

Philippine LABOR REVIEW

Vol. 2 No. 2

ISSN 0115-2629

Second Quarter, 19

Focus on:

Labor and the Year 2000

• The DOL Perspective Plan: 1976-2000	7
• Planning Development Up to the Year 2000	23
• Role of Industry in the Year 2000	37
• National Interest and the New International Economic Order	43
• Internal Migration in the Year 2000	57
• People's Development: The True Test of Economic Development	79
• Methodology of Forecasting the Development of the Third World	85

PHILIPPINE LABOR REVIEW

Vol. 2 No. 2

Second Quarter, 1977

Editorial Board

Manolo I. Abella	Elmer A. Abueg
Francisco L. Estrella	Francisco M. Tajanan
Carmelo C. Noriel	Ruben D. Torres
Antonio M. Nuesa	Carlito B. Oinal

Editor

Rene E. Ofrenieo

Staff

Hermogenes C. Mateo	Remedios Calangi
Jose Olivar, Jr.	

Editorial Assistants

Marietta Reyes	Agnes M. Salvador
----------------	-------------------

Business Manager

Chalito Dizon

Editorial Consultants

Armando D. Reyes	Patricia A. Sto. Tomas
------------------	------------------------

The Philippine Labor Review is published quarterly by the Institute of Labor and Manpower Studies, Department of Labor, Republic of the Philippines. Its purposes are to serve as a forum for analyzing the theoretical basis of important labor policies adopted or being considered by the Department of Labor or the Philippine Government; to promote a scholarly attitude among labor, management and government leaders in their analysis of pressing labor issues in the Philippines and abroad; and, to provide a vehicle for discussion and ventilation of serious and in-depth studies and researches on Philippine labor.

The views expressed by the authors are not the responsibility of the editorial board or the Department of Labor.

Manuscripts and editorial correspondence as well as requests to reproduce materials published in this review should be addressed to: The Editor, **Philippine Labor Review**, Institute of Labor and Manpower Studies, Department of Labor Bldg., Intramuros, Manila, Philippines.

Entered as Second-Class Mail at the Manila Central Post Office on August 17, 1976.

**DEPARTMENT OF LABOR
REPUBLIC OF THE PHILIPPINES**

OFFICE OF THE SECRETARY

BLAS F. OPLE

Secretary

AMADO G. INCIONG

Undersecretary

LIWAYWAY M. CALALANG

Assistant Secretary

VICENTE LEOGARDO, JR.

Assistant Secretary

FRANCISCO L. ESTRELLA

Chief, Labor Appeals

Review Staff and

Concurrent Director,

Region IV

SUSAN B. DEDEL

Executive Director,

Population/Family Planning

Project Office

BUREAUS

SEVERO PUCAN

Director, Bureau of Apprenticeship

JONATHAN DELA CRUZ

Director, Bureau of Employment

Services

CARMELO NORIEL

Director, Bureau of Labor Relations

ANTONIO NUESA

Director, Bureau of Labor Standards

LUCINA ALDAY

Director, Bureau of Women and

Minors

ATTACHED AGENCIES

RONY V. DIAZ

Director General, National

Manpower and Youth Council

ELEONOR CAYAPAS

Executive Director, Employees

Compensation Commission

MANOLO ABELLA

Executive Director, Institute

of Labor and Manpower Studies

ALBERTO S. VELOSO

Chairman, National Labor

Relations Commission

CRESCENCIO SIDDAYAO

Executive Director, National

Seamen Board

SALVADOR BIGAY

Executive Director, Overseas

Employment Development Board

RAFAEL ESPIRITU

Executive Director,

Rural Workers Office

RACHEL FIDELINO

Chairman, Wage Commission

CONTENTS

COMPLIMENTS OF INSTITUTE OF LABOR AND MANPOWER STUDIES

	3	Editorial Preface
Articles		
	7	The DOL Perspective Plan: 1976 — 2000
Manuel S. Alba	23	Planning Development Up to the Year 2000
Leonardo C. Mariano, Jr.	37	Role of Industry in the Year 2000
Merlin M. Magallona	43	National Interest and the New International Economic Order
Aurora E. Perez	57	Internal Migration in the Year 2000
Placido L. Mapa	79	People's Development: The True Test of Economic Development
Stanislav Kuzmin	85	Methodology of Forecasting the Development of the Third World
Case Digests		
Francisco L. Estrella	101	Recent Decisions of the Secretary of Labor
Book Reviews		
Chalito P. Dizon	105	Evils of Corporate Farming
Rosalinda V. Pineda	110	Historical Journalism

EDITORIAL PREFACE

The year 2000 is still over two decades away yet the world over, various plans—international, regional, national and what have you—are being readied toward the turn of the century. This seeming obsession over “what life would be like by the year 2000” is manifested not only in the rising popularity of highly futuristic fictions but also in the proliferation of studies with the year 2000 as theme, from food and environment to population and politics, from the viewing of the sea floors to extra-terrestrial space explorations.

In the Philippines, in addition to the traditional four-year and five-year development plans, we have embarked, for the first time, on the preparation of a long-term plan with the year 2000 as primary time-frame target.

The rationale for such a plan is easy enough to see. As articulated by the President, “its preparation is called for to guide present decisions—the decisions of today, the critical decisions specially—to make certain they do not contradict what we have set for ourselves in the distant future.”

In this issue, the *Philippine Labor Review* dabbles with futurology as it tries to peer at the labor picture for the year 2000. But far from just a futile exercise in predictions, the theme was adopted in recognition of the importance of labor in overall planning and development. The theme achieves even greater significance if we consider the recent ILO Survey which revealed that today’s 300 million unemployed (most of whom come from countries of the developing world) will increase to 1,000 million within the next 25 years.

Growth Targets

The National Economic and Development Authority’s draft, “Long-Term and Five-Year Development Plans,” projects open unemployment to reach 1.34 million by the year 2000. It also projects

that there would only be slight changes in the sharing of the national wealth. The 11.2 per cent share in 1975 by the lowest 40 per cent of our society would rise by only 2.4 per cent, the 33.3 per cent share by the middle 40 per cent would jump to 42.1 per cent, and the 55.5 per cent of the highest 20 per cent would go down to 44.3 per cent.

These are still unacceptable growth targets from the standpoint of Philippine labor. While the projected unemployment figure is estimated to be only four per cent of the labor force, the figure, in absolute terms, is still sizeable. A long-term plan covering more than two decades should aim for a more substantial resolution of the poverty problem. Certainly, the New Society is committed to a brighter future than what is in the Plan.

It should be pointed out that it took Japan only two decades to rise from the ravages of the war and transform itself into a modern economic colossus. It took China less than two decades to wipe out unemployment, hunger, disease and inequality prevalent in the pre-1949 Revolution feudal China. And so was the case in tiny Cuba despite America's economic and political blockade.

We are citing the concrete experiences of these countries to show that the task of overcoming economic backwardness and eradicating inequality can be fulfilled within the span of just one generation so long as the national discipline and political will are there. National development can gather its own momentum and can grow exponentially if the right mix of political and economic policies is found. We have seen in five years of martial law, with the industrial enterprises that mushroomed in this period, that the country has indeed the capacity to industrialize and develop its agriculture at the same time. If certain economic targets, deemed unattainable in the past, could really be achieved in a shorter period so long as they are backed by a strong political will and are supported by the people, how much more when such targets are projected on a longer period of more than 20 years?

Of course, as Shakespeare eloquently put it, if to do were as easy as to say what to do, poor men's cottages would easily have been princes' palaces. But radical social transformations through serious and people-oriented planning can and do occur in a 20-year life span even in a resource-hungry country such as Japan. This means that the Philippines, more blessed with natural resources, can do no less.

If social planning would be directed primarily for the benefit of the laboring masses and the latest advances in science and technology would be fully harnessed, we do not see any reason why the age-old problems of poverty, unemployment and inequality cannot be licked. In fact, given a more democratic and progressive framework for planning, we predict that we would be able to attain not only full employment but we could also shorten the 40-hour work week to a 35-hour work week.

Vision of the Future

Because of the improved and centralized Metro Manila transport system, it would be possible for a worker residing in Las Piñas to go to his place of work in Valenzuela within 15 minutes. The problem of housing would be a thing of the past as an effective urban land reform would put an end to all land speculations and as low-cost, high-rise housing programs are implemented by the government on a massive scale. Medical care for all citizens would be free and education up to secondary level would not only be free but compulsory.

The unification of the labor movement would be complete, organizationally and ideologically. As such, the labor movement would emerge as the strongest political force in the country and many of the economic and political policies of the government would naturally reflect the interests of the workers, who would be represented in all levels of policy-making as well as in all stages of policy implementation.

This, in a nutshell, is the *Labor Review's* vision of the future. It believes that the goals of the First and Second Development Decades—peace, equality and development—would all be a living reality in the 2000s. It believes that the movement for the New International Economic Order would have graduated from rhetorics into reality as all the remaining vestiges of colonialism, neo-colonialism and unequal trade and investment patterns between rich and poor nations are completely torn down in favor of a just and progressive global economic order. This new international economic order would, in turn, be complemented by a national economic order that completely does away with the legacies and hangovers of more than four centuries of colonial and neo-colonial rule in the country, namely: inequality, poverty, unemployment, disease, illiteracy and economic backwardness.

Planning for Change

Of course, there is no single worldwide prescription for eliminating poverty and unemployment for there is a need to consider the unique national characteristics of countries in planning for their development. However, one fact, duly stressed during the ILO-sponsored World Employment Conference, remains: the world must change its ways if poverty and unemployment were to be eradicated or greatly reduced by the year 2000. And this holds true for the individual countries of the Third World.

The same idea of change runs through the articles included in this volume. The "DOL Perspective Plan," in particular, views Philippine development planning as essentially "planning for change, from the backwardness of the colonial past to the socially shared progress of a new society."

Any other planning done outside of this social framework would lead to retrogression and worse, the institutionalization of the evils of poverty, inequality and underdevelopment, which have always been used as the rationale for any so-called development planning.

The DOL Perspective Plan: 1976-2000

For developing countries the development process is far from a natural phenomenon. Development is a consciously planned movement toward a desired future, whose content is social progress and whose objective can never be anything but human welfare. It is in planning that human needs and social requirements are transmuted into a rational system of priorities and it is through planning that development is forged into a disciplined method for social justice in the distribution of the benefits of progress. Planning balances the long-term goals of the year 2000 with the urgencies of the present.

In the Philippines development is directed at transforming the economy from the backwardness of the colonial past to the socially shared progress of a new society. From this standpoint, the whole course of the development process must find rationale in the qualitative upliftment of human life, which in national as well as in international experience does not necessarily go hand in hand with economic growth. It would not be sufficient to say that development will generate social benefits for the broadest ranks of the people in the long run. The time factor has acquired a decisive importance in developmental planning. The crux of the problem is precisely how to achieve development in terms of the satisfaction of their basic needs within the shortest time-horizon. In this approach, it is the major objective of government policies, as stressed by ILO's World Employment Programme, "to ensure that the emerging patterns of economic relations effectively contribute to greater social progress for the scores of millions of people who continue to live in conditions of deepest poverty, squalor and deprivation."

The Department shares the view that employment is the main vehicle by which the poorest groups of the people can participate in the development process. Consequently, the central concern of the Department in the next 25 years is the attack against unemployment as a barrier to such popular participation. But bare employment is not enough; it must be gainful employment that provides sufficient purchasing power for the satisfaction of the people's basic needs. Implicit in this is the Department's efforts to eliminate exploitative conditions of employment as a source of disturbances to industrial peace.

Finally, it is assumed that an increasing participation of the working people through trade unions, in the making of decisions affecting their basic conditions of life, is the surest means to sustain political commitment to the social ends of economic growth.

Historically, the role of the Department has been that of an arbiter of social conflict. The nature of that role has not changed through the years, and the task has in fact become more difficult as the gap between the rich and the poor increased. The failure of the whole socio-economic framework cannot be laid on the door of the Department or on any single department or agency of the government. If the historical performance of the Department is to be fairly assessed, this should be done in close relation to that traditional role. This role is defined by the fact that the functions of the Department are merely in implementation of State policies, from which the Department, by its own singular initiative, cannot depart. Again, the Department necessarily operates within a given socio-economic structure and on a set of political premises which are historically determined. The Department cannot be expected to break out of that structure or deviate fundamentally from these premises by its own motive power independent of the rest of the State apparatuses. If the whole development model takes the form of a free-market economy with its inherent source of industrial conflict, the Department's role is necessarily limited to dealing with the consequences of that conflict, not its causes.

Within the context of its limited role, the Department has adequately met its assigned task permitted by available resources. The response of the Department to the challenges of its past environment shows that given an appropriate policy framework, such as the social-justice program of the Commonwealth government, it can command sufficient driving power to upgrade the quality of life of the Filipino workingman. It is in this light that the traditionally passive role of the Department has acquired positive aspects.

Thus, what is in question is not so much the performance of the Department in relation to its role, but the whole approach to development. A different model will affect considerably the nature of the role of the Department.

The lessons of the past point to a recognition that chronic unemployment and underemployment, deteriorations of the material conditions of life and the consequent social unrest are the result of structural faults in the development model that has prevailed. A

re-orientation of the development process should result in bringing social progress in terms of satisfying the absolute level of basic needs of the poorest groups of the people.

In a development model that structures social priorities on the basis of basic needs, the policy of full employment would be the appropriate vehicle by which the Department can play a significant role.

The Contemporary Situation and the Department's Relevance

The declaration of martial law opened fresh prospects for deep-going social, political and economic reforms. Political restructuring created possibilities for popular participation in national affairs. The inauguration of sectoral representation in popular assemblies is showing the way for greater involvement in decision-making on the part of the working people. Agrarian reform under the Emancipation Decree is dismantling the oppressive system of feudal relations and is paving new grounds for socially shared methods of agricultural production and distribution of wealth through cooperativism. In labor relations, the New *Labor Code* has constructed a framework of trade-union unification and the elimination of inter-union conflicts. Tripartism has been adopted as a new basis for the trade-union participation in the formulation of labor policies. Industrialization is broadening its thrust with unprecedented momentum into all the various regions of the country and its penetration into the countryside is expectedly necessary as a complement of agrarian reform. The new foreign-policy shift of the New Society administration has expanded the international contacts of the Philippine trade-union movement. The new direction of foreign trade toward the socialist countries and the Middle East is fast developing a positive correlation with the national employment prospects and can accelerate the pace of industrialization through appropriate technology transfer.

The new national situation ushers in challenging opportunities in changing the qualitative content of life for the broadest ranks of the Filipino working people. The first responsibility that should be brought home to the Department is its share in sustaining the momentum of socially meaningful reforms toward a substantial amelioration of the standards of living of the working masses. It is the central task of the Department to bring them into the mainstream of the development process on the vehicle of full, remunerative, and productive employment.



Economic and Political Projections

The New Society has embarked on economic, political and social reforms of far ranging significance. These reforms create certain momentum of their own which may usher in major transformations in the socio-political structure and relations in the Philippines in the next decade.

The projections made here follows the trends and patterns established and projected by NEDA for the next ten years. However, some of the assumptions have been modified in the belief that they would be more realistic than those made in the NEDA guidelines. In some areas, the perspective scenario in the year 2000 differs significantly from the indicated scenario of the NEDA due to expected shifts in the thrusts of certain policies based on foreseen socio-political developments in the next decade which we feel would be highly probable.

In the preparation of the DOL plan, the following assumptions have been taken to reflect the socio-economic and political conditions of the country in 1985 and 2000:

A. *Economic*

1. The total population placed at about 41.8 million in 1975 will grow by no less than 2.0% annually in the next decade to reach 53.3 million in 1985. In the year 2000, the population is estimated to be 69.1 million representing a 65.3% increase from the 1975 level. (See Table 1.)

a) The younger population, specifically those in the 0-24 age bracket will have declining percentages from the total population as a decreasing fertility rate is assumed for the period.

b) The country will have a relatively young population with those below 40 years old constituting between 70-80% of the total population for the next decade.

c) Of the total working age population in 2000, the female and male population will almost double from the 1975 magnitude. The sex ratio, however, will still be favorable to females.

2. The labor force is expected to grow at a relatively higher rate of 3.2% reaching about 21.0 million in 1985 but slowing down to the rate of 2.6% p.a. by year 2000 or a level of 32.0 million. (See Table 1.)

3. The employment level of 14.7 million in 1975 is projected to reach 20.2 million and 30.8 million in 1985 and year 2000, respectively. (See Table 1) Open unemployment rate of 3.9% is expected to increase to 818,000 in 1985 and 1,249,000 in 2000 as the employment absorptive capacity of the economy declines from 3.3% in 1985 to 2.6% in 2000.

Table 1
POPULATION, LABOR FORCE, EMPLOYMENT, and
UNEMPLOYMENT PROJECTIONS: 1975, 1985, 2000
(Figures in thousands except rates and per cent)

	1975	1985	2000
Population			
Number	41.8	53.3	69.1
Annual Growth Rate		2.4	1.8
Labor Force			
Number	15.3	21.0	32.0
Annual Growth Rate		3.2	2.6
Employed			
Number	14.7	20.2	30.8
Percent of Labor Force	96.0	96.1	96.1
Annual Growth Rate		3.3	2.6
Unemployed			
Number	0.6	0.8	1.2
Percent of Labor Force	4.0	3.9	3.9

Source: NEDA

a) Absolute levels of employment in all industry groups will exhibit rising trends until the year 2000. (See Table 2) Only employment in manufacturing, however, will show linear increases in growth rates while the rest of the industry groups will register declining growth rates.

b) Agriculture will continue to account for the bulk of the employed labor force even with a pronounced shift of employment opportunities from agriculture to manufacturing (particularly in the heavy industries) and mining.

c) The proportion of the employed labor force in urban areas will increase from 29.6% in 1975 to 30.7 in 1985, while in the rural

areas, the figures will decrease from 66.4% to 65.3%. The rate of unemployment in rural areas will decline by the year 2000 although the bulk of the labor force (64.3%) will continue to be there. (See Table 3)

Table 2
PROJECTED GROWTH RATES OF EMPLOYMENT
BY MAJOR INDUSTRY GROUP

	1975-80	1980-85	1985-90	1990-95	1995-2000
1. Agriculture	2.4	2.4	2.3	2.1	1.4
2. Mining	16.1	15.8	5.3	3.3	3.3
3. Manufacturing	4.5	4.6	4.7	4.7	4.8
4. Construction	3.7	4.6	4.2	3.5	3.7
5. Transportation	3.7	3.3	3.5	3.0	2.6
6. Commerce	3.5	3.4	3.4	3.1	3.0
7. Services	4.0	3.9	3.7	3.4	3.0

Source: NCSO

Table 3
PROJECTED DISTRIBUTION OF LABOR FORCE
BY EMPLOYMENT STATUS, URBAN & RURAL

Labor Force			Urban		Rural	
	Number	Per Cent	Em- ployed	Unem- ployed	Em- ployed	Unem- ployed
1975	15.0 M	100.00	29.6	2.3	66.4	1.7
1985	21.0 M	100.0	30.7	2.6	65.3	1.4
2000	32.0 M	100.0	31.8	3.1	64.3	0.8

Source: NCSO

d) The increase in the demand for craftsmen together with a decrease in the demand for professionals and farmers from 1975 to 1985 shows a shift in the occupational pattern of the labor market from semi-skilled to highly skilled workers. (See Table 4).

e) A migration pattern from urban areas to rural areas induced by industrialization and rural growth centers will begin well beyond the next decade as the impact of the various infrastructure programs of the Government experiences a lag.

Table 4
PROJECTED DISTRIBUTION OF EMPLOYED PERSONS
BY MAJOR OCCUPATION GROUP: 1975, 1985

Total	number	1975	1985	Increase/ Decrease
		20.2	30.8	
	per cent	100.0	100.0	
Professional, Technical and Related Workers		5.4	3.1	-2.3
Administrative, Executive and Managerial Workers		1.1	1.4	0.3
Clerical Workers		3.6	3.9	0.3
Sales Workers		9.8	10.2	0.4
Farmers, Farm Laborers, Fishermen, Hunters, Loggers & Related Workers		54.0	50.3	-3.7
Miners, Quarry Men & Related Workers		0.2	0.9	0.7
Workers in Transport and Communication Occupations		3.7	3.9	0.2
Craftsmen, Production- Process Workers & Related Workers		11.1	14.9	3.8
Manual Workers & Laborers, n.e.c.		8.2	8.5	0.3

Source: NCSO

f) The outflow of Filipino migrants and contract workers will continue to grow with the outflow of the latter exceeding 75,500 in 1985 and reaching about 170,000 in 2000. A slowdown in the

trend is expected beyond the intermediate future due to better employment opportunities in the country and preferences for indigeneous manpower of recipient countries.

4. Labor disputes and unrests will continue to increase in the next decade but is expected to decline as year 2000 approaches due to improvements in the labor market situation and the unification of the labor movement.

5. The concept of tripartism in all areas of labor administration will continue to be supported and actively pursued as a matter of strategy due to its proven effectiveness in developing responsive labor and management relations.

6. The proportion of the workers below the minimum subsistence level will decrease from 90.8% in 1975 to 84.2% in 1985. However, the income distribution in the country in real terms will deteriorate.

7. More welfare-oriented programs will be adopted by the government, e.g. in medical care, education and housing.

B. Political

1. The Philippines' political structure will undergo a radical transformation from the old society centers of political power to the new bases of political power, i.e., Samahang Nasyon, Sangguniang Bayan, Sangguniang Panlalawigan and Sangguniang Pambansa. Preparations for the eventual transition to parliamentary government will be started with the formation of political parties.

2. The government will continue to expand the public sector through increasing government control or ownership of vital enterprises, e.g., transportation, communication, electricity and power. The government will also increasingly regulate the operations of multinational corporations operating in the Philippines.

3. Social and political restiveness in the countryside will be significantly eased with the implementation of agrarian and other social reforms with a significant relaxation of the restrictions on freedoms and civil liberties as the people become more responsible in the exercise of their rights and freedoms.

4. The Philippines will adopt neutrality as a cornerstone of her foreign policy and the country will be accepted in the family of non-aligned nations. Relations with socialist countries, especially the Soviet Union and China will increase with trade and cultural exchanges as the major areas of intercourse.