

Some Problems in the Pursuit of Social Development in the Philippines

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Although the Philippine Development Plan placed the emphasis on social rather than economic goals, the struggle for priority between the two is a continuing one. An analysis of two cases — the Philippine Sinter Corporation and a proposed copper smelter plant — suggests that as long as an economic calculus is used, the structural causes of community problems are ignored, and negative social consequences are dismissed as a "local" problem, social development would be difficult to attain.

"Development" has been the magic word that replaced or complemented "independence" in the post-World War II years. The United Nations declared the sixties as the Development Decade (little expecting that there would be a *second* Development Decade and maybe a third or a fourth). The concept then was simple, and it could be summed up in a single index — gross national product.¹ At the end of that Decade, economic growth and productivity were in fact achieved with the average annual compound growth rates of GNP for 96 countries registering higher than the projected

five percent for 1968, 1969 and 1970.² Despite this, it was evident that the essence of development was missing. The highest rates of growth were registered by a few nations which at the start of the Decade were already called "advanced" and certain resource-rich "developing" countries such as those which produced oil. Meanwhile, the gap between the richest and the poorest nations had widened for the growth of the latter had been virtually eaten up by the increase in their population. One may say that when GNP is replaced by GNP per capita, development is virtually wiped away. It is ironic that when man enters the picture (albeit as abstractly as in the notion "per capita"), the happy results of development disappear.

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¹ Or gross energy consumption as a bow to socialist countries which do not compute GNPs.

² Jozef Pajestka, "Examination of Policy Measures That Contribute to Equity and Social Justice Without Substantial Sacrifice of Economic Growth," *Economic Bulletin for Asia and the Far East*, Vol. XXIII, No. 2 (September 1972), p. 31, citing United Nations World Economic Surveys, 1969 to 1971.

Crucial questions had been raised as the UN entered the Second Development Decade: Why should nations develop? For whom is development? These two questions on closer examination turn out to have the same answer: For man. Man is not just a norming unit used simply to allow for the comparison of income figures across different-sized countries. Nor is he simply the prime instrument — the abstract labor force, often underemployed, or without work, or usually underpaid — for increasing the nation's count of the then-almighty dollar. The new Decade had proclaimed a new gospel: man as the subject and object of development. The attempt to insert this grand phrase into the old techno-industrial concept can be summed up in the term "social development."

As the importance of social factors became recognized during this Decade, a search for new evaluative measures — for the functional equivalent of GNP per capita which would assure nations that they were proceeding on the right track — was begun. Characteristically perhaps, the search was for quantifiable measures which would be parallel to the economic index. The quest took two directions — toward various content areas (health, education, etc.) and toward questions of allocation and distribution. The former necessarily required different indicators, even assuming that one can be chosen per content area, because the performance of a nation in health does not have a simple correlation with its performance in education, social welfare, or employment. At the same time, distributional questions highlighted the fact that measures of central tendency say very little about how the public has benefited from

that performance, unless supplemented by other measures, because a high index may mean generally adequate delivery of those services throughout the territory, or may obscure pockets of effective performance with areas of utter neglect. So it was that the goals of social development had been found less susceptible to simple shorthand symbols. Thus, sets of social indicators, rather than a single one, were put forward. These did not entirely answer the distribution question, however, so that important decisions on focus had to be made. Simple rules of equality for instance, turned out to be inherently inequitable in their effects, for the grant of the same medical benefits to both the rich and the poor, while increasing the privilege of one, hardly improved the lot of the other. "Another development" then required that one deals with society not in the aggregate but on the basis of needs of its parts, or more properly, of different types of people. This had increased the saliency of such terms as "the poorest of the poor," and the concomitant awareness that social development might be hastened only by devoting disproportionate attention to them. "Balance" used to be a key concept when only economic questions were important. Today, programs in favor of the "little people," a discrimination or an inequity viewed in the aggregate, may be necessary to make the nation equal. This view of social development, of equity, however, may signal the intrusion of an economic concept in the guise of a social one. Its measurement requires more operations, but in the end it is calculable, quantifiable. Social goals "in essence," however, may be less capable of succumbing to measurement. After all, they embrace the

concept of quality life — a state beyond quantification. While an overarching entity can decide when economic growth has been attained, only the people can tell when they are enjoying such benefits as social justice and welfare. Thus has participation entered the social development picture as the means for deciding on directions, and for assessing performance as well as an intermediate goal. The query “*cui bono?*” by necessity requires that the beneficiaries be involved in determining if they have indeed enjoyed the fruits of development.

The rest of the paper will be informed by these considerations as it focuses specifically on the Philippines. We will take a look at Philippine social development goals as they are officially promulgated; these formal statements are not very different from the issues already presented. An overall description of social conditions follows insofar as these can be explicated in the summary quantified indicators already explored above. Case studies of two projects which were explicitly economic in intention will then be discussed. An analysis of the issues involved and an attempt to provide an explanation of why social development continues to be an elusive goal shall then be made.

The Goals of Social Development

In the Philippines, social development has been defined in essence as social justice, the increase of welfare, the improvement of the quality of life. The Constitution of 1973 establishes these principles:

Article II. Declaration of Principles and State Policies

Section 6. The State shall promote

social justice to ensure the dignity, welfare and security of all the people. Towards this end the State shall regulate the acquisition, ownership, use, enjoyment, and disposition of private property and equitably diffuse property ownership and profits.

Section 7. The State shall establish, maintain and ensure adequate social services in the field of education, health, housing, employment, welfare, and social security to guarantee the enjoyment by the people of a decent standard of living.

Section 9. The State shall afford protection to labor, promote full employment, ensure equal work opportunities regardless of sex, race, or creed, and regulate relations between workers and employers. The State shall assure the rights of workers to self-organization, collective bargaining, security of tenure, and just and humane conditions of work. The State may provide for compulsory arbitration.

President Marcos reiterates these commitments in his speech on signing Presidential Decree (P.D.) No. 1200 — Five-Year Development Plan, 1978-82:

At the heart of the Plans is the concern for social justice. The preparation of these Plans has been guided by one objective: “No Filipino will be without sustenance.”

We have therefore set our Development Plan toward a direct and purposeful attack against poverty by: focusing on the poorest of our society.³

We will pursue economic development for social justice. We will engage the initiative and resources of our people, according to all citizens a rightful share in benefits and obligations. As both the source and object of development, our people will be

³Operationally identified in the Plan as the lowest 30 percent of the population.

provided with adequate economic opportunities and social amenities to attain a dignified existence.⁴

The major instruments the President enumerates are the usual social sectors: literacy, employment, social services, etc. However, the last paragraph above offers a novel approach: the pursuit of economic development *for* social justice. The priority of the social over the economic goal is a new emphasis which distinguishes this Plan from other development programs since 1955, all of which affirm the primacy of economic development over social goals.

However, this approach has not been consistently emphasized. In Chapter 12 of the same Plan, the promotion of self-reliance (a necessary adjunct of participation) is justified in order "to transform them (the people) from being mere recipients of economic benefits into becoming contributors of economic growth."⁵ This struggle for priority is a continuing one.

Philippine Social Conditions

Income distribution is a key question in social development. To quote from an NCSO special release:

One of the desirable goals of our national policy is to reduce the pro-

portion of the extremely poor and at the same time to increase that of families considered to be above the minimum comforts of living.⁶

It discusses an important indicator with which to gauge our progress toward that goal. The release states that generally, there was "a marked improvement in the distribution of total family income between 1971 and 1975." (See Table 1.)

Relative shares have increased for the lowest four deciles which may denote some redistribution of wealth in favor of the poorest classes. This happy development, however, is somewhat negated by the fact that the highest tenth showed the greatest change of all, indicating the firm entrenchment of the so-called oligarchy in the society. The gains of these five groups have come from the decreases of the upper-middle deciles. These changes could hardly be called satisfactory (although the NCSO said so), if one were to consider the income levels of the losing groups. The highest of these earns P10,049 p.a., a figure very close to the so-called subsistence level⁷ in 1974 which was estimated to be P10,550 for a family of six residing in Greater Manila, P8,844 for other urban areas, and P7,738 for rural areas. In other words, the groups which decreased in their share of total income cannot be considered affluent.

⁴Ferdinand Marcos, "The Philippine Development Plan: An Instrument for the Democratization of Development," Speech on Signing Presidential Decree (P.D.) 1200, Five-Year Development Plan, 1978-1982, "Philippine Development for Social Justice."

⁵Draft Summary of Long-Term and Five-Year (1978-1982) Philippine Development Plans, Chapter 12, "Social Services and Community Development," p. 12.

⁶Philippines (Republic), National Census and Statistics Office, "Family Income Distribution in the Philippines, 1975," Special Release No. 191 (April 30, 1975), p. i.

⁷The subsistence level — also called total threshold or secondary poverty — is the point where food, clothing, and shelter can be provided without outside aid, but with no allowance for social or other needs.

Table 1. Average Income and Percent Share of Total Income by Decile

Income recipient (from lowest to highest income)	Average income			Percent share of total income		
	1971	1975	Percent change	1971	1975	Percent change
First Tenth	466	1,425	205.8	1.2	2.1	0.9
Second Tenth	909	2,341	157.5	2.4	3.4	1.0
Third Tenth	1,318	2,932	122.5	3.5	4.2	0.7
Fourth Tenth	1,728	3,507	103.0	4.6	5.0	0.4
Fifth Tenth	2,191	4,027	83.8	5.9	5.8	(0.3)
Sixth Tenth	2,748	4,904	78.5	7.4	7.1	(0.3)
Seventh Tenth	3,416	5,872	71.9	9.1	8.5	(0.6)
Eighth Tenth	4,432	7,328	65.3	11.9	10.6	(1.3)
Ninth Tenth	6,307	10,049	59.3	16.9	14.5	(2.4)
Last Tenth	13,850	26,863	94.0	37.1	38.8	1.7

Source: National Census and Statistics Office (NCSO), "Family Income Distribution in the Philippines: 1975," *Special Release No. 191*, April 20, 1975, p. ii.

The "transformation of the life of the poor"⁸ is also a major social goal. One possible indicator of such progress would be income per se. Median family income increased from ₱2,454 in 1971 to ₱4,480 in 1975. At constant prices (base year 1971), however, the 1975 real income is ₱2,457, showing that any increase in cash income was virtually eaten up by inflation.⁹ In addition, the Ministry of Social Services and Development estimated that in order to break away from the poverty cycle, a family must have an income of ₱7,524 to ₱13,124 annually.¹⁰ But the government itself admits that 90 percent of all workers in all sectors of our economy are paid

⁸This is the definition of progress as stated by no less than President Ferdinand E. Marcos, Speech delivered at the opening session of the *Batasang Bayan*, Manila, September 22, 1976.

⁹NCSO Special Release No. 191, *op. cit.*

¹⁰*Bulletin Today*, March 20, 1977.

wages that are "below the minimum subsistence level."¹¹

It was also pointed out that "poverty is unfortunately equated with minimal access to services and facilities."¹² Other evidences of the continuing difficulties of the poor are given in the *1978-82 Development Plan*:

¹¹This is according to Jose W. Diokno, Speech delivered at the 1978 Amnesty International Council Meeting, Cambridge, England.

¹²Gabriel Alvarez and Leda Layo, "An Empirical Analysis of Selected Access Indicators," *Philippine Social Science Information*, Vol. V, No. 4 (January-March 1978), pp. 7-13. The study looked at access in the sectoral priority list of National Economic and Development Authority (NEDA) such as education, housing, agriculture, health and welfare, women in development, and infrastructure and compared their indicators with the proportion of families annually earning ₱3,000 or below, their measure of poverty, across all 66 provinces. Among the access indicators are the number of primary schools per 1,000 population, bed capacity per 1,000 persons, etc.

The 1975 DSSD National Survey on Welfare Needs and Resources showed that while 95.4 percent of the small households belonging to the bottom poor ate three meals a day, 60.6 percent indicated they were wanting in food, clothing, shelter and medicine. This inability to meet basic needs was primarily attributed to the lack of sources of livelihood since majority of the 65 percent of household members of employable age sought employment but failed to find work.

The 4.2 million cultural communities settlers suffered from a more critical deprivation of basic necessities. The encroachment of lowland settlers in their ancestral lands and culture forced ethnic tribes to withdraw and seek refuge in isolated hinterlands where food is scarce and starvation and disease, rampant. Smaller minority groups were nearly decimated since food sources and medicine were unavailable.¹³

The nationwide survey conducted in March 1977 revealed that of the 4.4 million pre-school children weighed, 30.6% were suffering from moderate and severe degrees of malnutrition. Recent indications show that the incidence of malnutrition has not decreased and among the disadvantaged groups, the nutrition status may have even deteriorated.¹⁴

In spite of the country's present level of development, estimates of infant mortality in 1976 disclosed a level of 74 infant deaths per 1,000 live births. However, a decline to 50 deaths per 1,000 live births is anticipated during the medium term for it is assumed that during the period, programs covering maternal and child health, environmental sanitation, nutrition and immunization may have been effective.¹⁵

Persons reported unemployed accounted for 4.8 percent of the labor force in 1973 and 5.2 percent in August 1976.¹⁶

The schoolgoing population continued to expand. Public schools maintained about 95 percent of total elementary enrolment, 40 percent of total number of high school students. In recent years, over a thousand barrio schools have been set up, expanding opportunities for secondary education to children of rural and poor families. Enrolment in vocational-secondary schools increased . . . by a relatively high annual growth rate of about 12 percent in SY 1973-75.¹⁷

In the tertiary level, 90 percent (of enrolment) was absorbed by private educational institutions. . . Available data indicate a continuing shift from teacher training, social sciences and humanities to natural sciences, engineering, and trade and agriculture courses.¹⁸

. . . The rate of construction of new dwellings has not coped with the rate of family formation, much less the population increase.¹⁹

The priority of efforts for government-administered housing projects centered on low income families. In the urban scene, about 7,000 core houses and 4,546 lots were provided to squatter families in the Greater Manila areas who were relocated to four major resettlement sites in FY 1974-75. However, this production was barely sufficient to serve an estimated 281,950 families that had been admitted to these sites as of FY 1974-75. . . . Resettlement efforts picked up in 1976 when some 10,000 families were relocated. . . (and) urban redevelopment through the sites and services approach gained momen-

¹³Philippines (Republic), National Economic and Development Authority, (NEDA), *The Four-Year Development Plan of the Philippines, 1978-1982* (Manila: National Economic and Development Authority, 1978), p. 230.

¹⁴*Ibid.*, p. 188.

¹⁵*Ibid.*, p. 183.

¹⁶Philippines (Republic), NEDA, *Four-Year Development Plan, 1978-1982*, Provisional Draft, p. 10-12.

¹⁷*Ibid.*

¹⁸*Ibid.*

¹⁹*Ibid.*, p. 11.

tum . . . Direct assistance in the form of houses were provided along with farm lots and infrastructure support. Thus some 873 core houses were constructed and turned over to settler-farmers for the period 1973 to early 1977.²⁰

The list above refers specifically to Philippine performance in the so-called social sectors. The tone is understandably negative since the Plan seeks to show the magnitude of the challenge still to be faced. Its emphasis on social development in the social sectors is nevertheless a very incomplete one. The human being is as involved in production as he is in being a recipient of educational, welfare, or health services. He is also affected by events in the economic sectors, and they have direct consequences on his welfare and happiness too.

Two Case Studies

Thus, social development, if it is to take seriously its role in "fulfilling the potential of the human personality"²¹ must draw its compass wider to include aspects of agriculture, industry, and infrastructure development which are regarded in the Plan as separate from specifically social aspects. It is in these areas, after all, where the possibility for a neglect of the concerns of the poor is greatest. This is not necessarily because the policy makers and program implementors in these areas are not socially oriented. Rather we must recognize that their programs are specifically

aimed at economic development goals, which in their implementation if not at the level of conception itself, may conflict with the requirements of justice, welfare, and the improvement of the quality of life.

Presented below are two such cases — the Philippine Sinter Corporation in Mindanao and the proposed copper smelter plant in Batangas — where the attainment of economic and social goals have been found to be conflicting. These are programs whose contributions to the attainment of economic development cannot be gainsaid. At the same time, their social implications, particularly in the immediately affected area have been traced and found to be largely negative. The conflict would test the question of priority in which the official pronouncements appear to be, at best, ambivalent. Discussion has been limited to these two parallel cases so that the issues can be brought into sharper focus. At the same time, there are really few such cases where both sides of the question have been adequately documented. There are also many ongoing economic projects, but their social effects have not been analyzed.²² Where the latter are being traced, the economic and technological

²⁰*Ibid.*, p. 11-12.

²¹NEDA, *Four-Year Development Plan, 1974-1977* states that "the ultimate aim of economic development is the fulfillment of the potential of the human personality through social development" (p. 303).

²² Among the cases I have come across are the constructions of ports in Navotas which would effectively divest fish stevedores of their livelihood, the operation of a paper mill in Bulacan which allegedly poisons the river from which the garden industry of nearby towns draw their water, the opening of the Export Processing Zone of Bataan and the consequent displacement of people therein, the difficult conditions under which cottage industry workers produce quality goods, the travails of banana plantation workers. Research and documentation of these cases are hopefully forthcoming.

importance of the projects remains a subject of great controversy which may detract from some of the basic issues to be raised here.²³

*The Philippine Sinter Corporation*²⁴

Sintering is that stage in steel making where iron ore is treated in preparation for smelting. The Philippine Sinter Corporation (PSC) obtains the ore from Brazil, Japan, and other countries, and the sintered ore is shipped for the smelting process in Chiba, Japan, the seat of steel mills in that country. The PSC is itself part of the industrial estate of the Philippine Veterans Industrial Corporation (PHILVIDEC) created by the virtue of P.D. No. 243 to harness the skills of veterans and retired military personnel. The 3,000-hectare estate is located

in Misamis Oriental and is expected to include integrated steel works in the process. The PSC is completely foreign-owned, and operates as such by special approval. It is better known in the country by the name of its parent company, Kawasaki Steel. Kawasaki was able to obtain many benefits through the Investment Incentives Act, including exemption from customs duties on raw materials, equipment, etc. on one hand, and from export taxes on the other. Other attractions were Philippine cheap labor and land rent as well as the presence of limestone in the area (a raw material for the sintering process) and the deep natural harbor for the construction of ports. The PSC is part of the program to implement the government's objectives of industrialization, regional dispersal, and export promotion. For its part, Kawasaki Steel explains its presence in the Philippines as follows:

²³This would include such programs as *Masagana 99* which has succeeded in increasing agricultural productivity. Its conflict with social goals is hinted at in at least two studies, but as the program itself is massive it cannot be adequately studied in a paper with other concerns. See Meliza Agabin, "Economic Implications of Masagana Programs," *Effective Delivery of Extension Services and the Masagana Programs: First Agricultural Policy Conference Proceedings* (College, Laguna: Center for Policy and Development Studies, University of the Philippines at Los Baños, 1972), p. 325 and Table 10, p. 336 and p. 326 and Tables 12, 13, and 14, pp. 338-340. Similar views have been expressed by Frank Lynch. See for example, "Ricefarm Harvests and Practices in Camarines Sur: Do Compact Farms, Masagana 99 and the Samahang Nayon Make A Difference?" SSRU Report Series No. 2 (January 1974).

²⁴This section draws largely from Ma. Socorro F. Romero, "The Kawasaki Sintering Plant," *Community Organization Research and Documentation (CORD) Program*, Development Issues No. 4, Institute of Social Work and Community Development, University of the Philippines.

Although a sintering plant is an indispensable part of a steel plant, it also produces more polluting materials than any other part of a steel plant. Therefore, we at Kawasetsu, Kawasaki Steel, have decided to build the new sintering plant . . . in a foreign country even though this involves overcoming difficulties connected with the loading, unloading and transportation to prevent pulverization of the sintered ore. The new sinter plant is now under construction in Mindanao, Philippines, as part of Japan's economic aid to that country.²⁵

Kawasaki has been accused of pollution of the environment . . . its

²⁵Kaji Etsuko, "Kawasaki Steel: The Giant at Home," *Japan-Asia Quarterly Review* (October-December 1975), p. 38. Cited by Renato Constantino, "Global Enterprise and the Transfer of Technology," *Proceedings of the First Congress of the Third World Economists*, Algiers, February 2-9, 1976.

plant in Japan used to emit a violet-gray smoke which its opponents claim perpetually made them cough and made their children easy prey to respiratory diseases. The people of Chiba have actually filed a lawsuit charging the company of inadequate counter-pollution measures. They have also opposed the relocation of the sintering plant as a "pollution export." Kawasaki officially claims that it has adequate safety measures, with one caveat:

When we talk about pollution, it is not suitable to apply the consciousness about pollution in Japan to Mindanao It is ridiculous to bring the pollution-prevention facilities of Chiba to Mindanao as they are.²⁶

The PSC became operational in March 1977. The PSC plant covers 144 hectares and displaced 186 families (about 2,000 people) to make way for this construction. The PSC's expected peak employment could not necessarily absorb these 2,000 since steel making is a capital-intensive industry needing skills that these rural folk are unlikely to have. Many inhabitants of this fishing and coconut farming community were relocated to a hill about eight kilometers away, where the government envisions a social experiment — a community with communal farms, dairies, and similar income-generating projects. Even if the experiment becomes operational, the occupational transformation of the people would affect

their lifestyle considerably. At present, the new site has no water, electricity, and paved roads; the houses built by government cost P25,000 to P28,000 per, which the people must pay for over a 30-year period at six percent interest.

*The Proposed Copper Smelter Plant in San Juan, Batangas*²⁷

Copper smelting is the process of refining copper concentrates into 99.99 percent pure copper. The plant in question involves a consortium of privately-owned mining companies, the government-owned National Development Company, and the Philippine Associated Smelting and Refining Corporation (PASAR), a foreign investors' group. The proposed plant will require about 300 hectares in San Juan, Batangas, a town at Tayabas Bay. San Juan has natural submarine gardens and abundant fish and other seafood which are sold throughout the Southern Tagalog area. In addition, there are 4,000 farms yielding coconut, rice and other agricultural crops. About half of the 9,678 households have professionals, small businessmen, craftsmen, and laborers. The people of San Juan who learned about the copper smelter from outside reports (in Manila newspapers and radio) formed themselves into the Concerned Citizens of San Juan (CCSJ), a group determined to know the implications of the plant on their lives. After consultation with various

²⁶Statement of Kawade Chihaya, Managing Director, Kawasaki Steel Corporation in an interview in Kokusai Keizai, March 1976. Cited by Kido Junko, "Kawasaki Steel Corporation's Sinter Plant in Mindanao," *AMPO Special Issue, Free Trade Zones and Industrialization of Asia*, Tokyo (1977), p. 126.

²⁷Marion Villanueva, "The Right to Resist: The People of San Juan, Batangas Versus The Copper Smelter Plant," *Community Organization Research and Documentation (CORD) Program*, Development Issue No. 6, Institute of Social Work and Community Development, University of the Philippines.

professional and government groups, the CCSJ became convinced that the pollution effects of the plant on their lives and livelihood and the displacement of about 600 persons would not be overcome by the increase in land values, commerce, taxes and infrastructure and the presumed employment of 750 persons in the plant. Protests in the media and in community assemblies resulted in opinion polling — with the government researchers finding the results for the plant, and the CCSJ getting results against it. The “deciding vote” was a third poll undertaken by the University of the Philippines Institute of Social Work and Community Development which found 75 percent of the population against the plant, 15 percent uncertain, and only 10 percent in favor. Perhaps because of this militant opposition, a review of the proposal was made and the plant site relocated to a municipality of Leyte.

The Cases: A Preliminary Analysis

Both the San Juan and Kawasaki plants may be assumed to benefit the country economically. They fit in well with the objectives of industrialization with regional growth and industrial dispersal as instrumental goals. A steel mill is, after all, a traditional symbol of industrialization. Besides, both steel and copper are important industrial raw materials.

In addition, both plants purport to bring in foreign capital, a shot-in-the-arm in an investment-starved market. Hopefully, the PSC and PASAR are not among the foreign investors who have recently been cited as generating most of their capital locally to the tune of \$100 for every \$12 brought to the Philippines.

In addition to these direct benefits, both plants are also expected to: (1) bring in selected industrial and commercial enterprises into the areas and (2) enhance the possibility of their electrification and inclusion into the highway network with their concomitant facilities.

All these economic arguments may be accepted or disputed; that is not a primary concern here. Rather, we must address ourselves to the social issues to which the cases call attention.

Effects on the Environment

The first is the issue of pollution. It is still controversial as to just how much despoliation of the environment and the people there would be; even expert opinions vary. Some pollution effects are certain however. Both sides differ only on the extent and the adequacy of pollution measures. The Chiba experience would suggest that we should all err on the side of caution and demand for as much safety measures as are technologically available. The specter of dead fish, coughing children, and a pall of smoke and gloom over a town is not easy to contemplate, particularly if one is living there.

These cases are not unique in having a pollution component. It is now increasingly recognized that possible negative impact on the environment can proceed from almost any application of technology, from the use of pesticides in agriculture all the way to the production of nuclear energy.

In the Philippines, technology assessment is vested in the new Ministry of Human Settlements which requires environmental impact statements

from industries prior to their establishment. The demands of the people of San Juan, and the quieter suffering of the Misamis Oriental citizens are therefore legitimate political protests that are acceptable even within the martial law regime.

Pollution may, however, be suffered in favor of a higher goal. As Minister of Economic Development Gerardo Sicat stated in another context:

We cannot afford now to push the anti-pollution campaign all the way. Clean air never feed the hungry.²⁸

This is now the issue to be tackled next: to what extent would the construction and operation of the two plants "feed the hungry"?

Other Effects on People

This would first entail the question of employment and income change. The Kawasaki plant is expected to hire 1,200 new workers, and the copper smelter, 750. However, it is debatable if many of these could be recruited from the local areas themselves. Both areas are populated by farmers and fishermen most of whom did not finish high school. It may therefore be assumed that only a few of them would have the requisite skills for employment in these plants. The concomitant rise in income envisioned will hardly come to pass.

The expected goal of human economic programs is "people prosperity," where benefits redound to the area's most needy inhabitants.

Place prosperity is a "pragmatic proxy" for this ideal, "on the hypothesis that the best way to help a person is to promote the overall prosperity of the area in which he happens to live."²⁹ Empirically, however, "place prosperity" occurs as a locality becomes modernized, but benefits are enjoyed largely by the already wealthy therein, such as owners of business establishments and other local elite as well as outsiders such as foreign investors, absentee landlords, etc. Meanwhile, the local poor may simply be brought into a monetized economy, but without enough money to actually enjoy it.

Thus, instead of "feeding the hungry," the construction of the plant instead calls for sacrifice on their part. One such sacrifice would be displacement from current abodes and subsequent resettlement in other communities. Since both San Juan and the Misamis Oriental plants are opening up new areas, it can be assumed that most of those affected would be dwellers of the interior, and therefore poorer members of the community.

Displacement may be seen as a necessary complement to the objective of industrial dispersal, whose thrust could be lost unless new areas other than existing urban settlements are opened up to industry. The policy itself is rooted in the need to draw benefits out of Manila and is an attempt to redress the balance in favor of the regions. As such, industrial dispersal is a means of equalizing opportunities. The issue again is whether

²⁸ "Progress First," Says NEC, "Let's Worry About Pollution Later," *Manila Chronicle* (March 8, 1972), p. 1.

²⁹ Edgar M. Hoover, *An Introduction to Regional Economics* (2nd ed.; New York: Alfred A. Knopf, 1975), p. 260.

dispersal results in people as well as place prosperity. Displacement recalls this distinction and in the short-run at least the people have not been recipients of prosperity. The displacement as we have seen tends to require a great change in the people's way of life. This includes occupational transformation with a required corresponding change in their relationship with other men and with nature. Going to the cases mentioned, we find that fishermen cannot immediately become farmers. Even the farmers in the localities are lowlanders and know different techniques in agriculture than would be expected from those farming in hills. The integrated dairy farm would also require not only different skills but also new time schedules. A dairy enlarges the scope of one's cooperative life, since it would mean interacting not only with one's family as the household head, but also with other household heads, some of whom may be hierarchically at different levels than him.

Another change would be alterations in housing and resettlement patterns. The resettlement would restructure widely dispersed households into more compact neighborhoods. This is not even to mention the adjustment from nipa-and-wood to concrete houses with the concomitant increase in rentals and expenses for housing. These are difficult to adjust to, even assuming that promised facilities are actually delivered and relocation areas are ready when the people are transferred (which they were not, in the PSC case). But aside from the existence of material resources, the investors and the government should also provide training and even resocialization to make the transformations easier to cope with. In

other words, the need is to assure that the new communities are truly *human* settlements.

Social Development as a "Local" Problem

The cases above, though a matter of great controversy among the people affected, the corporations and a small group of militant scientists and intellectuals, have remained largely unknown to the great masses of the Filipino people. While this may be partly because the press has not taken up such issues with the fervor it used to do before martial law, the fact that the impact of the events has been perceived as not affecting anyone beyond the immediate vicinity of their respective locales must still be examined. Many social development issues are of this type: local in their immediate effect, and touching other lives only in gentle ripples, which may obscure their direct significance to the society at large. Why is this so? There are at least two reasons: (1) the use of an economic calculus in evaluating social factors and (2) the tendency to see the conditions of particular persons as having individual rather than structural explanations.

The Economic Calculus

One of the first and strongest assaults raised against the perspective of the First Decade was how human beings were to be valued. Many members of the Third World were dissatisfied that their ancient civilizations and contributions to philosophy and the arts were ignored and their societies labeled underdeveloped or backward because they were not industrialized. The perspective they rebelled against is still a strong influence today. Thus,

though achievements in attaining more humanness are given lip service, their contribution to the quality of life is not appreciated. Health, education, welfare, and employment are viewed as characteristics only of specific men. These enhance individual persons who become important not as healthy, educated individuals per se, but as productive members of the labor force, i.e., as economic entities. In the cases cited, the displacement is of local inhabitants who are not making substantial contributions to the economy at present; hence, their situations are not of prime concern. The pollution will be suffered within the same area and by the same people. Moreover, since the goods produced are not for local consumption (and indeed are industrial exports), the effect of the plants will otherwise be seen only in the income they will have generated and the foreign exchange earnings which will have increased national income. There will be little concomitant concern that the people will have to give up a lot of the things they value — their ways of doing things, their patterns of living together, their aspirations (which are assumed to be assuredly low-level). Thus from this viewpoint, the losses of the persons (whose inputs are not economically significant anyway) may be a small price to pay for the gain of the total economy.

Individual, Not Structural Explanations

I have stated above that unemployment, displacement, and pollution are likely to be suffered by the inhabitants with the construction and operation of the refineries. Nevertheless, there are certain individuals who will be employed, others who will not be displaced (or having been

displaced, be able to use this forced change as a means of improving their life, probably by using the expropriation payment for a small business, or by migrating to the city, or by some other means), others who will not be weakened by the poor environment (because they are very healthy or resistant to the gases to start with, because they live a sufficient distance away, because they are lucky). These persons will be a small minority of those affected, but their success provides the support for blaming the victims for not being able to work, for not rising above the problems of resettling, for being unhealthy, or unemployed, for not appreciating the benefits that industry will bring to their towns. Elliott has called the means of success of the few as "con-mechs" (confidence mechanisms) because they retain

the belief among competitors that they have a chance . . . of winning The more obviously and overtly competitive the mechanism, the more the individual is likely to attribute failure to his own shortcomings (e.g., low intelligence) rather than to either biases within the system or the nature of the system itself.³⁰

If one believes in con-mechs, individual hardships will be seen as products of laziness or lack of ambition and the analyst will neglect the effect of other persons, groups or institutions on that condition. Yet, "laziness" may really disguise one's lack of skills which may in turn be traced to an educational system that teaches technical matters in a foreign language, whose academic calendar is not attuned to the planting and har-

³⁰Charles Elliott, *The Patterns of Poverty in the Third World* (New York: Praeger and Sons, 1975), p. 11.

vesting seasons, where until recently one hears frequently of snow, or of "the tip of an iceberg" when it is unlikely for anyone in the class (or in the entire school) to actually see snow or an iceberg in his lifetime. Or one may have dropped out of school (and therefore did not develop skills, or maybe have skills but does not have a diploma to show for it) because of the need to help in the farm or to sell produce or fish, so that the family can cope better with high prices pushed by global conditions such as decisions of faraway OPEC countries, the diversion of some commodities into the export market, the influx of tourists. Or one may "lack ambition" because he has ceased to have faith in working hard, after having seen lazier government officials enjoying sudden unexplained wealth, or after finding that even skilled hard-working acquaintances cannot find work, or that those who do get very low wages.

A person's poor health (and therefore susceptibility to pollution effects) is not even first a matter of poor health habits. It may also be traced to the level of environmental sanitation in his community, the inaccessibility of medical facilities — with 70 percent of physicians in the urban areas where only 30 percent of the people live, this deployment in turn being influenced by the reward system in the society.

Thus, human hardship should be viewed not only as individually based but at least equally or even largely as having structural sources. As such the problems faced by the people of San Juan and the PHIVIDEC estate are not really local questions though they may appear to be so. Rather they are problems that many persons who are at the bottom share. The problems of

these communities are easier to perceive because their direct structural causes are clear, but the constraints produced by the kind of environment, the employment and reward structure, and the economic calculus are not unique to them and in that sense will not be local problems.

It may also be pointed out that the impact of pollution will be local — i.e., affect only a specific territory — only in the short-run. When pollution affects the fish and produce of the areas, and these are consumed elsewhere, the effect of pollution shall have travelled and set in motion a wider health problem. Aside from effects of changes in the balance of nature (which may cause floods, change climate conditions, etc.), there may also be demographic changes as the pollution pushes people to overcrowded cities which will aggravate overpopulation, service delivery problems, etc. therein.

The "Localness" of Decisions

The decisions under study are presented to the people affected as a *fait accompli*, and they have little voice in the matter. In both cases, decisions to have the plants as well as where to locate them are made elsewhere. This will appear to be increasingly the case as costs of industrial projects become too high for the country to finance by itself. The question of local versus foreign investments and even the decision to invest are questions better tackled by economists. The point here is that outsiders — whether foreigners or simply Filipino non-locals — are less likely to be concerned with the impact of their investments on the inhabitants of the sites of their plants because these human problems are less

likely to affect them personally. They have their enclaves of wealth which protect them from poverty, disease, hunger. Thus, theirs is an economic calculation which is not apt to value social issues highly because they are largely not quantifiable, and because, especially in the case of foreign investors, they are not responsible to the local people (not only in a particular town, but also in a particular country) but to their headquarters and owners.³¹ The farther away a decision is made from the area it will immediately effect, the greater the tendency to think economically and not socially.

This emphasizes the need for the community to be militant and to make its own social valuations of what is worthwhile. The second case is mixed: there appears to have been little protest on the part of the PSC-affected people, and Kawasaki quickly won, despite "imported" opposition from their own compatriots from Chiba. The Batangueños were more militant and they won the battle. However, people's organizations are not always victorious. The people around Chico Dam³² have been pro-

testing for years but are unlikely to win. The CCSJ success appears grounded not only because it is a local group, but also because of the type of locals it generally counted among its membership — the professionals and small businessmen, an educated group which employed "civilized" protest forms — i.e., convocations, press releases, and opinion polls. Their cause may be strong, but they were immeasurably helped along by their middle class, ergo, respectable status. The success of San Juan then is not readily transferable to other areas where the most vocal are the truly poor who will not be able to handle the acceptable participation mechanisms.

Conclusion

The pursuit of social development is a difficult quest, especially in areas where it conflicts with economic development goals. In these cases, the adverse effects on the environment and on the people will be great. However, they may be disregarded because of the use of the economic calculus and the tendency to ignore the structural causes of poverty and human suffering. These are aggravated when decisions are made away from the affected area, and local people are too resigned or powerless to protest. Under these conditions, it is imperative that Philippine society through its government hold true to its vow, and not override its "overriding concern. . . (to) fulfill . . . the potential of the human personality through social development."³³

³¹Robert Stauffer, "Transnational Corporations and Host Nations: Attitudes, Ideologies and Behaviors," Paper presented at the 1978 Conference on Transnational Corporations, Asian and Pacific Development Administration Center, Kuala Lumpur, Malaysia, pp. 11-14. He discusses the self-serving and arrogant attitude of TNC's as regards the Third World countries they locate in, and the lack of responsibility to their host nations as shown in their annual reports, official pronouncements, etc.

³²Chico Dam in Kalinga-Apayao was one of the four dam projects intended to be components of the Chico River Development Complex. See "Bending with the People's Will," *The Republic* (May-June 1976), p.5.

³³Philippines (Republic), NEDA, *Four-Year Development Plan FY 1974-1977*, p. 303.