

THE PHILIPPINES IN THE YEAR 2000: TENTATIVE PROSPECTS

By

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I. Introduction

The following is a discussion outline on tentative prospects for the Philippines in the year 2000 and covers such broad areas as:

- Industrialization
- Urban, rural, and regional development
- Institutions and people
- Communications
- Agricultural development
- The rich-poor gap
- The Philippines and the world

The prospects enumerated in this outline are based on preliminary work intended to identify emerging tendencies rather than to establish definitive trends. It is hoped that this outline will contribute toward stimulating helpful discussion that will create a public mood for anticipating the future rather than just reacting to it.

Methodology

The tendencies enumerated in this outline were based on expert opinion. These opinions were obtained using the Delphi approach which enlisted the participation of over 100 experts in their respective areas.

In the first round of interviews, only two questions were asked of the participants as follows:

1. What do you think will be the most important developments in the field of _____ by the year 2000?
2. What do you think will be the status of _____ in the year 2000?

As can be seen, the questions were open-ended and were meant to be open-ended in order to elicit a broad range of responses. The responses of the experts were then analyzed for possible areas of consensus. A consensus was deemed to have been

reached if at least fifty percent of the experts agreed. In areas where there was no consensus, a second round of interviews was conducted. It should be noted in this connection that the identities of the experts were unknown to each other in order to avoid premature influencing of the opinion-making process.

In the second round of interviews, the experts were given copies of the opinions of the other experts and were asked to indicate areas of agreement or disagreement and their corresponding reasons. As in the first round, the source of the opinions was kept anonymous. The responses were analyzed once again and areas of consensus were identified.

Thus, this discussion outline includes the areas of consensus reached either in the first or second round of interviews. We now proceed to a brief description of the emerging tendencies identified by the experts.

Tentative prospects

1. On industrialization

1.1 Industrial complementation among Southeast Asian countries will be well established.

Complementation will develop in transport equipment, agricultural equipment, copper smelting, integrated steel works, petrochemicals, fertilizers, and heavy capital equipment. Expected to develop earlier are transport, agricultural equipment, copper smelting, petrochemicals, and fertilizers.

1.2 The pattern of industrial development in the Philippines will be export-oriented and labor intensive in the short-term and will involve further processing of agricultural products and the manufacture of primary industrial materials in the long-term.

Lead exports will be textile, garments, electronics, engineering products in connection with the Progressive Car Manufacturing Program, processed foods, furniture and other lumber products, and plastic consumer products. Shipbuilding will follow and heavy capital equipment will develop in the long-term.

1.3 Manufacturing including construction will contribute about 45% of total national output.

About 35% of the total labor force will be in this sector with industrial manufacturing accounting for about 30% of the total labor force.

1.4 Leisure industries will undergo substantial development.

These will be in the areas of out-of-home food service, domestic tourism, and more government expenditures in public parks and plazas.

1.5 There will be significant changes in the profile of services offered.

These will be mainly in the areas of education and personalized medical services.

1.6 The defense industry will also become a significant sector of the economy.

Munitions, aircrafts, and other armaments are expected in this area.

1.7 Household durables are expected to have an ever increasing domestic market.

This means more products such as music sets, refrigerators, and television sets.

1.8 Far more growth centers within the Philippines are expected.

These are Iligan, Cagayan de Oro, San Fernando (La Union), Davao City, Batangas City, Cebu City and Bacolod City.

1.9 Ocean engineering industries will develop.

These industries will focus on new sources of food and raw materials.

1.10 Water shortage will be a serious problem.

This will mean the establishment of desalination plants to alleviate the water shortage.

1.11 The electric power requirements of the Philippines will be about eleven times its present level in the year 2000.

Electric energy requirements will increase from its present level of about 10.7 million MWH to about 114 million MWH in the year 2000 or about 11 times the 1973 level. The growth rate in the Visayas and Mindanao area will be higher than that of Luzon. Nuclear power and coal will assume more importance as a source of electric energy because of the expected shortage in oil supply.

1.12 The country-side development program relentlessly pursued by the government will show significant impact.

In the year 2000 the following areas will show the impact of countryside development efforts: Rizal, Bulacan, Cavite, Cebu, Davao, Misamis Oriental, and Lanao del Norte. The rest of the country will not be as developed. However, the Samar-Leyte area shows some promise because of the Pan Philippine Highway and the proposed geothermal plant in Leyte.

2. On urban, rural, and regional development

2.1 The Greater Manila area and the adjacent provinces will be under one regional entity for purposes of integrated and coordinated planning and development.

This area will be a huge urbanized area and will be one of the major regional centers of Asia.

2.2 Palawan, Marinduque, Masbate, and Catanduanes will remain largely undeveloped up to the year 2000.

This may be so if existing tendencies favoring other areas will be allowed to run their course.

2.3 Regional planning in the Philippines will have been institutionalized.

The example that will be set by the regional entity covering the Greater Manila area and the adjoining provinces will spill over and influence the other regions of the country. It is expected that by the year 2000, planning at the regional level shall be an effective tool in regional development.

2.4 There will be minimal migration to the Greater Manila area toward the later part of this century.

Migration pressures are expected to remain a critical problem for the Greater Manila area until the later part of this century.

2.5 Infrastructure and agrarian reform will result in the development of semi-urban communities in the Central Luzon area.

2.6 Electrification of most rural areas in the Philippines will be an accomplished fact.

The stated time horizon for rural electrification is about twenty years. Recent reports indicate that work in this area is progressing quite well and this time may be reduced by a few years.

2.7 A mass transport system will emerge.

With respect to land transportation an enlarged railway system will assume a bigger role. Expressways will be available all over the Greater Manila region. With respect to linking of various regional centers, air transport will remain important although hydrofoil type ships will become important. The vehicle population is expected to increase from the present level of about 570,000 vehicles to about 2.5 million vehicles in the year 2000.

2.8 There will be three Makati-type areas in the Greater Manila region.

These are expected to be in the Mariveles area and in the Rizal-Laguna area.

2.9 In the field of housing, "town houses" or "cluster houses" will grow in importance.

The so-called detached housing unit concept is expected to be on its way out. In this connection the experts noted that the condominium-type housing may not emerge as the best for this country on the basis of sociological problems that have arisen in other countries.

2.10 Roxas Boulevard will be extended in both the North and South ends.

This has significant implications with respect to the entire Manila Bay area. Among other things, this area is expected to be a far more impressive tourist belt rivaling if not exceeding the famed Waikiki complex.

2.11 An effective water transport system will be developed for the Greater Manila region.

This refers specifically to the Pasig River, Laguna de Bay, and the Manila Bay area.

2.12 There are two potential megalopolis areas that will emerge in the Philippines.

The first is in Luzon and may cover the entire area from Dagupan City all the way to the Bicol region. The second will be in Mindanao.

3. On institutions and people

3.1 *Philippine managerial expertise will be relatively far ahead of other Southeast Asian countries.*

Professionalization of Philippine management will be firmly entrenched. There will be relatively few expatriate managers. Filipino management know-how will be exported to nearby countries.

Other significant developments in the area of Philippine management will be as follows:

- A majority of the top 1000 companies will be computer-based.
- The heavy demand for qualified managers will stimulate the development of an accelerated learning process with shorter graduate programs, more experiential methods, and more programmed instruction.
- An intensification of the use of management technology and know-how in public administration.
- The lag in management expertise *vis a vis* the more developed countries will be reduced from about 25 years at present to about 10 years or somewhat less.
- Relatively unknown concerns will be top priority among Philippine managers such as environmental concern, human resource development, social responsibility, and regional cooperation.

3.2 *A nationwide computerized placement system shall have been established.*

This may be a government operated system designed to promote efficient use of manpower resources. It will include an employment exchange as well as a vocational guidance network.

3.3 *In the area of health, significant changes and problems are expected.*

These include the following:

- Control of pollution diseases will require greater attention and resources.
- There will be a greater decline in communicable diseases.

- The medical curriculum will undergo some innovation so that by the year 2000, the entire country shall have available the services of rural practitioners trained under a shortened and modified medical curriculum.
- Family planning will require more resources of the national government.
- A nationally integrated health services shall have developed.

3.4 The consensus is that the Philippines will have a population of about at least 90 million by the year 2000.

It will be a young nation with about 70% of the population less than 21 years of age.

3.5 The youth of this nation in the year 2000 may be described as follows:

- The majority would have lived through conditions without a flush toilet, electricity, a refrigerator and a private water faucet.
- The majority would have gone through more technical training than today's youth and would in general be somewhat educationally advanced.

3.6 Some significant changes are expected in the family.

Among these are:

- More working women at all class levels
- Family migration will continue out of rural areas but not necessarily to Manila
- More and more children will be raised by grandparents and maids as mothers go to work
- More separations and divorces
- Possible change in inheritance practices even among affluent families
- Family size may go down to 4 or 5
- Extended family structure will break down but other bigger units may take over.

3.7 Some emerging Filipino values have been identified.

These are:

- A move from independence to interdependence in matters of business
- The growth of Filipino consciousness and the emergence of responsible nationalism
- Greater and wider acceptance of family planning
- Decreased involvement in formal education
- A decrease in political involvement at national and provincial levels.

3.8 With respect to the education of Filipinos, a number of developments appear to be of great significance.

The experts have pointed out the following:

- Vocational, technical and scientific courses will continue to be of top priority.
- College education will be extremely selective.
- Methods of instruction, curricula contents of all levels will be locally oriented.
- Educational programs will be in accordance with the needs of various locales in the country.
- The consortia approach among different universities and colleges will be extensively used.
- The burden of education will be shared more by private industry and other private entities.

3.9 With respect to language, it is predicted that the Philippines will remain a bilingual country.

Pilipino will be widely accepted and may even acquire some prestige value among the rural folks. Moreover a brand of cosmopolitan Pilipino (not the puristic type) will evolve with many words adopted from the English language.

3.10 With respect to the Church as an institution, a number of predictions have been indicated.

These predictions include the following:

- Two more Cardinals over the next three decades
- Greater concern over the population problem
- Extensive practice of Ecumenism
- Greater and wider implementation of Vatican II
- Decreased number of foreign missionaries
- Limited powers of the Bishop
- Slow growth of the Filipino clergy and religious.

3.11 With respect to the form of government, a number of interesting predictions have been made.

A strong power center, very much similar to what it is now, is expected to last probably until the end of this century. Some possible features would be as follows:

- Some powers presently performed by the national government will be absorbed by a regional government in Asia
- Institutions like the present barangays will become the basis for future legislative action and even possibly transfer of power
- The role of politicians would primarily be as links between the highly technocratic bureaucracy and the people
- While there will be a power center, local and regional units will be semi-autonomous and some regional authorities will tend to break up the identities of some provinces
- There will be stronger regional government centers that will absorb component local units in selected areas
- More innovation will be encouraged among local governments
- There will be a transfer of some national government functions to local governments

- Local government administration in the Philippines will have been completely systematized
 - There will be a gradual increase in government supervision and control in several aspects of Filipino life.
4. On communications
- 4.1 *Government control of media will be more relaxed and restraints will be exercised by the media themselves.*
 - 4.2 *Communication facilities will be consolidated into regional networks.*
 - 4.3 *The use of satellite communications will be maximized to provide opportunities for cross-national participation in various national forums.*
 - 4.4 *Keen competition among major networks will result in specialized programming directed at special segments of the population.*
5. On agricultural development
- 5.1 *There will be self-sufficiency in rice and corn way before the end of the century.*
 - 5.2 *There will be a strong cooperative system in the country specially in the agricultural sector.*
 - 5.3 *There will be a consolidation of small family farms into huge corporate farms of say 100 hectares.*
 - 5.4 *A number of technological developments will spur further agricultural development.*

Among the technological developments that have been projected are:

- Even more improved rice strains
- Effective typhoon dispersal agents
- Low cost mechanization of farming
- Improved irrigation techniques
- Biological control of insect pests

- Genetic transplants for livestock propagation
- The development of advanced processing and food preservation techniques.

5.5 Agricultural credit shall have been fully developed.

The quality of rural and farm life will be improved by fully developed agricultural credit system that is now just in its infancy.

6. On the rich-poor gap

6.1 The income distribution will probably get worse before it gets better.

The income distribution is expected to get better by about 1995 or toward the end of this century.

6.2 The money wage will probably follow price increases, but with a lag.

Absolute real income for most everybody will increase but differences in relative incomes will persist, i.e., the income distribution curve will shift to the right but its slope will remain the same for the year 2000 and beyond. Thus, the magnitude of social discontent will increase and will continue to spur efforts toward building a "New Society".

6.3 Redistributive taxes, especially income and estate taxes, will become more effective toward the 1980's.

6.4 There will be substantial accomplishments in the field of agrarian reform giving to former tenants the rice and corn land they till.

6.5 Socialized housing will increasingly become available to middle and low-income groups in urban centers toward the mid-1980's.

6.6 Many corporations will be open to public subscriptions thereby spreading the base of ownership.

6.7 The benefits of public expenditure will be in the direction of the poorer classes in order to reverse the tendency to benefit the richer members of society.

7. On the Philippines and the World

An attempt was made to explore possible tendencies with respect to the relations of the Philippines and such major areas as the United States,

Communist China, Japan, the European Economic Community and the Southeast Asian countries. Experts on U.S.-Philippine relations were able to participate with respect to the other areas.

7.1 After the expiration of the Laurel-Langley agreement in July 1974, another agreement will be forged in the same year which will see the termination of preferential treatment.

The Philippines should, therefore, expect to be treated on an equal footing with other countries and avail of opportunities for multilateral concessions that GATT and UNCTAD provide.

7.2 The Philippine dependence on trade with the United States is expected to diminish through the years.

In this connection Japan and Red China are foreseen to become the Philippines' major trading partners.

7.3 The U.S. military bases will be turned over to the Philippine government way before the end of this century.

This is because of the gradually diminishing usefulness of these bases to the U.S. defense posture as well as the *detente* between the major powers.

7.4 American investments can be expected to continue indefinitely into the future.

7.5 The Philippines will continue to be a technology importing country with respect to the U.S. and Japan.

7.6 Socio-cultural interchange between the United States and the Philippines will be more pervading than it is at the present time.

7.7 There will be freer trade among Southeast Asian countries as a consequence of active regional complementation arrangements.

7.8 In terms of relative importance to the Philippines, trade with Europe will only be slightly better toward the end of the century compared to what it is now.

APPENDIX

LIST OF GRADUATE STUDENT INTERVIEWERS*

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Rolando A. Buencamino
Felix J. Cruz
Crispino A. de Castro, Jr.
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Asuncion B. Kalalo
Luke Kho
Rhodora R. Macalalad
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Pedro L. Puertollano
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*The above graduate students in the MBA Program of the University of the Philippines were volunteer participants who interviewed the various experts who agreed to participate in this exercise.