

THE PRIVATE SECTOR AND THE NEW SOCIETY*

By

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By proclaiming martial law on September 21, 1972, President Ferdinand E. Marcos did the one thing necessary to arrest the downward slide of Philippine society towards a complete and devastating "state of anarchy and lawlessness, chaos and disorder, turmoil and destruction." Proclamation 1081 lists the conditions existing prior to that hour. The entire country was enveloped in what Palmer in his book, "The Age of the Democratic Revolution," called a "revolutionary situation" and described it as one:

"...in which confidence in the justice or reasonableness of existing authority is undermined; where old loyalties fade, obligations are felt as impositions, law seems arbitrary, and respect for superiors is felt as a form of humiliation; where existing sources of prestige seem undeserved, hitherto accepted forms of wealth and income seem ill-gained, and government is sensed as distant, apart from the governed and not really 'representing' them. In such a situation the sense of community is lost, and the bond between social classes turns to jealousy and frustration. People of a kind formerly integrated begin to feel as outsiders, or those who have never been integrated begin to feel left out."

If martial law stopped the train of events, if Proclamation 1081 halted the Philippines' slide toward destruction, then that alone would be enough to make it one of the finest chapters in our history. But it did more than that. In his words, the President proclaimed martial law in order "to save the Republic and reform our society."

"...I wish to emphasize these two objectives. We will eliminate the threat of a violent overthrow of our Republic. But at the same time we must now reform the social, economic, and

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political institutions in our country. The plans and order for reform to remove the inequities of that society, the clean up of government of its corrupt and sterile elements, the liquidation of the criminal syndicates, the systematic development of our economy - the general program for a new and better Philippines - will be explained to you. But we must start out with removal of anarchy and the maintenance of peace and order."

In the beginning, in order to set the stage for the far-reaching changes that would be needed, it was essential to do the reform and re-ordering within the ranks of government, if it was to serve as an effective cutting-edge for societal reforms. The President concentrated at the start with the requisite changes in the government, the military, the police, the bureaucracy, and the schools.

Ultimately, the President's concern is with the entire society. He has stated it as the essence and meaning of the democratic revolution to make the people the focus and beneficiary of all transformations to be effected. In the final analysis, the people's welfare is what revolution is all about. The history of democratic revolution is a consistent expansion of the rights of every man, devotion to his welfare and to his happiness, and a determined move to make society serve his ends. In launching the democratic revolution in the Philippines, the President seeks to move within this revolutionary mainstream, rejecting the spurious type that seeks merely to seize power by narrow interests or conspiratorial group.

It is therefore axiomatic that the ends of revolution will be those of society at large, of the entire people - not people in the abstract, but of concrete, differentiated groups comprising society: the poor, the rich, the professionals, the wage-earners, employers, the farmers, housewives, the young, the old. All must be given the opportunity to benefit from their participation in society and must be required to contribute to the making of those benefits. For every Filipino the goals of the New Society can be summed up in one transcendent objective: the creation of a new nation in Southeast Asia.

In the liberal revolutions that gave rise to the capitalist democracies of Western Europe and America, an "invisible hand" was postulated to guide the otherwise untrammelled operations of business and industry in the face of a neutral and passive government. But this took too long, and while the economy grew to

phenomenal proportions, there was great waste, misery, and exploitation as a result. In the Asia of the 20th Century we cannot wait; instead, the invisible hand will have to be the national leadership and government - we have no alternatives.

In this more dynamic role of the political institutions, the head of government is the synthesizer and the articulator of the national consensus aside from being its instrument as well as implementor. It is a unique role indeed, for in it, there is no intent to subordinate the nation to the state, the people to their leaders; on the other hand, such a role implies that the nation and state, the people and their leader, meet in the *concordat* of the Barangay (Citizens' Assemblies) to merge separate wills into a common, national Will and Purpose, in recognition of the fact that neither can achieve anything without the other, but both together, moving as one, can reach any heights to which they set their hearts and minds. Individualism in this way is not suppressed; instead, it is made to join hands with a new sense of Collectivity.

In the Philippines this is very important. Pure, uncontrolled individualism does not serve us well because it remains parochial and local.

What we Filipinos need, therefore, is to transcend the self, not to destroy it, but to link it with larger purposes — the interests of the national society. We must establish a vital connection between self and nation that makes serving the nation a service to the self, and *vice-versa*. This is easier said than done. In the modern context the linkage between one's group and the larger society, is long, complex, and not obvious at all. But it is essential, for building the nation is at stake, and the cost of failure is stagnation, apathy, anarchy, and a real danger of take-over by inimical interests.

It is this doctrine and awareness of vital interconnections between part and part, between part and whole, on which we propose to peg all answers to the question: What will be the role of the private sector? What will be my part in the tasks that lie ahead of us in the New Society? It is more than just a simple idea. It is an entire technology, for it entails a highly technical exercise in tracing the inputs and outputs in a cybernetics system by which we can conceptualize a modern, industrial society.

With this concept the problem of national integration as well as economic development can be approached, for each raises the issue

of the existence of diverse, differentiated groups seemingly at odds with one another but each with distinct identities, talents and skills, aspirations, needs, and activities. It can very well apply to the problem of the single, solitary citizen face-to-face with the enormity of society. The primordial task is to locate one's self in the New Society. Unless this is accomplished, the New Society cannot achieve its own identity.

As the nation plows ahead toward more positive goals, all sectors of society, all groups, all citizens — even those who are presently indifferent - will be asked to sharpen their awareness of the part they can play in the common task. Initially, it will be a process of self-examination in which the meanings of one's work, of one's actions, will be examined in relation to an ever-larger series of goals. It will be demanded of everyone to expand one's perspectives to encompass larger and larger entities until one reaches the limit which is nothing less than that of the New Society.

What the New Society seeks to abolish in the entire process is the previous bad habit of mindlessness, which was a national vice, under which many in both the public and the private sector often made decisions without regard for consequences beyond the self, beyond one's immediate interests. Politicians, professionals, and private business were most remiss in this regard.

To a great extent, the former sharp distinction between the public and the private sectors will be erased. No longer will they be at odds. More than this, decisions will be made in both sectors with an eye to the effects each has on the other.

The term *private sector* covers a broad area especially in a society which has long sustained the principles of free enterprise. Although, to some extent, it is justified to call ours a mixed economy rather than one which is wholly a free enterprise, the public sector — in the sense of enterprise as well as that of planning, regulating, and policy-making — is narrow and limited. This is bound to change as the government takes more decisive steps toward resolving economic problems and fostering economic development. Various decisions, decrees, and pronouncements by President Marcos all point to this direction. They include those on land reform, taxes, tax reductions, new taxes, and a series of government re-organization measures designed to strengthen regulatory, planning, and enforcement functions of government. The establishment of the National Economic and Development Authority, or NEDA, is a case in point.

The expansion and the strengthening of the public sector, however, is not meant to be done at the expense of the private sector. On the other hand, it is one of the purposes of the government to enhance its servicing of the private sector — of private business, industry, and finance — in order to render operations in that sector easily, and thus, be more meaningful to the larger society.

In turn, the private sector is expected to gear its decisions and its activities in line with the goals of the New Society, especially where there is direct impingement on these goals. No longer can they be made solely with an eye on profit; indeed, it may be useful to establish a direct correspondence between profits and service so that profits will be maximal where the service functions are also maximal. Conversely, wherever the operations of business or industry exert a harmful effect on the national interest, the government will not hesitate to bear down heavily on them so as to protect the public from harm.

The framework of decisions is presently expressed in the acronym PLEDGES, which stands for Peace and Order, Land Reform, Economic Development, Government Reforms, Educational Reforms, and Social Services. Within the context of these national priorities, government will concentrate its attention, allocate resources, and undertake decisive measures in order to assure success in the initial stages of building a New Society. All sub-sectors making up the private sector are invited to join in the common effort. It is certain that any advance in these areas will have immediate and favorable feedback effects on all interest. We are witnesses to the buoyant effects on business of the vast improvements in peace and order conditions in this country.

The need of the hour is discipline. The regime lays great store on the acquiring of discipline by Filipinos not only as an act of submission to superior authority, but as a voluntary act. But what do we really mean by discipline? Is it only a matter of obeying the law, of standing in line, of not talking back or manifesting dissent? If these are all that we mean by it, then it would be a very narrow-minded conception and not very kind, for it would construe that the regime is a vindictive one, concerned only to have its dicta obeyed, its will prevail. It is precisely this spirit that we would do away with in the New Society. Discipline as defined in the New Society is not moralizing run wild; it does not suppress and constrict, but rather, it enlarges the world of self and makes it one with the largest and the most exalted purposes of the community.

We shall mean by discipline nothing less than the integrating of one's purposes, activities, and behavior with the interests or goals of the smaller or larger communities in which one, or one's group, may be located. It is a process rather than a single condition or end-state as a process it is at once a goal as it is a means to a more final goal. As such it calls for a re-educating of the heart and mind, a modification of behavior. It is the indispensable pre-condition to the creation and the discovery of a community. It is the indispensable pre-condition to the building of the New Society.

In the Philippines, where individualism is a vice as it is an ideal, many areas of life-activities will probably be left untouched by integrative needs of the New Society, and in our sense will therefore not be subject to discipline. I refer in particular to those which bear only marginally with what may be stated at any given moment as the vital needs of development. But where they impinge on these needs, discipline will be necessary. As soon as these needs are met, discipline will result not in the restricting but in the enlarging of our freedoms.

Can we identify crucial areas where discipline is needed? Examples abound in the private world of business and industry as well as in other private spheres other than that of business or industry. Much of the commercial and the industrial undertakings in the Philippines are in the hands of the private sector. Hence, this sector, as captain of industry, can be credited with whatever economic progress this country has achieved. Yet much remains to be done.

There is therefore much room for re-orientation. In the past, decisions have been mostly short-term and without much regard for the larger interests of society. This cannot continue. The comparative needs of the New Society call for decisions that are long-term and impact oriented. This is the case, for instance, with decisions relative to the expansion of industries, with their diversification, location, labor intensity, capitalization, and the recruitment and training of labor. While it is true that short-term goals call for measures that tend to reduce costs and maximize profits, business and industry in the future may be asked to assume a greater and more costly responsibility for economy-wide measures to ensure the growth of this economy. Where the difference in costs is not too great, like the decision to hire more labor than to install labor-saving capital equipment; or in the decision to locate in a labor-rich but depressed area far from communication and transportation channels and markets as against locating in the Greater Manila area; or in the

decision to establish a training program for skills development as against relying on government training programs; or in spending for workers' housing as against spending on advertising; or in the decision to enter a lucrative but almost saturated field as against opening pioneer but high-risk areas; or in the decision to widen ownership by selling of shares to the public as against concentrating it in the hands of a few; or in the decision to increase overhead costs in order to distribute profits to management or to owners as against the decision to spread more benefits among the workers; or the decision to avoid additional costs to combat population — all these should make clear the nature of the inputs of our direction decisions. These are, in fact, prime examples of alternatives where the proper decisions are of increasing concern to the state. I contend that the proper decisions, in the long run, are likewise the concern of private business and industry. With the perspective that we urge for adoption, what may appear to be uneconomic decisions now may, in the long run, prove to be wise, in view of the anticipated nation-wide surge of activity that such measures will cause.

Just as the private sector is asked to contribute its bit to the building of the New Society through exemplary decisions, the government pledges itself to the continual improvement of the business climate, and, most importantly, to the expansion of opportunities to the capitalist and to the entrepreneur to the extent that these can be influenced by government policies and practice, such as in the matter of opening new sources of capital, facilitating credit, and providing infrastructure and ancillary services. Very soon it will be experienced that it is easier to do business with the government. In the past, the operations of the private sector were too often hamstrung by ponderous procedures, red tape, and inefficiency, all of which acted as disincentives.

Other than business and industry, which is uppermost in our minds, there are other corners of national life which properly pertain to the private sector, broadly defined. I shall only mention them briefly here; however, any discussion of discipline and the integration of the national community is incomplete if they are left out. We called for re-fashioning society; in this, every element is asked to join a network of inter-dependent relationships in which each will be expected to contribute something in return.

Whatever we said about the world of business and industry will also apply to the schools, research and scientific bodies, the civic

organizations, occupational and professional associations, the labor unions, the entertainment world, cultural groupings, and even, I might add, church or religious organizations. This is a large, seething world which has not often in the past come under direct, and even indirect, governmental influence. I think it can easily be demonstrated that from now on every decision in these spheres, no matter how seemingly trivial it may appear to be, can be examined as to its relevance to the central tasks of the New Society. The need for a cultural revolution may lay waste rather than create, but it is essential, nevertheless, to conduct some soul-searching probes as far as meanings of things are concerned, and to agree to a consequent program of discipline and integrative decisions. Although the need of occasion for a direct mesh with government projects may not arise for all, each in its own way may find that it can add to reinforcing conditions for desired changes in society. The schools, in particular, must be singled out in the crucial roles they will play in back-stopping these changes.

Concretely, President Marcos has sounded the call for organizations such as the ROTC, Boy and Girl Scouts, community developers, 4-H clubs, and other civic groups to provide auxiliary support to field projects in PLEDGES, such as cooperatives formation, community improvement, infrastructure construction, forestry development, and agricultural production, as well as in the peace and order campaign. These are only a few of the myriad tasks that need to be attended to; they are likely to become more numerous and more difficult as we proceed. As the areas of coverage expand, the earlier ones will have uncovered pockets of complexity and of resistance masked by the initial flush of discovery.

If Proclamation 1081 was the signal for the start of a revolution, today is the morning-after. Where small groups sufficed in launching the movement, the total involvement of society is required to sustain it. The near-state of anarchy that precipitated it at the time threatened it with virtual dissolution. This fact, together with the fissiparous tendencies of our traditional society, make it extremely unlikely to expect anything but difficulty in mobilizing all elements, particularly those comprising the private sector, for a single and unitary thrust toward the establishing of a new modern society.

Yet the response to date is remarkably free of any difficulty or complication whatsoever. This gives credence to our belief that we have here activated a dormant power for greatness in our people.

Perhaps we had it all along, needing only an equally remarkable act of stimulation, such as President Marcos' decision, to nudge it into vibrant life? Because of it, we in the government, do not have doubts as of the moment as we had in the past. The private sector has every reason now to be optimistic as to the ultimate outcome of the revolution, for it is within their power to base their optimism on their decision to move it forward as far as they wish.