

# philippine studies

Ateneo de Manila University • Loyola Heights, Quezon City • 1108 Philippines

---

## Centenarius Annus and Philippine Social Problems

Vitaliano R. Gorospe, S.J.

*Philippine Studies* vol. 40, no. 3 (1992): 368–380

Copyright © Ateneo de Manila University

---

Philippine Studies is published by the Ateneo de Manila University. Contents may not be copied or sent via email or other means to multiple sites and posted to a listserv without the copyright holder's written permission. Users may download and print articles for individual, noncommercial use only. However, unless prior permission has been obtained, you may not download an entire issue of a journal, or download multiple copies of articles.

Please contact the publisher for any further use of this work at [philstudies@admu.edu.ph](mailto:philstudies@admu.edu.ph).

# Centesimus Annus and Philippine Social Problems

Vitaliano R. Gorospe, S.J.



On the one hundredth anniversary of the first social encyclical of Pope Leo XIII, *Rerum Novarum* (RN) (1891), Pope John Paul II issued on 1 May 1991 another encyclical *Centesimus Annus* (CA). This latest encyclical follows his 1987 encyclical on social concerns, *Sollicitudo Rei Socialis* (SRS) which commemorated the twentieth anniversary of Pope Paul VI's 1967 encyclical *Populorum Progressio* (PP). The new encyclical CA has drawn various comments from all parts of the world to select two opposed views, the first, foreign—Hollenbach (1991, 590–91) which is favorable to the Church, and the second, local—De Jesus, *Philippine Star* (27 June 1991) who writes critically about Church leaders. She believes that CA's impact in the Philippine Church will depend on whether the Church is willing to make a fundamental change in the way it shapes its counsel to the faithful. These notes rely heavily on the special issue of *Intersect* devoted to *Centesimus Annus*. Diametrically opposed commentators selectively quote sections of the new encyclical to bolster their own conservative or liberal positions. The purpose of this note is to point out in general the significance of the new social encyclical and in particular to highlight a few of the "new things" (*rerum novarum*) in CA that may be relevant to the Philippine context, and to summarize some of the current discussion in the Philippines on the encyclical.

## Overview of Centesimus Annus

At the outset it would be helpful to take an overview of the encyclical from the perspective of perennial "principles of reflection, criteria of judgment, directives for action," and "vital link with the Gospel of the Lord" (SRS 3). Apart from the Introduction, CA has six main parts.

The Introduction to CA states that the best way to commemorate RN is "to look back" (past), "look around" (present) and "look to the future" (CA 1-3). This is exactly what CA does in its content as a whole. Chapter 1 on the "Characteristics of Rerum Novarum," recalls the significant contribution of RN to the Church's social teaching. The key Christian doctrine of both RN and CA is the dignity of the human person and his basic human rights.

. . . the guiding principle of Pope Leo's encyclical, and of all the Church's social doctrine, is a *correct view of the human person* and of his unique value, inasmuch as "man . . . is the only creature on earth which God willed for himself" (CA 11).

RN affirmed not only the dignity of the worker and of work, but defended the right to private property, to organize associations, to a just wage and just working conditions, and the right to religious freedom (CA 6-9). In Chapter 2 on "Towards the 'New Things' of Today" RN foresaw the negative consequences of "Real Socialism" or Communism (1989-90) due mainly to atheism and the contempt of the human person." "Socialism considers the individual person simply as an element, a molecule within the social organism, so that the good of the individual is completely subordinated to the functioning of the socio-economic mechanism" (CA 13). "The Year 1989" mentioned in Chapter 3 is a historic moment because it marks the failure of communism in East Europe. According to CA the factors that led to the fall of oppressive regimes were "the violation of rights of workers" (CA 23), "the inefficiency of the economic system" and "the spiritual void brought about by atheism" (CA 24). In view of the positive and negative consequences of Communism, namely, an encounter between the Church and the worker's movements and the injustices on the peoples of Europe, the assistance of other nations to help develop ex-Communist as well as Third World countries is needed (CA 26-29).

Chapter 4 on "Private Property and the Universal Destination of Material Goods" is a cardinal doctrinal principle in RN which has become the constant social teaching of the Church. It is the Christian answer to Communism's ideological stand that the root of global poverty and structural injustice is the right to and system of private property. The successors of Leo XIII, as well as Vatican II, have constantly affirmed "the necessity and therefore the legitimacy of private ownership as well as the limits which are imposed on it"

(CA 30). As for the theological basis of the limits on private ownership CA states: "God gave the earth to the whole human race for the sustenance of all its members, without excluding or favoring anyone. This is *the foundation of the universal destination of the earth's goods*" (CA 31). Capitalism can no longer claim that the right to private property is absolute, since it is limited by the common good.

Today there is another form of ownership which is becoming no less valuable than land ownership, namely, "*the possession of know-how, technology and skill*." Herein lies the "*role of disciplined and creative human work and, as an essential part of that work, initiative and entrepreneurial ability*" (CA 32). CA emphasizes a new concept to work not only *for* others but also *with* others (CA 31). CA immediately calls attention to the fact that perhaps the majority today find no access for their labor in the productive system (CA 33). Those who cultivate land are excluded from ownership. The rest of this fourth section is devoted to a strong critique of both communism and capitalism with its alarming aftermath of increased marginalization, consumerism, anti-life and family campaigns, and the endangered environment. What is of great importance and perhaps novel today is what CA has to say about the moral conditions required for an authentic "human ecology" (CA 38).

In Chapter 5 on "State and Culture," CA reiterates that the root of modern totalitarianism is the denial of the dignity of the human person. Likewise, the rejection of the Church is equivalent to the denial of an objective criterion of truth and of good or evil. RN contributed a new concept of the state and its role in economics and politics. The Church values the democratic system as long as it respects basic human rights and the "principle of law" (CA 44) and the "principle of subsidiarity" (CA 15 & 48). Evangelization too plays a role in the culture of the various nations (CA 50). The Church's specific and decisive contribution to true culture is "preaching the truth about the creation of the world" and "Redemption" (CA 51). Now that the Gulf War is over, it is time to rebuild man and human society and so CA repeats PP's "another name for peace is development" (CA 52).

Finally the latest social encyclical concludes that there is no other way to total human development than the central theology that "Man is the Way of the Church" (CA 53-62). The Church receives the "meaning of man" from divine revelation in contrast to "atheistic" and "consumerist" solutions. The Church's social teaching and preferential option for the poor "will gain more credibility from the

witness of actions than the result of its internal logic and consistency" (CA 57). Love for the poor and the promotion of justice "requires above all a change of lifestyles, of models of production and consumption, and of the established structures of power which today govern societies" (CA 58).

### **Is Capitalism the Answer?**

The key question and therefore general significance of CA is very well stated in the Part IV of the encyclical which poses a crucial but complex choice for the Third World and for the Philippines in particular:

Can it be said that, after the failure of Communism, capitalism is the victorious social system, and that capitalism should be the goal of countries now making efforts to rebuild their economy and society? Is this the model which ought to be proposed to the countries of the Third World which are searching for the path to true economic and civil progress? (CA 42) "The answer is obviously complex" and CA gives both a carefully qualified affirmative and negative answer:

If by "capitalism" is meant an economic system which recognizes the fundamental and positive role of business, the market, private property and the resulting responsibility for the means of production, as well as free human activity in the economic sector, then the answer is certainly in the affirmative. But if by Capitalism is meant a system in which freedom in the economic sector is not circumscribed within a strong juridical framework which places it at the service of human freedom in its totality, and which sees it as a particular aspect of that freedom, the core of which is ethical and religious, then the reply is certainly negative. (CA 42).

Roberto C. Yap, S.J. in his article "Has the Pope Turned Capitalist Ideologue?" has performed a valuable service by quoting excerpts from the encyclical to show the positive and negative sides of capitalism (Yap 1991, 4-5). On the affirmative or positive side Capitalism is valued for its organization, efficiency, and profitability.

Capitalism is a system which has "the ability to foresee both the needs of others and the combinations of productive factors most adapted to satisfying those needs . . . Organizing such a productive effort, planning its duration in time, making sure that it corresponds in a positive way to the demands which it must satisfy, and taking

the necessary risks—all this too is a source of wealth in today's society" (CA 32). With regard to efficiency, CA says: "Certainly the mechanisms of the market offer secure advantages: they help to utilize resources better; they promote the exchange of products; above all they give central place to the person's desires and preferences which, in contrast, meet the desires and fulfillment of another person" (CA 40). On the question of profitability, CA states: "The Church acknowledges the legitimate *role of profit* as an indication that a business is functioning well. When a firm makes a profit, this means that productive factors have been properly employed and corresponding human needs have been duly satisfied." (CA 35).

On the negative side, capitalism still suffers from many inadequacies and deficiencies. Among them is marginalization. "The fact is that many people, perhaps the majority today, do not have the means which would enable them to take their place in an effective and humanly dignified way within a productive system in which work is truly central . . . Thus if not actually exploited, they are to a great extent marginalized; economic development takes place over their heads" (CA 33). "Vast multitudes are still living in great conditions of great material and moral poverty . . . There is a risk that a radical capitalistic ideology" will either refuse to consider their problems or "blindly entrust their solutions to the free development of market forces" (CA 42). There is a "risk of an 'idolatry' of the market, an idolatry which ignores the existence of goods which by their nature are not and cannot be mere commodities" (CA 40). "But there are many human needs which find no place in the market" (CA 34). Profit is not the only regulator of a business "*other human and moral factors* must be considered which, in the long term, are at least equally important in the life of a business" (CA 35). Capitalism can foster "*consumer attitudes* and *life-styles* . . . which are objectively improper and often damaging to physical and spiritual health" (CA 36). "What is wrong is a style of life which is presumed to be better when it is directed towards 'having' rather than 'being,' and which wants to have more, not in order to be more (CA 38). People are ensnared in a web of "false and superficial gratifications rather than being helped to experience their personhood in an authentic and concrete way" (CA 41). "Equally worrying is the ecological question which accompanies the problem of consumerism and which is closely connected to it. In his desire to have and to enjoy rather than to be and to grow, man consumes the resources of the earth and his own life in an excessive and disordered way" (CA 37).

After CA's very balanced assessment of the positive and negative aspects of Capitalism, it is clearly unacceptable to hold that the defeat of Communism leaves capitalism as the only alternative model of economic organization (CA 35).

In his commentary on "Centesimus Annus: Ideas Do Have Consequences," John J. Carroll, S.J. of the Institute on Church and Social Issues (ICSI) takes the perspective that "true and valid ideas have good consequences in history, and mistaken ideas often have tragic consequences." He focuses on three ideas that are central to CA. First, the dignity and freedom of the human person and therefore Communism's failure as due to a mistaken idea of the human person. Secondly, economic and political systems must be founded on objective truth as the only alternative to truth is totalitarian recourse to sheer power. Thirdly, today there is a stronger emphasis on the importance of production and productive efficiency. Hence, the most productive resource today is no longer land or natural resources, but human resources—human know-how, skills, and education. Therefore, the greater need of participation of the poor and the marginalized in the productive system (Carroll 1991, 1-3, 16-17).

Bishop Francisco F. Claver, S.J., also of ICSI, correlates CA with the social message of the Second Plenary Council of the Philippines (PCP II). On the one hand, CA stresses two central ideas (Personhood and Solidarity): the dignity and freedom of the human person and his duty and responsibility to work in solidarity not only for but with others (Personhood and Solidarity). On the other hand PCP II envisions a Church that is communitarian, participatory and poor. But both CA and PCP II have in common the basic ideas of personhood and freedom, human dignity and rights, solidarity and the common good. But what is lacking up to now, Bishop Claver states, is the "political will" to implement the social teaching of CA and PC PII. Both social teachings are not meant to be merely read (Claver 1991, 3, 18).

### **Centesimus Annus and Philippine Social Issues**

It will take some time before we can accurately assess the impact of CA on the Philippine situation. In the meantime perhaps we can review a few of the local comments on the projected impact of CA on the peasantry, the urban poor, the fisherfolk, and business and labor.

The Comprehensive Agrarian Reform Program or Law (CARP) was meant to remedy the centuries-old feudal system of land ownership and inequitable land distribution in the Philippines where a million peasant families do not own the land they till. It is now clear that CARP was a failure. First, because it was from the start a defective law devoid of clear policies on land valuations and transfers. Secondly, it is very difficult to entrust the success of the program to a government that has changed the Secretary of the Department of Agrarian Reform five times. The greatest obstacle to CARP in Congress and the consequent implementation bottlenecks was the biggest landowning solons. Since the implementation of CARP in July 1987 up to March 1990, the Department of Agrarian Reform reports it was able to accomplish only 6.2 percent of the total land distribution scope of the program. CA recognizes human work as the root of private ownership, but makes it clear that the landowner's right to property is not absolute, but has social responsibilities because of "the universal destination of the earth's goods" (CA 31). According to Ma. Cielito C. Goño (1991, 12-13), CA offers us a finely-nuanced concept of land ownership:

Ownership of the means of production, whether in industry or agriculture, is just and legitimate if it serves useful work. It becomes illegitimate, however, when it is not utilized or when it serves to impede the work of others, in an effort to gain a profit which is not the result of the overall expansion of work and the wealth of society, but rather is the result of curbing them or of illicit exploitation, speculation or the breaking of solidarity among working people (CA 43).

The proposed solutions and legislations to such land problems, such as mechanization of agriculture and idle lands are best left to organized peasant groups, associations and federations similar to the Congress of Peasants for Agrarian Reform (CPAR).

What does the "preferential option for the poor," which is the main thrust of the Church's social teaching and the "Church of the Poor" envisioned by the PCP II, mean in the Philippine context today? According to the April 1991 Ateneo Public Opinion Survey, the quality of life, that is, basic needs and services for the majority who are poor, has deteriorated in the last twelve months and the gap between the rich and the poor has widened. The PCP II has this to say: "In stark contrast to the prevalent poverty are pockets of great luxury, a fact which underlies the gross inequality of income distri-

bution which has long marked the economy" (p. 154). The poverty threshold for the majority of the urban poor has increased to P5,821 for a family of six in the NCR (NEDA 1991).

It would not be too far from the truth to say that CA is for the urban poor (Zablan 1991, 8-9, 17). It is to the working poor—those who cannot succeed in living by their work—that CA is addressed. Today human resource—"possession of know-how, technology and skill" (CA 32)—has increasingly become the decisive factor in production, more than land and capital. Yet it is precisely this human "know-how" which the majority of the poor lack. "In fact, for the poor, to the lack of material goods has been added a lack of knowledge and training which prevents them from escaping their state of humiliating subjection" (CA 38). The kind of society envisioned by CA is one that does not exclude but rather highlights, the meeting of the basic needs of the poorer sectors. The importance of providing "what is essential for the life of the poor person" (CA 36) is underscored. For those in the business sector, to offer people an opportunity to make good use of their labor is "always a moral and cultural choice" . . . one "also determined by an attitude of human sympathy and confidence in God" (CA 36). Many of the Philippine urban poor do not have the options beyond those offered in the underground economy—sidewalk vending, hawking, scavenging, *magbabote*, car watching and the like. They have inadequate income for basic necessities, no legitimate housing, no basic social services and education. Cities are not prepared to absorb them and so they are vulnerable to evictions. The poor in our cities always give way to the construction of five star hotels, shopping malls, big subdivisions, factories, roads and high rise condominiums. The poor are always the last priority in urban planning and income distribution.

CA is concerned with the urban poor and cityward migration and the sad state of migrants. "These people crowd the cities of the Third World where they are often without cultural roots and where they are exposed to situations of violent uncertainty, without the possibility being integrated. Their dignity is not acknowledged in any real way (CA 33). CA calls attention to the "serious problems of modern urbanization, of the need for urban planning which is concerned with how people are to live, and of the attention which should be given to the 'social ecology' of work" (CA 38).

Once again CA repeats RN on the necessity of "intermediary structures such as the family, economic, social and political groups which stems from human nature itself and have their own autonomy, al-

ways with a view of the common good" (CA 13). One cannot help but praise the long and hard work of different organized urban poor groups who themselves formulated the first law by the urban poor for the urban poor which is now pending in Congress.

According to Primitivo E. Viray, S.J., in his article, "Sharing the Wealth of Our Marine Resources," our eight million small fisherfolk have long awaited a better life. In the past they have been deprived of marine and fishery resources and they still suffer at the hands of a few huge commercial fishing companies (local and foreign) which have encroached on "municipal waters" while maintaining their hold on offshore and deep sea fishing operations. Fishpens, fishcages and fisbelts, which deplete whatever is left of aquatic life likewise, deprive the majority of the small fishermen from sharing the wealth of our marine resources. Apart from the paramount importance given to the human person (CA 11 & 13), the social purpose of private ownership (CA 30 & 31), and the new form of wealth—human know-how, technology and skills (CA 32), CA places emphasis on the greater participation of the poor and marginalized in the production of wealth (CA 32–33). This idea of greater sharing and participation has special application to our small fisherfolk.

One of the more important amendments to the House Consolidated Bill on Fisheries Code in Congress is the creation of the Fisheries Resource Management Councils (RMC's) from the national to the barangay level. The key to understanding the concept of RMC's is "people empowerment." As participants in the formation and implementation of programs that deal with the development, management and protection of fisheries and marine resources will be in the hands of local fishermen through the RMC's. It is hoped that the legislature will heed the plight of our fisherfolk in the light of CA (Viray 1991, 14–15).

### **Labor and Capital**

RN whose centenary is commemorated by CA is the Magna Carta of Labor. RN's title and central theme is "The Condition of Labor." RN introduced a "new form of property—capital—and a "new form of labor—labor for wages. Hence, CA recalls the dignity of the worker and of work and all the basic human rights of workers like the right to employment, to form labor unions, the right to a just wage and to just working conditions. Affirming RN, CA declares:

The right of association is a natural right of the human being, which therefore precedes his or her incorporation into political society. Indeed, the formation of unions "cannot . . . be prohibited by the State" because "the State is bound to protect natural rights, not to destroy them; and it forbids its citizens to form associations, it contradicts the very principle of its own existence" (CA 7).

In an article entitled, "Charting a Richer Path for Labor Unions," Leo A. Nalugon (1991, 10–11, 18) finds in CA four fundamental challenges to labor unions. The first is the defense and protection of workers' rights and interests. Besides the right of the worker to a just wage "sufficient to enable him to support himself, his wife and his children" ("including a certain amount of savings") (CA 8), he also has the right to "humane working hours and adequate free time," "pensions, health insurance and compensation in case of accidents" (CA 15). "Social insurance for old age and unemployment, and adequate protection for the conditions of employment" (CA 34). All this requires "careful controls and adequate legislative measures to block shameful forms of exploitation, especially to the disadvantage of the most vulnerable workers, of immigrants and of those in the margins of society. The role of trade unions in negotiating minimum salaries and working conditions is decisive in this area" (CA 15). "Just Wage Issue in the Philippine Context" was one of the most difficult issues discussed in the *Centesimus Annus* meeting of the 1991 Bishops-Businessmen Conference in Tagaytay City.

The second challenge is the promotion of greater democratic industrialization. "A business cannot be considered only as a 'society of capital goods,' it is also a 'society of persons' in which people participate in different ways and with specific responsibilities, whether they supply the necessary capital for the company's activities or take part in such activities through their labour." (CA 43).

Third, is the development of "human capital." It has already been pointed out that the new form of ownership other than land is "human capital" or the "possession of know how, technology and skill." The "new thing" today that is no less important than land is the productivity of the worker. Unfortunately, CA adds, the majority of workers do not possess the human capital sufficiently enough as to be able to participate "in an effective and humanly dignified way with the productive system in which work is truly central" (CA 33).

The final challenge is the promotion of human development. "Development must not be understood solely in economic terms, but

in a way that is fully human. It is not only a question of raising all people to the level currently enjoyed by the richest countries, but rather of building up a more decent life through united labor, of concretely enhancing every individual's dignity and creativity, as well as his capacity to respond to his personal vocation, and thus to God's call" (CA 29). Labor unions serve "the development of an authentic culture of work and help workers to share in a fully human way in the life of their place of employment" (CA 15).

RN dealt with the moral demands of a just relationship between labor and capital which CA reaffirms. The Fifteenth Annual Meeting of the Bishops-Businessmen's Conference for Human Development (BBC) on 20 July 1991 held in Tagaytay City chose for its theme: "The New Capitalism in the Philippine Context." Bishop Teodoro C. Bacani presented the social justice challenge of *Centesimus Annus* as well as that of the Second Plenary Council of the Philippines (PCP II). Three papers on "The Free Market" by Santiago F. Dumla Jr., "Just Wages" by Augusto L. de Leon, and "Stewardship of Private Property" by Jaime A. Cura, plus a discussion paper on "The Responsibilities of Business" by Rizalino Navarro, formed the basis of the BBC's Workshops. Since the 1991 BBC Proceedings will be published later, it will suffice to comment on Jose S. Concepcion Jr.'s "A Businessman's Response to the Challenge of *Centesimus Annus* and PCP II," the main speech delivered at the BBC Meeting and published in *Newsday* (3 August 1991).

First, Concepcion presents the three dilemmas faced by businessmen in responding to the difficult challenge of CA's social teaching. First is the practical difficulty of paying not merely the minimum legal wage by the encyclical's morally just wage, sufficient for the worker and his family. Given the existing stiff business competition and that the worker's objective work value is not commensurate with the just family wage, there will be an inevitable conflict between the ability of the business to pay in the face of unfair competition, and the worker's right to a just family wage. Second, in view of the social responsibilities of private property, how does one justly allocate the profits among stockholders, and benefits to the various publics the business is meant to serve? In short, how does business do justice to its prior moral and social obligations to the common good? Third, given the different levels of development on both the local and international levels, are the principles of the free market economy applicable to the Philippines in the sad state of its present economy?

Jose Concepcion's answer comes from both his experience as Secretary of DTI, and most of all from the principles of his Christian faith. He proposes to his fellow businessmen a concrete work program which is two-pronged: first, total human development particularly of the bottom 30 percent of their employees, and secondly, a multi-faceted community outreach program. The basic assumption and principal Christian concept behind this proposal is that empowering the poor is a vocation for direct and personal service of the poor through a process of exposure and immersion for business executives and managers in depressed areas. Only by caring and sharing pro poor can we build "a society that is just and worthy of the human person" and in the words of PCP II, a "Church of the poor" by the year 2000.

## Conclusion

Scientific social analysis of Philippine society still reveals the presence of external "neo-colonialism" and internal "colonialism"—the latter through domestic capitalism and "Feudalism," both of which keep a large number of people in a state of poverty and dependency. The great temptation perhaps, is to search for an alternative social system to the evils either of capitalism or of military dictatorship in communism. *Centesimus Annus* strikes at the basic emptiness of this temptation. Communism failed for three reasons: the violation of the rights of workers, the inefficiency of the Communist economic system, and the spiritual void brought about by atheism. In short, the failure of communism is due to the wrong concept of the human person. That is the key concept of CA. While commanding capitalism for its organization, efficiency, profitability, CA faults capitalism for exploitation, materialism or consumerism, environmental destruction, idolatry of the free market, insensitivity to the poor, and marginalization.

CA is a timely social encyclical for the Philippine context of massive poverty and structural injustice because it addresses itself to the grave social issues and challenges of the Second Plenary Council of the Philippines (PCP II) and to the social problems of the peasantry, the urban poor, the fisherfolk, and labor and capital today.

**References**

- Carrol, John J. S.J. 1991. Centesimus Annus: Ideas do have consequences. *Intersect*. August.
- Claver, Francisco F. 1991. Social teachings are not just to be studied. *Intersect*. August.
- Goño, Ma. Cielito C. 1991. A finely-nuanced concept of land ownership. *Intersect*. August.
- Hollenbach, David. 1991. The pope and capitalism. *America*. 1 June.
- Nalughon, Leo A. 1991. Charting a richer path for labor unions. *Intersect*. August.
- Viray, Primitivo, S.J. 1991. Sharing the wealth of our marine resources. *Intersect*. August.
- Yap, Roberto C., S.J. 1991. Has the pope turned capitalist ideologue? *Intersect*. August. Also published in *Philippine Daily Inquirer*, 30 May 1991.
- Zablan, Antonieta. The poor's right to earn their keep. *Intersect*. August.