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The Twin Revolution

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Notes & Comment

The Twin Revolution

The term "point of no return" is familiar. It refers to the point on an overwater airplane flight beyond which there is not enough fuel left for a return to the shore from which the plane took off. Beyond this point, no matter what storms or other hazards may lie in its way, the plane must proceed to the far shore or else crash into the ocean. I should like to suggest that in its process of development thus far, the Philippines has passed at least two points of no return—two points beyond which we must continue and even intensify development or else face national disaster. One of these has come to be known as the revolution of expectations, or the revolution in the needs and demands of the people. The other is the biological revolution brought about by the dramatic reduction in this century of the death rate. Let us explore the implications of these twin revolutions.

From a nation composed in great part of self-sufficient and isolated communities, even self-sufficient families, each of which raised or made for itself most of what it used and consumed, the Philippines in this century is being rapidly converted into a nation accustomed to the mass-produced consumer goods of an industrial society. Many forces have combined to bring this about: the standard of living displayed in the Philippines by the resident foreigner; the flow of mass-produced goods from the States and the development of intricate distribution networks—now including even installment selling—extending to remote and hitherto isolated barrios; the tremendous growth in the number of those who can read and write; the introduction of the media of mass communication—newspapers, magazines, radios—to the barrios. The impact of modern advertising and distribution system can be seen in the language itself—in which all rubber shoes are "keds", all cameras are "kodaks", toothpaste is "colgate", and electric ice boxes are "prigidares." The important thing for our purposes, however, is that the wants and expectations of the people now extend

far beyond the barrio; they have been formed by the standard of living of a nation ten thousand miles away with a per-capita income twenty times the per-capita income of the Philippines. The new Filipino industrialist, for example, does not buy up agricultural land in order to adopt the style of life of the *hacendero*; rather he builds himself an air-conditioned super-ranch-style home with a swimming pool, on the outskirts of Manila, and adopts the way of life—even to a taste for golf and Scotch whisky—of his American counterpart. Nor are the ordinary people content with the standard of living which their parents knew; they want something better, if not for themselves at least for their children. They leave their home provinces and migrate to Manila or Mindanao in search of something better; they go into debt or sell their land in order to send their children to school; they look hopefully to one and then another political Messiah for salvation. Thus far—except for the years of the Hukbalahap uprising—their patience has been remarkable.

The second revolution is the biological one brought about in the course of the present century by the remarkable drop in the death rate. The better to understand its significance it may be helpful to look first at some birthrate and deathrate statistics for England and Wales (Table 1). It will be noted that the rate of population increase is not determined by the birth rate alone or the death rate alone but by the *difference* between the two—the rate of natural increase.

Table 1

BIRTH RATE, DEATH RATE, AND RATE OF NATURAL INCREASE, ENGLAND AND WALES

	Agricultural Revolution	Industrial Revolution		Medical Revolution		1950
	1700	1751— 1755	1801— 1805	1851— 1855	1905— 1909	
Birth rate		3.5%	3.4%	3.4%	2.7%	1.6%
Death rate		3.0%	2.3%	2.3%	1.5%	1.2%
Natural increase		0.5%	1.1%	1.1%	1.2%	0.4%

The rate of increase seems moderate enough, but we should not forget that it is an annual rate of increment, in other words, it represents compound interest. People who have been unfortunate enough to become involved with loan sharks are painfully aware of the terrifying rate at which compound interest can multiply even a moderate sum. As a matter of fact we know that the rate of increase cannot have been 1% or even 0.5% for any long and continuous period of time; for if we were to project such a rate backwards we would come quite quickly to a single man and woman—Adam and Eve in quite

recent, even historical times! The reasons why the rates shown on the tables were not constant over a given time area, are of course, Malthus' famous positive checks of plague, famine and war. One quarter of the population of Europe succumbed to the Black Death in the 14th century. There were many other epidemics which were equally devastating within more limited areas; between one-quarter and one-half of the population of the City of London, for example, died of the plague in 1665. Famines too, periodically accounted for tremendous increases in the death rate; these were often localized, but in the days before modern transportation and centralized government it was frequently impossible to bring effective famine relief to the stricken areas. And the most devastating effect of war in these early times was not the number of combatants killed but the spreading of pestilence and famine by armies on the march; frequently they carried disease with them, they drove off livestock, confiscated stores of food, and their passage prevented the planting or harvesting of crops. In the light of these considerations we perhaps can better understand the depth of feeling behind the Church's plea still repeated in the Litany of the Saints—"From pestilence, famine and war deliver us, O Lord!"

Another point worth consideration is the timing of the various phases of population growth in England and Wales. We do not have good figures earlier than 1751, but it seems probable that by that time the death rate had already dropped somewhat as a result of improved agricultural techniques introduced in the first half of the eighteenth century; it is even more probable that the decline after 1750 was brought about by the Industrial Revolution which, despite its harshness, made possible a somewhat higher standard of living for great numbers of the people. Lastly came the impact of modern medicine, culminating in the application of Pasteur's great discoveries on the nature of disease during the latter part of the nineteenth century. This period saw a remarkable drop in the death rate, but by that time the birth rate also was dropping; moreover by that time the agricultural and industrial revolutions had been accomplished and the economy was well able to provide for a 1.2% annual increase in population.

Now, compare this pattern of population growth in England with that observed here in the Philippines during the present century (Table 2). We see in the first place that the "gap" between the birth rate and the death rate, the gap which constitutes the rate of natural increase, has been far wider in the Philippines during most of this century than it was at any time in the recorded history of England. The present rate of natural increase is estimated at about 3.2% per year—a rate which is certainly close to the highest ever experienced by a national population.

Table 2

**BIRTH RATE AND DEATH RATE ADJUSTED TO OBSERVED
RATE OF NATURAL INCREASE, IN THE PHILIPPINES**

	1903	1918	1939	1948	1960
Birth rate	5.0%	5.0%	5.0%	5.0%	5.0%
Death rate	3.1%	2.8%	3.1%	1.9%	1.9%
Natural increase	1.9%	2.2%	1.9%	3.1%	3.1%

The rate itself may yet increase as the death rate drops further; but even at 3.2% per year the Philippine population, which has already multiplied itself about four times over in this century, will have doubled again by 1985 or so. The high rate of natural increase itself is due to two factors: the birth rate which seems to be higher than the early birth rates of Europe; and the fact that the death rate has dropped much more suddenly here, particularly since 1948, than it did in Europe.

A final point to be noted is the cause for the drop in the death rate. In Europe, as has been noted earlier, this was due first to the agricultural and industrial revolutions and only later to the application of modern medical knowledge. In the Philippines the process has been reversed: the drop in the death rate has been due primarily to the introduction of modern medicine and public health measures—sanitary drinking water, inoculations against disease, DDT and so forth. We've had our medical revolution *before* either our agricultural or our industrial revolution, before the economy has had a chance to pick up momentum; and now we are in a position where, from a standing start as it were, we must produce 3.2% more food and jobs each year *just to maintain* our present standard of living.

I would argue that these two revolutions, the revolution of expectations and the revolutionary drop in the death rate, are points of no return in the history of a nation. For once these points have been reached, the nation's economy *must* advance faster and faster in order to provide for the ever-expanding needs of an ever-expanding population, else that nation will face massive social unrest and subversion. I agree that there is much to be said for the unhurried, traditional way of life of peasant societies the world over; but my answer to those who would cling to traditional *and inefficient* methods of production is this: if you wanted to hang onto your old ways, well and good; you might have lived a happier, fuller and more peaceful life, undisturbed by stomach ulcers; but the time to think of that was before the first newspaper and the first can of DDT came into your village. For once the newspaper and DDT have done their work, once the two revolutions have come about, there is no turning back.

But the road is not an easy road either. A fact which is too often forgotten by those who talk of economic development is that development requires sacrifice and discipline. It requires such sacrifice and discipline that it has not often, in fact, been accomplished under conditions of political democracy. The United States is the best example of a nation which achieved industrialization with a high degree of internal political freedom, but economic conditions there were particularly favorable—far more favorable than in the Philippines today. In the course of England's industrial revolution the workers had no vote; they rioted again and again against the working and living conditions to which they were subjected. Troops were used against them and workers were hung for destroying machinery. In fact, England's industrial revolution in the eighteenth century bore some striking resemblances to that of Czarist and Soviet Russia in the nineteenth and twentieth. Even Aneurin Bevan, the English socialist labor leader, once remarked that the industrial revolution in England would probably never have come about had the worker had the vote. For, had they had the vote, they certainly would have driven from office any government which tolerated the sacrifices which were required of them.

The basic reason, of course, why economic development and industrialization require discipline and sacrifice, is that they require capital. But capital is by definition savings. Money and time and effort which are expended in building roads and bridges and factories are money and time and effort which could have been expended on raising or importing rice. So the nation, in building factories which will not produce until next year or the year after, is sacrificing something of its standard of living this year. Indeed, many of our citizens are going hungry each year that the nation may have a little more wealth the following year. As Bevan put it, "We are living on the fruit of wages which our fathers went without".

The sacrifices become even more painful in the face of the double revolution which we discussed above; population growth and the revolution of expectations tend both to make development necessary and to make it more difficult. They make it more difficult for the simple reason that they tend to divert income from savings and capital formation into immediate consumption expenditures. In time the birth rate will probably drop as it has dropped in the industrial nations. As a priest I hope that the decline in the birth rate will come about in ways which conform to the teachings of my Church and the beliefs of the great majority of Filipinos—by later marriage, for example, and if necessary by the use of the rhythm method in marriage. But this will take time. For the present the problem is to take care of our expanding population. We have the resources to do so. What we need is the spirit of sacrifice and discipline necessary to develop and utilize these resources efficiently.

Historically, as has been said, these sacrifices have rarely been voluntary. And we might add that historically they have almost always fallen most heavily on the poor. In its development thus far the Philippines has been no exception to this latter rule. Despite the fact that per capita real income here is now some 30% above the pre-war level, the buying-power of the wages received by skilled workers in Manila—where we should expect both labor organizations and the enforcement of the Minimum Wage Law to be most effective—is actually *below* the pre-war level (Table 3). Unskilled workers have done somewhat better, but the increase in their real earnings has been moderate in comparison with the increase in national income; and in recent years the tendency has been for real wages of both skilled and unskilled workers to *decline* rather than increase. Moreover these figures deal only with the *employed*, who are far better off than the great and growing army of the unemployed. Such social welfare measures as the Minimum Wage Law and past efforts at land reform have been largely symbolic gestures which did not permanently improve the lot of any great number of our people. Meanwhile, the national income accounts indicate that total profits have been increasing more rapidly than total wages and salaries, and there are other indications of a growing concentration of income in the hands of a few. If this income were being invested as capital for productive purposes, there would be less unemployment and things would be better all around. But capital formation remains at about one-third of what is needed to get our economy really rolling. The increased income of the well-to-do has been going mainly into consumption—and not infrequently into highly conspicuous consumption—in the form of late-model American cars which are much too big for our crowded streets in the first place, fine new homes, imported liquor and regular “combined business and pleasure trips” abroad. The burdens of development, in other words, fall disproportionately on one group in the society while the rewards are enjoyed by another.

Table 3

REAL WAGES OF INDUSTRIAL EMPLOYEES IN MANILA
(actual purchasing power at 1941 prices)*

	1941	1949	1961
Skilled	P2.29	P2.21	P2.26
Unskilled	P1.24	P1.43	P1.50

* Source: *Journal of Philippine Statistics*, October 1963, Table 15.

This is a situation which cannot long last if democracy is to survive in this nation. The people still appear to have faith in the democratic process and hope that better times lie not far ahead. Yet the rising tide of crime and violence around us attests to the burdens

and discontent which they feel. Something must be done to spread both the burdens and the rewards of development more equitably. And it must be done soon, before discontent crystallizes in organized subversion; else we may well face a "time of troubles" such as South Vietnam, for example, is undergoing today. Symbolic gestures are no longer enough.

It is my fervent hope that the land reform bill recently signed will turn out to be more than symbolic gesture. The year 1963 can be a real watershed in Philippine history if landowners and government officials will set aside their personal interests and cooperate loyally in making land reform work. A second way in which something could be done to equalize the burdens of development would be a sharp curtailment of the conspicuous consumption indulged in by the wealthy, and the investment in productive enterprises of the money thus saved. Social pressure could be quite effective in this area; for example, if driving an expensive and late-model car, living in a mansion and smoking "blue-seal" cigarettes were to become not a status symbol but a sign of lack of patriotism. A little reflection will suggest other ways in which the burdens might be distributed more equitably.

JOHN J. CARROLI.

Advertising and Development

The advertising profession has made great progress in the Philippines since the early 1930's which first saw the emergence of organized advertising agencies. There are today 37 advertising agencies in the field with a little over a thousand employees. About 800 of these are employed by the 15 members of the Association of Philippine Advertising Agencies (APAA), which have billings of approximately ₱40 million.

At a recent "Conference on Advertising and Socio-Economic Development" organized by the APAA (24 July to 4 October 1963), 484 registered participants discussed in 11 sessions various aspects of the profession in its Philippine context: what it is, where it is going, how it can contribute to the social and economic development of the country. It was hoped that the conference would call attention to the important role of advertising in the totality of marketing within the present economic framework, secure rightful recognition of the function of advertising, and set new directions for advertising as an effective instrument of national growth.