risks of food insecurity – partly owing to the depletion of natural resources including marine life, as well as unemployment, a severe lack of social services especially for the poor many of whom have joined armies of informal settlers or urban poor, and the like. The change of presidency – from Gloria M. Arroyo whose 9-year term saw unprecedented financial and employment crises - to Aquino II (July 2010-June 2016), has shown no signs of better prospects.

Some of the tell-tale signs in 2011 are:

Economic growth drastically slowed to just 3.6% in gross domestic product (GDP) in the first three quarters of 2011 which is substantially less than the 7%-8% growth per year for the period 2011-2016 targeted by the administration’s Philippine Development Plan (PDP). The 3.2% third quarter growth was also slower than in Indonesia (6.5%), Vietnam (6.1%), Singapore (6.1%), Malaysia (5.8%) and Thailand (3.5%).<sup>16</sup> The total number of unemployed and underemployed Filipinos still rose by 343,000 from 2010 to reach 11.5 million in 2011. The official unemployment rate for 2011 is still among the worst in Asia and higher, for instance, than in other major Southeast Asian countries, according to the Bangko Sentral ng Pilipinas (BSP): Indonesia (6.8%), Vietnam (4.4%), Malaysia (3.2%), Singapore (1.9%), and Thailand (0.6%). Globally, according to

International Labor Organization (ILO) data, the Philippines also counts among the worst one-fourth of the world in terms of unemployment rates. The neo-liberal globalization development strategy that the government embraced more than 25 years ago has only yielded trade imbalance, increasing import dependence, the weakening of both agriculture and manufacturing sectors, and other disturbing results.

Based on Forbes Asia figures and NSO data in 2009, the net worth of the Philippines' 25 richest Filipinos (\$21.4 billion) is equivalent to the combined income of 11.1 million families or 56 million Filipinos.<sup>17</sup> What more compelling evidence of this wide income disparity than the fact that, according to latest surveys, the number of Filipinos experiencing hunger has risen; everyday, nearly 4,000 Filipinos leave the country in search of jobs abroad where there are already at least 4 million overseas Filipino workers (OFWs).

All these attest to the increasing marginalization of a greater number of families and sectors since the post-war years the hardest hit being workers, farmers, informal settlers, women, cultural minorities, and even segments of the middle-income groups. And yet, despite the retreat of neo-liberal globalization and the debacles this development theory has wrought in even the most advanced capitalist countries led by the U.S., EU countries and Japan – which have experienced recurring and prolonged periods of economic recession, rise in poverty, and unemployment – the Philippines' development strategies and economic architects continue to subscribe to problematic western models.

From the world economic recession, to wide swaths of poverty spreading even in the U.S., to street protests and “occupy movements” the following testimonies reveal the devastating effects of neo-liberal development strategies with the IMF and World Bank along with major centers of global capital like the U.S. playing central roles:

“In theory, the fund (IMF) supports democratic institutions in the nations it assists. In practice, it undermines the democratic process by imposing policies. Officially, of course, the IMF doesn't ‘impose’ anything. It ‘negotiates’ the conditions for receiving aid. But all the power in the negotiations is on one side—the IMF's—and the fund rarely allows sufficient time for broad consensus-building or even widespread consultations with either parliaments or civil society.”  
*Nobel Prize for Economics Winner Joseph Stiglitz, What I learned at the world economic crisis. The Insider, The New Republic, April 17, 2000*

“Oxfam International estimates that, in the Philippines alone, IMF-imposed cuts in preventative medicine will result in 29,000 deaths from malaria and an increase of 90,000 in the number of untreated tuberculosis cases.” *Jeremy Brecher, Panic Rules: Everything you want to know about the Global Economy, by Robin Hahnel (South End Press, 1999).*

“Even more significantly, the policies of the World Bank and IMF have impeded Africa's development by undermining Africa's health. Their free market perspective has failed to consider health an integral component of an economic growth and human development strategy. Instead, the policies of these institutions have caused a deterioration in health and in health care services across the African continent.” *Ann-Louise Colgan, Hazardous to Health: The World Bank and IMF in Africa, Africa Action, April 18, 2002*

“The IMF and World Bank’s policies have indeed been heavily criticized for many years and are seen as unhelpful and sometimes, unaccountable, as they have led to an increased dependency by the developing countries upon the richer nations....The World Bank and IMF were important instruments of Western powers during the Cold War in both economic and political terms. They performed a political function by subordinating development objectives to geostrategic interests. They also promoted an economic agenda that sought to preserve Western dominance in the global economy.” *Ann-Louise Colgan, Hazardous to Health: The World Bank and IMF in Africa*<sup>73</sup>, *Africa Action*, April 18, 2002

“In March 2003, the IMF itself admitted in a paper that globalization may actually increase the risk of financial crisis in the developing world. ‘Globalization has heightened these risks since cross-country financial linkages amplify the effects of various shocks and transmit them more quickly across national borders’ the IMF notes and adds that, ‘The evidence presented in this paper suggests that financial integration should be approached cautiously, with good institutions and macroeconomic frameworks viewed as important.’ In addition, they admit that it is hard to provide a clear road-map on how this should be achieved, and instead it should be done on a case by case basis. This would sound like a move slightly away from a ‘one size fits all’ style of prescription that the IMF has been long criticized for.” *Joseph Stiglitz, Globalization and its Discontents*, (Penguin Books, 2002), pp. 40–41

“In recent decades at least, the global economic system has concentrated enormous wealth in the hands of relatively few in national and international corporate classes. Liberal economics (its adherents now called neoliberals) is an anachronism. Yet its unsustainable consumption of the planet's resources and its deleterious impact on the quality of life everywhere, continues to be the prevailing ideology. ..The economic system and its ideology, not the United States, are generating the current economic and political deterioration. The financial system's breakdown ignited the economic stagnation and political turmoil, but, ultimately, neither the financial industry nor the state can rescue the system without changes presently unacceptable to both... Greed chases across the world the lowest wages and taxes, reinforcing the economic marginality and virtual disenfranchisement of undetermined millions, perhaps billions, in poorer nations, reducing standards of living in the wealthier states, and depriving all states of just tax revenues.” *John Ripton, The Great Regression*, <http://www.stateofnature.org/theGreatRegression.html>

### **Weak institutions, obstacles**

Lest this paper may be seen as giving excessive stress on the economic dimensions of development models promoted thus far in the Philippines as the primary lens for rejecting such models, it should be noted that there is precisely another major fault of such paradigms. Development programs have involved mainly the decision-making processes at the national level from which policies are imposed vertically down to the basic political unit – the barangay. The claimed horizontal level of decision-making which mobilizes participative governance among the people is more in form than substance with so-called local development councils (LDCs) as called for in the Local Government Code (1991) being given token role or if they do exist are dominated mostly by influential and business groups if not are virtually non-existent in the country’s more than 1,600 LGUs and 42,000 barangay councils.

More to the point, however, is the absence of an enabling environment that is conducive to any meaningful development strategy. Specifically, there remain institutional roadblocks to development in the Philippines. Chief among these obstacles are weak institutions – government, check and balance system, justice system, political parties, oligarchic politics and elite factionalism, crony capitalism, and systemic corruption.

That development in the Philippines has not attained high growth rates as in Thailand and weather income inequality as in Malaysia has to do with weak institutions.<sup>18</sup> Patronage politics or patrimonialism has allowed the use of the state and public authority as family or private enterprises whereby the control of wealth breeds political power. The redistribution of power – which is an imperative to development process – is asphyxiated by its being concentrated in a few families. Only about 250 political dynasties exercise political hegemony of the state’s political institutions – executive department, Congress, and LGUs, where smaller local dynasties also prevail. The control of political authority often disables public transparency and accountability allowing, for instance, the disbursement of public funds winding up in the hidden arteries of corruption. Huge amounts of the government’s yearly appropriations end up in corruption and this has become systemic at all levels of the bureaucracy infecting not only government but business and other sectors as well. It has become no surprise that from time to time even the country’s principal funding sources whether multilateral or bilateral have also complained of ODA funds being unaccounted for.

Unlike in other countries where they provide public agenda and policy reform, political parties in the Philippines are also weak. The political party system is controlled by traditional politicians – or political dynasties – who consider political parties as election machineries that are run by personalities. Except for a few political groups, the Party-list system in the Philippines has been increasingly subverted by traditional politics. Envisioned in the 1987 Constitution as a social justice tool with the goal of using proportional representation as a means of leveling the playing field in the electoral arena, the way the Party-list system is implemented has further marginalized the poor in a politically big way.<sup>19</sup> Devoid of any political machinery through which they can have access to governance and policy making where social and economic reform can be promoted, the country’s marginalized sectors have nowhere else to go except to remain as so-called target beneficiaries of development which, anyway, is just a myth.

One of the persistent institutional obstacles to development, critics say, is the Catholic church hierarchy. In a country where Catholicism is the dominant religion, it has perplexed even policy makers that family planning (now described in the neutral term “reproductive health”) has found strong resistance from the Catholic hierarchy for religious and moral reasons. One of the compelling reasons cited by Catholic leaders is that “reproductive health (RH)” is being erroneously equated by its proponents with the Malthusian development doctrine that population increase, if left unchecked, dooms human survival. Regardless of the conservative backlash created by the RH bill in the church hierarchy, the Catholic bishops’ contention that the unequal distribution of wealth and income disparities are the roots of poverty – and not overpopulation – deserves to be looked into.

The political hegemony of the powers-that-be and the prevalent weak institutions only mean that development – or any alternative to it – is unattainable without the policy-making participation of the poor communities. The power and authority that elite rule commands will only allow any

development paradigm to be designed by a few – and most probably for their own benefit – with its objectives lost in the absence of social mobilization and the harnessing of collective human energies.

### **Re-defining development: “Post-development theories”**

Amid growing perceptions about the weaknesses and destructive policy impositions of western-inspired development models, there have been movements to re-assess and even re-define what development is all about. These have been manifested in the emergence of post-development theories in the 1990s, “alternatives” to development and not just development alternatives, and in the face of the irreversible setbacks of globalization or global imperialism yielding to the re-study of Marxist theory. The Philippines has not been insulated from these debates. The persistent social conflicts and revolutionary struggles in the country reveal underlying interest and search for an applicable roadmap – albeit divergent – in the realm of ideologies, political economy, and economic strategies.

Early on in the late 1960s, the critics of modernization advanced the “dependency theory” to explain the relationship between the West and the Third World; development and underdevelopment as relational. Dependency theory saw the world as divided into a core of rich nations which dominate a periphery of poor nations whose main function in the system is to supply cheap labor and raw materials to the core. Development theorists held that for the peripheral countries to develop they should sever their dependent ties to the developing nations and pursue internal growth. A specific paradigm that emerged from this insight was import substitution industrialization. Import substitution industrialization (ISI) refers to a trade and economic policy that calls for replacing foreign imports with domestic production.<sup>20</sup> To reduce its foreign dependency a country must develop local production of industrialized products.

Dependency theory caught some interest in the Philippines in the 1980s at the level of the academe (most notably UP) and the progressive social movement. The dependency debate created differences on whether to classify the Philippine society as still “semi-feudal” or “proto-capitalist.”

In their “Comprehensive Theory of Social Development” (1997), Garry Jacobs, Robert Macfarlane, and N. Asokan sought to re-define development as a process: Its essential nature “is the progressive development of social organizations and institutions that harness and direct the social energies for higher levels of accomplishment.”

About the same time during the 1990s, modernization and development were refuted as a sham by “post-development theorists” for their “reductionism, universalism, and ethnocentricity.”<sup>21</sup> Inspired by Michel Foucault and the post-structural school of thought the first wave of post-development scholars like Alvares (1992), Escobar (1985, 1992, 1995) and Ferguson (1990) identified with the critical theory posited that development which is intimately linked to modernization expands the control of the West and its allies on the developing world. Development processes, they said, “undermine and destroy the diversity of social, cultural, economic, and political systems that pre-dated development, and were consequently replaced with externally imposed homogenous models of society.”

The second wave of post-development theorists advocated for “alternatives to development” as new approaches of changing and re-constructing the ruins of the post-war development project. Such alternatives, they also said, must come from within the “subaltern” – referring to developing countries<sup>22</sup> - where social movements and indigenous practices in governance can be tapped to map their own alternatives toward social change and progress.

Many of the issues that post-development theorists have raised are evident in the Philippines. The country has been subject to colonization and later imported development projects with no significant improvements in the standard of living. Instead of a better life, development projects have only yielded environmental degradation, economic disparity, and extreme poverty.<sup>23</sup> Based on the 2008 UNDP human development index (HDI), the Philippines ranks 90 out of 177 countries surveyed. Ahorro (2008) maintains that the Philippines is worth investigating from a post-development perspective and how its people react to foreign development.

### **Alternative and indigenous perspectives in the Philippines**

Alternatives to development or, if you will, movements for social change in the Philippines take their roots in the anti-colonial and post-war struggles in the country. These struggles ranged from peasant revolts and uprisings, secularism and Filipinization, to nationalist anti-colonial revolutions. Borne out of these various struggles were the integration of French revolutionary ideals, nationalism, and the specific application of the theories of Marx, Lenin, and Mao Zedong with their specific strategies of armed struggle and perspectives on social development moving forward to a classless society. These struggles also gave birth to Leftist, ideologically-driven political parties or armed movements such as the old Partido Komunista ng Pilipinas (PKP), the re-established Communist Party of the Philippines (CPP, 1968) and, in Muslim Mindanao, the separatist or secessionist Moro National Liberation Front (MNLF) and Moro Islamic Liberation Front (MILF).

In contemporary times, the nationalist movement, inspired by the Philippine Revolution against Spain (1896) and the Revolution against U.S. Imperialism (1898-1902), saw its resurgence in the 1960s with the nationalist thoughts of Claro M. Recto and Lorenzo Tanada, and student radical politics that began in the University of the Philippines (UP) as exemplified by the founding of the Student Cultural Association of UP (SCAUP) led by Jose Maria Sison from where other nationalist organizations of the youth, workers, peasants, and women mushroomed to play a key role in the First Quarter Storm (FQS, 1970). Eventually, the FQS would lead to the nationwide expansion of the Leftist armed revolutionary movement which endures until today. This nationalist ferment is important not only because of the resulting cultural propaganda movement and its ideologization along National Democratic and Marxist lines but also because its popularization was also highlighted by theoretical discourses against the development perspectives of the U.S. which were raised to the level of the anti-feudal and anti-imperialist struggle. The national democratic-inspired alternative with a socialist perspective advocates genuine agrarian reform and nationalist industrialization. It calls for a thoroughgoing reform and restructuring of the country’s socio-economic and political systems and the building of a self-reliant economy, and trade protectionism, among others.

Comparatively, outside the National Democratic framework, other alternative paradigms are diverse and divided - dramatizing the country’s cultural and political diversities as well as the

various foreign influences that are at play until today. The better-known ideologies with their corresponding alternative perspectives are social democracy (or democratic socialism), Christian democracy, and liberal democracy.

Taking roots in the turbulent late 1960s, Social Democracy espouses equal rights that will ensure equality of power: “no democracy without socialism, no socialism without democracy.” It advocates a “welfare state” where all people are assured of equal rights to social and economic security. Its “leftist” wing which brands itself as “socialist” and “revolutionary” advocates for the destruction of the economic base of bourgeois political domination or at least substantially weakened to make genuine political democracy possible.<sup>24</sup> Of the social democratic movement’s two organizations founded during the 1970s – Kapulungan ng mga Sandigang Pilipino (Kasapi) and the Partido Demokratiko Sosyalista ng Pilipinas (PDSP) – only the latter is active. PDSP is closely identified with Fr. Romeo Intengan, SJ, and Roberto Gonzales, former national security adviser and defense secretary of Gloria M. Macapagal. Despite its “left-wing agenda,” the PDSP has exposed its conservative and right-wing tendencies with Gonzales himself involved in human rights violations under Macapagal-Arroyo against suspected Leftist activists.

Akbayan (Citizens’ Action Party), technically a Party-list group, has challenged PDSP as the “social democratic party” in the Philippines. Akbayan assembles various ideological colors ranging from former national democrats, to social democrats, Christian socialists, and other “left-wing” tendencies. Akbayan aims “to engage government for better social policies that would include redistributive reforms, delivery of basic services, and appropriate safety nets.”<sup>25</sup>

Christian Democracy, a moderate and welfarist type of conservatism, originates from the Christian Democratic Movement in the 1960s. Using Christian principles, Christian Democracy seeks to solve social problems but it adheres strongly to the social market concept advocated by its European counterparts. This ideology shares conservative values of individualism, respect for property, anti-communism, and less state intervention. Transforming itself into the National Union of Christian Democrats in 1984, the movement joined other political parties to form the Lakas National Union of Christian Democrats-United Muslim Democrats of the Philippines (Lakas NUCD-UMDP) in 1992 with Fidel V. Ramos and Jose de Venecia as key leaders. The party renamed itself to Lakas Christian Muslim Democrats (Lakas CMD) in 2003 offering a program of government based on “people empowerment that is focused on local communities as a building block of a national society.”<sup>26</sup>

Liberal Democracy is primarily espoused by the mainstream, traditional Liberal Party (LP). The LP, together with the “broad liberal movement” in the Philippines, claims to dedicate itself to the defense of liberty and freedom, placing its faith in the individual not on state or government to address the country’s problems. Based on its LP primer, liberalism seeks to build a society from one that is elitist and unjust to one where individuals “are able to exercise real power over the institutions that govern them.”<sup>27</sup>

In the NGO or civil society (CS) community, there is a proliferation of various agendas and programs espousing a “Green” movement and alternative socio-economic livelihood as well as diverse watch groups dealing with such issues as human rights, foreign aid, corruption, transparency and accountability in government, and electoral process. Although well-meaning and probably well-

intentioned, many of these NGOs and CS groups are constricted by their dependence on foreign funds – some progressive, others dominant multi-lateral agencies – and thus remain captive to foreign institutions that have been discredited for their interventionism particularly in developing countries.

## Synthesis

The current challenge in the realm of development perspectives in the Philippines is not just to disprove the feasibility of paradigms and models driven by hegemonic foreign models – since their influence is increasingly waning elsewhere in the world. The challenge is to test the validity of alternatives to development that are home-grown yet derive some ideas developed by theorists from other countries. Corollary to this is to draw the best practices from countries that have moved forward to social progress and attained higher standards of living away from their previous status of peripheral or marginal societies.

Some of the lessons and best practices that social reform advocates in the Philippines can draw from these countries is that there are fundamental imperatives that must be met to allow progress and holistic development to take its course. What used to be “developing” or former colonized countries have gone far ahead – these are the ones that were able to track their own paths toward the eradication of poverty and achieving the minimum decent standards of living by going through the painful process of self-determination, economic self-sufficiency, trade protectionism, and other alternative perspectives.

No nation has developed out of the benevolence, dole-outs, and development models prescribed by other, much-developed countries. And no nation has developed without breaking the yokes of exploitation set in place by a historically-entrenched oligarchy. If this can be attained through peaceful means even how long it takes, then that can be desirable. But if the radical structuring of a system that has only brought marginalization to many remains the only alternative – as expressed by the sovereign will of the people – then that can also be an option. Having seen the damages wrought by so-called “development models” the fundamental lesson is that any alternative to development should express the collective will of the people and not of a few “experts”.

---

## END NOTES

<sup>1</sup> Wurfel, David, Civil Society and Democratization in the Philippines (2004). Asia Pacific Center for Security Studies (APCSS) Hawaii.

<sup>2</sup> NGO or non-government organization (also non-profit) is the generic term used in the Philippines for people’s organizations, community grassroots groups, institutions, and civil society organizations (or CSOs).

<sup>3</sup> Philippine Council for NGO Certification. 2009. <http://www.pcnc.com.ph/background.php> PCNC: Background and Rationale.; ADB. 1999. A Study of NGOs: Philippines. Available at <http://www.adb.org/ngos/docs/ngophilippines.pdf>, cited in Joanna Moshman, “The Philippines’ NGO Sector” (2009).

<sup>4</sup> An ADB report in December 2007 reveals that the Philippines in GDP terms lags behind Asia’s newly industrializing economies (NIEs) and most of its neighboring countries in Southeast Asia. See: Philippines: Critical Development Constraints (Dec. 2007) ADB Country Diagnostics Studies.

<sup>5</sup> Kuhonta, Erik Martinez, The Institutional Imperative: The Politics of Equitable Development in Southeast Asia (2011). California: Stanford University Press, p. 196.

- 
- <sup>6</sup> Burton, Mark & Carolyn Kagan (eds.) *Community Psychology: In Pursuit of Wellness and Liberation* (2003). London: MacMillan/Palgrave. Chapter 13.
- <sup>7</sup> Tuazon, Bobby (ed.) *12 Years of the Party List System* (2011). Quezon City: CenPEG Books. See particularly "Analyzing the May 10, 2010 Election Results: Clans Use the Party-list System to Remain Dominant in the 15<sup>th</sup> Congress."
- <sup>8</sup> D. Gregory, *Dictionary of Human Geography* (2009, 5<sup>th</sup> ed.), pp. 155-156. Wiley-Blackwell.
- <sup>9</sup> Esteve, G. *Development in Sachs* (1992)
- <sup>10</sup> Kennedy, Paul. *The Rise and Fall of the Great Powers* (1987). US: Random House.
- <sup>11</sup> Wurfel, David & Burton, Bruce (eds.) *The Political Economy of Foreign Policy in Southeast Asia* (1990). London: Palgrave MacMillan.
- <sup>12</sup> Ibid
- <sup>13</sup> Guevara, Milwida M., *Decentralization and Economic Development: The Philippine Experience* (Sept. 2000). *Hitotsubashi Journal of Economics* 41 (2000), p. 108.
- <sup>14</sup> Bello, Walden, "Neoliberalism as hegemonic ideology in the Philippines". Transnational Institute.
- <sup>15</sup> See Sarah Cook, *Combating Inequality and Poverty: The Role of Social Policy* (2010), UNRISD.
- <sup>16</sup> Africa, Sonny, "Economic lessons from 2011," *Ibon Features*, Dec.31, 2011.
- <sup>17</sup> According to Sonny Africa, research head and economic analyst of Ibon Foundation, April 2, 2012.
- <sup>18</sup> Kuhonta, p. 196
- <sup>19</sup> See for instance Tuazon, Bobby (ed.) *12 Years of the Party List System: Marginalizing the People's Participation* (2011) Quezon City: CenPEG Books.
- <sup>20</sup> Brian, Nelson (ed.) *A Comprehensive Dictionary of Economics*(2009) p.88
- <sup>21</sup> Ahorro, Joseph, "The Waves of Post-Development Theory and a Consideration of the Philippines", University of Alberta
- <sup>22</sup> Ibid
- <sup>23</sup> Ibid
- <sup>24</sup> Karaos, Anna Marie, "The Viability of Social Democracy as a Political Ideology in the Philippines" (1986), p. 19.
- <sup>25</sup> Teehankee, Julio C., *Liberalism: A Primer* (2005). National Institute for Policy Studies (NIPS), p. 11.
- <sup>26</sup> Ibid, p. 11.
- <sup>27</sup> Ibid, p.11.
-

---

## BIBLIOGRAPHY

- Africa, Sonny, "Economic lessons from 2011," Ibon Features, Dec.31, 2011.
- Ahorro, Joseph, "The Waves of Post-Development Theory and a Consideration of the Philippines", University of Alberta.
- Bello, Walden, "Neoliberalism as hegemonic ideology in the Philippines". Transnational Institute.
- Brian, Nelson (ed.) A Comprehensive Dictionary of Economics (2009).
- Burton, Mark & Carolyn Kagan (eds.) Community Psychology: In Pursuit of Wellness and Liberation (2003). London: MacMillan/Palgrave.
- Cook, Sarah, Combating Inequality and Poverty: The Role of Social Policy (2010), UNRISD.
- Esteva, G. *Development* in Sachs (1992).
- Gregory, D. Dictionary of Human Geography (2009, 5<sup>th</sup> ed.).
- Guevara, Milwida M., Decentralization and Economic Development: The Philippine Experience (Sept. 2000). Hitotsubashi Journal of Economics 41 (2000).
- Karaos, Anna Marie, "The Viability of Social Democracy as a Political Ideology in the Philippines" (1986).
- Kennedy, Paul. The Rise and Fall of the Great Powers (1987). US: Random House.
- Kuhonta, Erik Martinez, The Institutional Imperative: The Politics of Equitable Development in Southeast Asia (2011). California: Stanford University Press.
- Moshman, Joanna, "The Philippines' NGO Sector" (2009).
- Teehankee, Julio C., Liberalism: A Primer (2005). National Institute for Policy Studies (NIPS).
- Tuazon, Bobby (ed.) 12 Years of the Party List System: Marginalizing the People's Participation (2011) Quezon City: CenPEG Books.
- Wurfel, David, Civil Society and Democratization in the Philippines (2004). Asia Pacific Center for Security Studies (APCSS) Hawaii.
- Wurfel, David & Burton, Bruce (eds.) The Political Economy of Foreign Policy in Southeast Asia (1990). London: Palgrave MacMillan.
- \_\_\_\_\_, Philippines: Critical Development Constraints (Dec. 2007) ADB Country Diagnostics Studies.