



La Liga Filipina: Rizal and institutional change

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A long-standing tradition in economics contends that “institutions matter” for long-run growth. Whether defined as “rules of the game” or a “system of social factors,” institutions ultimately affect the cost of exchange and production that, in turn, influences economic performance. This paper shows that Rizal, by establishing La Liga Filipina, endeavored to create the conditions toward institutional change. It shows that through the Liga’s aims—(a) to unite the whole archipelago; (b) mutual protection in case of trouble and need; (c) defense against every violence and injustice; (d) development of education, agriculture, and commerce; and (e) study and implementation of reforms—Rizal sought to subvert the most important antidevelopment institutions of his day.

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*[P]rogress necessarily requires change, [it] implies
the overthrow of the past, there erected as God,
for the present, the triumph of new ideas over
the old and accepted ones.*

Jose Rizal, "The indolence of the Filipinos"

I. Introduction

It had been a busy Sunday. After meeting Governor-General Despujol that morning in Malacañang, Rizal kept another appointment later in the evening in a house in Tondo owned by Doroteo Ongjungco, a freemason. About 30 people were present—a *mélange* of Filipino intellectuals like Rizal, businessmen and property owners like Ongjungco and Ambrosio Salvador, and future revolutionaries like Deodato Arellano and Andres Bonifacio. The agenda of that evening's meeting was to craft the clandestine society La Liga Filipina (henceforth, the Liga). All who were present unanimously accepted the Liga and its statutes. However, three days later, on July 6, 1892, Rizal was arrested and by the next day the order for his deportation leaked in the press. A week later, on July 15 at one o'clock in the morning, he was aboard the *Cebu* on his way to Dapitan. The spirit of the Liga died at the same time the ship softly slipped away in the darkness toward the southern horizon.

More than four years later in his Fort Santiago cell, Rizal wrote in his own defense:

The purposes of the *Liga* were union, encouragement of commerce, industry, etc., because I understood and I understand that a people cannot have liberties without having first material prosperity; that to have liberties without having food to eat is to listen to speeches and to fast. [Rizal 2011(1896b):339]

A cursory reading leads one to conclude that Rizal envisioned the Liga to be an economic civic association. But owing to its ephemeral nature and all its counterfactual possibilities, historians have debated the true aims of the Liga. O. D. Corpuz, for instance, calls the Liga the "Bridge to the Katipunan." He opines that

Rizal had designed its statutes so that the society would rest on a popular base. This base would be made up of people's councils, organized by pueblos or districts. [Corpuz 2006:249]

This same base was the foundation of the recruitment strategy of Bonifacio's Katipunan, organized four days after the Liga was founded, and on the very night that news of Rizal's deportation was published.

Rizal's biographer Leon Ma. Guerrero also echoed the idea of the Liga being a revolutionary association. On the Liga's purposes and aims written in its constitution,² Guerrero comments:

But were these aims wholly innocuous? Union where Spain ruled by disunion? Mutual protection—against whom? Defense against all violence and injustice—from whom? Development of education, agriculture and commerce—for what purpose? “To gain men and money?” Study and application of reforms—how, when the Liga was not the government? [Guerrero 2007:331]

Indeed, Guerrero believed that the structure of the Liga revealed itself to be an *imperium in imperio*, a quasi-government within the Spanish regime.

Others were more direct in connecting both associations. The hotheaded Antonio Luna was said to have exclaimed, *El Katipunan es la Liga Filipina ... Su autor es D. Jose Rizal.*³

On the other hand, Rizal's British biographer, Austin Coates, believed that the Liga's intentions were less radical. His opinion was that the Liga was a continuation of the peaceful methods of seeking reforms that were started by the Propaganda movement and the *La Solidaridad*.³ The failure of the Liga would signal the need for more extreme actions:

The programme that had evolved ... was in fact a logical sequence: first, to employ as a last resource the peaceful methods of the *Liga Filipina*, in which he did not fully believe; afterwards to counsel and plan for revolution, which he believed to be inevitable. It is quite possible that [Rizal] knew all along that the *Liga* could not succeed, but pursued it nonetheless, partly as a final proof to Spain of his pacific intentions, partly to allow a little more time in which to produce an extraneous change or event which might make armed revolution suddenly practicable and sure of success. [Coates 1992:220]

²The full text of the Liga's constitution is available from http://joserizal.info/Writings/Other/la_liga.htm. However, all quotations from the constitution for this paper are taken from Rizal [2011(1892a)].

³The fortnightly newspaper of the Filipino reformists and propagandists in Spain founded in Barcelona in 1889 and subsequently headed by Marcelo H. del Pilar. Rizal was one of the more prolific contributors to this publication.

Whether the Liga was a revolutionary movement or a peaceful economic association is a matter better left to professional historians and is beyond the scope of this paper. What is clear, however—and which is also the main idea to be developed in here—is that La Liga Filipina was Rizal’s first national and popular attempt to foster institutional change—to change the “rules of the game” in both the economic and political spheres. Its primary aim was to make the country rich. That it may lead to revolution was secondary. In Rizal’s own words:

Let them show the statutes of the *Liga* and it will be seen that what I was pursuing were union, commercial and industrial development and the like. That these things—union and money—after years could prepare for a revolution, I don’t have to deny; but they could also prevent all revolutions, because people who live comfortably and have money do not go for adventures. [Rizal 2011(1896b):342]

Rizal believed that a change in institutions would pave the way for economic advancement and by it the Philippines could attain and be worthy of her liberties. “My dream was my country’s prosperity,” he declared, because “with a prosperous and enlightened people, liberties would not have to wait.”

But before delving into the questions of which institutions were hampering the country’s economic, political, and social advancement, the meaning of the word itself must be clarified. This is done in the next part of the paper, which defines institutions and how they relate to economic performance. After briefly examining the literature, the rest of the paper focuses on the aims and purposes of the Liga as captured by its constitution, with discussions on how it aimed to cultivate changes in institutions and consequently affect economic performance. The last part contains the conclusions.

2. Institutions and their effects on economic performance

We follow North [1989] and define institutions, at their most fundamental level, as “rules, enforcement characteristics of rules, and norms of behavior that structure repeated human interaction.” Institutions act to “structure incentives in human exchange, whether political, social, or economic” [North 1990]. Thus, they define and limit the choice set of an individual as he relates to the broader society. In effect, uncertainty is reduced since institutions provide structure to everyday life. North makes

a well-known distinction between institutions and *organizations*, which he defines as “groups of individuals bound by some common purpose to achieve objectives.” Using an analogy from sports, he compared institutions to the “rules of the game” and organizations to the “players of the game.”

Institutions can likewise be formal or informal. Formal institutions are the “rules that human beings devise,” such as constitutions or written laws and statutes. Informal institutions, on the other hand, are “conventions and codes of behavior” (sanctions, taboos, customs, traditions), which may or may not conflict with formal ones. Indeed, there are settings where informal, *de facto* rules trump formal, *de jure* ones; witness Rizal’s outburst in one of his most celebrated articles, “The Philippines, a century hence”:

It is true that the Penal Code, like a drop of balsam on so much bitterness, has been promulgated; but of what use are all the codes in the world if because of confidential reports, trivial motives, anonymous traitors, any respectable citizen is banished, is exiled, without any trial? Of what use is that Penal Code, of what use is life, if there are no security of the home, faith in justice, and confidence in the tranquility of conscience? [Rizal 2001(1889a):138]

An alternative definition to the “institution-as-rules” comes from Greif [2006] who defines an institution as a “system of social factors that conjointly generate a regularity of behavior.” These social factors include rules, beliefs, norms, and organizations. This definitional feature becomes more acute when we incorporate the role of beliefs in forming institutions and in changing them. Beliefs motivate individuals to follow rules that ultimately influence their behavior. For instance, if I believe that you believe that infringement of the law will be penalized, then we will behave in such a way that deters infringement.

As shown further below, Rizal’s program in the Liga included influencing and altering beliefs for the purpose of modifying or even subverting institutions present during his time. Rizal’s main vehicle for this was education:

I have given proofs as one who most wants liberties for our country and I continue wanting them. But I put as a premise the education of the people so that through education and work, they might have a personality of their own and make themselves worthy of them. In my writings I have recommended study, civic virtues, without which redemption is impossible. [Rizal 2011(1896a):348]

Either definition, however, makes clear how institutions affect economic performance through the cost of exchange and production. In an economy characterized by a small number of agents, where personal and face-to-face transactions are the norm, there is seldom any need for written contracts. “Contracts” in this scenario are “self-enforcing” in the sense that these are based on credible commitments, repeated transactions, and on the fact that agents “have an intimate understanding of each other.” The upshot is that the size of markets is severely limited, and economic development, brought about by specialization and division of labor inherent in larger markets, becomes limited as well.

On the other hand, as transactions become more complex, diffused across space and time, and exchange becomes impersonal, it becomes more difficult to rely on “intimate understanding” and on commitments of the other party. Hence, there is a need for various arrangements to deter cheating, shirking, and opportunistic behavior. The institutions that evolve to check these behaviors include—but are not limited to—the rule of law, the protection of property rights, and enforcement of contracts.⁴ These institutions undergirded the markets of most of the modern Western societies that we observe today [North 1991].

The relationship between institutions and economic growth is one that Rizal fully understood. Rizal was said to have

realized fully [that] the restrictions under which the people had become accustomed to order their lives should be removed gradually as they advanced under suitable guidance and became capable of adjusting themselves to the new and better conditions. [Derbyshire 1912]

Resisting the idea that the anemic economic development of the Philippines in his time was due to the *indio*'s inherent “indolence,” he wrote that, in fact, stagnation was abetted with the

imbecility in the lower echelons (of government), and ignorance and giddiness in the upper, with the frequent changes and endless apprenticeships, with great fear and numerous administrative obstacles, with a voiceless people that have neither initiative nor cohesion, with government employees, who nearly all strive

⁴The development of third-party enforcement encouraged the rise of these institutions. Other important developments were standardized weights and measures, units of account, a medium of exchange, etc. [North 1990:121].

to amass a fortune and return to their country, with people who exist with great difficulty from birth ... [Rizal 2011(1890a):263]

And thus:

to create prosperity, to develop agriculture and industry, to establish enterprises and associations, which prosper with difficulty even in free and well-organized countries, cannot be expected to happen in the Philippines. [Rizal 2011(1890a):263]

In the course of every society's history, some institutions persist and some institutions change. The process of institutional change goes hand in hand with each society's idiosyncratic historical experience. This process may evolve slowly and incrementally, as in the case of the rule of law and property rights in the Western economies. It may also change almost exogenously as in the extreme case of colonialism—institutions from the colonizer are transplanted in the colonies in one fell swoop.⁵ Changes toward "good" institutions that foster impersonal exchange have been helpful in facilitating growth and development as evidenced by the prosperity of Western societies during Rizal's time. The contemporary institutions that hobbled the propagation of agriculture, industry, and commerce in the Philippines were in effect the type of institutions that Western societies had managed to outgrow (e.g., uncertain property rights), which led them toward the path of development.

It is difficult to pinpoint any particular reason why the Philippines inherited institutions that were primarily extractive and oppressive, but applying the literature developed in other contexts may provide some leads. A possible explanation is that not enough Spaniards settled in the country to form a critical mass that would demand some form of Western-style institutions that fostered a market economy [Acemoglu, Johnson, and Robinson 2001]. As of 1876 there were only 20,000 Spaniards out of the total population of 6,175,000 in the country, representing only a third of a percent (0.32 percent) of the total population [Corpuz 2006]. Moreover, these Spanish settlers were usually the dregs of Spain—"the rascals, the dissolute, the hypocrites, the lazy, the ignorant, and the hungry," as Rizal mockingly describes them [Rizal 2011(1889b):173]. Another possible reason

⁵A particular institution exogenously introduced to the Philippines was the *Recopilación de Leyes de los Reynos de las Indias*. The *Recopilación* provided the basis for the reorganization of Philippine society in the early phase of Spanish conquest.

may be the country's specific land endowments, which were suitable for big plantation crops such as sugar. This circumstance favored the emergence of elite plantation owners that wielded disproportionate power and thus created inequality-promoting institutions that persisted [Sokoloff and Engerman 2000].⁶ Yet another possible reason is that Spain itself did not develop the institutions that undergirded the market economy early enough (compared, for example, to Britain) [Acemoglu, Johnson, and Robinson 2005] and did not introduce these to her colonies during the first phase of colonization. Thus, there did not emerge in Spain a mercantile class that countervailed the power of the monarch (which was based primarily on extractive and rent-seeking activities and therefore did not promote growth).

But what were some of the institutions present during Rizal's time that crippled economic growth and which he tried to deal with by establishing the Liga? The next section tries to answer this question by juxtaposing the aims of the Liga with the existing economic and political institutions during Rizal's time.

3. The Liga as a response to existing institutions

There were five purposes for which the Liga was established:

- (a) To unite the whole Archipelago into one compact, vigorous, and homogeneous body
- (b) Mutual protection in every case of trouble and need
- (c) Defense against every violence and injustice
- (d) Development of education, agriculture, and commerce
- (e) Study and implementation of reforms [Rizal 2011(1892a):309]

Bearing in mind that Rizal's primary concern was the prosperity of his country, we shall investigate each of these purposes as it contributes to economic development. The main channel from these purposes to economic development is through institutions. More precisely, we describe how these enumerated purposes lead to institutions that would foster complex economic exchange and economic activity. In doing this it is necessary that we also show and analyse some of the contemporaneous institutions that created bottlenecks for the economy.

⁶ Corpuz [1997] asserts that in hectare terms, Philippine plantations were relatively small compared to the *latifundia* in South America and the agricultural estates of the Europeans in Dutch Indonesia, French Indo-China, and British Malaya, etc.

3.1. Uniting the whole archipelago

Rizal laments that “a man in the Philippines is only an individual; he is not a member of a nation” [2011(1890a):262]. The difficulty of Filipinos imagining themselves as “members of a nation” derives from the requirement of having a clear common understanding of the concept of a nation—the solid basis for any nationalist sentiment. In a narrow sense, nationalism is defined as

a condition of mind, feeling, or sentiment of a group of people living in a well-defined geographical area, speaking a common language, possessing a literature in which the aspirations of the nation have been expressed, attached to common traditions and common customs, venerating its own heroes, and, in some cases, having a common religion. [Snyder 1954]

By this standard, the task of uniting the whole archipelago is daunting. First, there are more than a hundred Philippine languages [McFarland 1996]. Second, and related to this, there are more than 20 major and minor indigenous ethnic groups in the country with their own literature, traditions, customs, heroes, and religions. Enmity between some of these ethnic groups has survived to the present day. Third, the archipelagic feature of the country, coupled with poor infrastructure and communication, rendered some segments of the population inaccessible both physically and in terms of receiving information. All these factors precluded a unified front against the Spaniards for more than 300 years. This resulted in sporadic revolts that were quelled oftentimes with the help of other Filipinos.

Apart from the obvious advantage of having a unified populace against a common enemy, the benefits of social cohesion also spill over to economic performance. Easterly, Ritzen, and Woolcock [2006], in the context of the 20th century, showed that social cohesion⁷ determines the quality of institutions (that determines the ease with which economic policies are implemented), which in turn affects economic growth.

How does social cohesion affect economic growth? First, it allows the citizens to be more confident with government reforms. Policymakers in countries with fractured class and ethnic lines face more of an uphill

⁷ Social cohesion in their study is characterized by direct measures such as trust variables, and indirect measures such as income distribution variables (e.g., Gini coefficients), and ethnolinguistic fractionalization variables.

struggle to convince the various groups of the effectiveness of a proposed economic or political reform. In the same vein, bad economic policies have a higher probability of being rejected the tauter the society is. Second, in the presence of exogenous economic shocks (say, a bad harvest or a financial crisis), countries with strong social ties tend to respond in a more timely and effective manner and put the economy back on the growth trajectory [Rodrik 1999].⁸ Third, social cohesion lessens the probability of social conflicts—from isolated skirmishes to outright civil wars—which could disrupt economic activity and discourage investment. Finally, social cohesiveness solves some of the collective-action problems (such as free riding) that hobble economic reforms and projects.

The last reason deserves some elaboration. Collective action requires community members to work together to attain a shared goal or purpose. The strength of communities' collective action capacity manifests itself in how well and how readily members cooperate for their mutual undertakings. The more ambitious the undertaking is, the stronger the collective action capacity needed. For an economy to grow and to sustain its growth, collective-action capacity must be very strong. As Fabella [n.d.] has remarked, “[r]apid economic growth is a collective action project.” Collective action is needed especially for projects with long gestation periods, such as grand physical infrastructures where the benefits are felt only after some time lag. More important, it is also needed to establish market-enabling institutions such as the protection of property rights, rule of law, and the enforcement of contracts. A more cohesive society will generally have a higher capacity for collective action. Rizal noted the uphill battle of strengthening this capacity for Filipinos, for he noticed that

every Filipino thinks this way: Let her settle her affairs alone, save herself, protest, struggle; I'm not going to lift a finger, I'm not the one to settle things; I've enough with my own affairs, my passions, and my whims. Let others pull out the chestnut from the fire, afterwards we shall eat it. [Rizal 2011(1890b):290]

This free-riding mentality of the Filipinos is probably the one that Rizal wants to remedy in the first purpose of the Liga. Early on he recognized

⁸The most famous anecdote was set in the 1997 Asian financial crisis when citizens in South Korea began selling their jewelry and other valuables to help their government weather the crisis.

the importance of the capacity for collective action as a precondition for economic prosperity.

The lack of unity among Filipinos is intimately associated with strong kin-based relationships that were present during Rizal's time. These kin-based institutions persisted because of the ineffectiveness of formal political and economic institutions to extend to the larger part of the population—those masses of Filipinos who must “not be separated from his carabao.” If secular institutions are weak and cannot be depended on to dispense justice or sanction erroneous behavior, then the clan or family or any kin-based affiliation become “dominant by default” [de Dios 2008]. Rizal recognized the strength of kin-based institutions in the context of the difficulty of rejecting bad policy that goes beyond kinship ties:

only family or tribal feeling existed, hardly, hardly that of the country so that no stupid measure provoked any strong protest from public opinion, *except in cases where relatives are more or less directly hurt.* [Rizal 2011(1890b):289] (Emphasis supplied.)

In a society like the Philippines that is heavily divided along ethnolinguistic fissures, formal institutions can serve as a substitute for the “social glue” present in less fractionalized society.⁹ One such institution is a free press that enhances accountability and gives voice to the opinions of the citizenry. A free press also aids in quickly disseminating information to report abuses of authorities—and hence serves as a rallying point from which individual opinions can coalesce into a national sentiment in a timely manner. Hence, a free press makes it possible to cause political change by making “a local or pueblo affair” a “broadly based and eventually a national movement” [Corpuz 2006:225].

Of this, Rizal penned:

A free press in the Philippines is necessary because very rarely do the complaints there reach the Peninsula, very rarely, and if they do reach it, they are so masked, so mysterious, that no newspaper would dare publish them, and if they are published at all, they are published late and badly. [Rizal 2011(1889a):145]

⁹ Of course one could argue that good institutions are less likely to develop with a fractious society. Nonetheless, we could find modern examples of countries such as Canada, Malaysia, and Thailand with relatively fragmented ethnolinguistic profile but with institutions that are of high quality [Easterly 2001].

Also,

Injustices there [in the Philippines] do not always find a writer who may relate them, nor every article a generous newspaper that will accept it for its columns; and even if it were not so, through the present road, the remedy always arrives late, if the abuse is remedied at all. [Rizal 2011(1889d):71]

Rizal was all too aware of the power of a free press in elevating a simple isolated family incident into a national concern. On May 23, 1883, Rizal's brother-in-law Mariano Herbosa (husband of Lucia) died of cholera. The religious authorities denied Mariano an ecclesiastical burial purportedly because Mariano had "not confessed since his marriage until the time of his death." The obvious reason, of course, was his connection to the *filibustero* Rizal. Rizal wrote a furious article against this "stupid and extravagant revenge":

To the Spanish people, to all honest Catholics, to all noble Spaniards, to the free and intelligent press of Spain, to the liberal and sensible government of Mr. Becerra, we denounce these injustices! We are sure that these incidents have not been known before by the civil authorities. General Weyler may not know it. In the Philippines, there is no free press, but here in Spain where it exists as a guardian of good sense, justice, and liberty, here we protest against this insult inflicted on mankind on the person of one of its members and to the Spanish nation on one of its subjects. [Rizal 2011(1889c):113]

Rizal also makes a free press a primordial condition for effective governance that is indispensable for growth. Writing in the context of Spain's governance over the Philippines, Rizal remarked:

The government that administers the country from a very far distance has more need of a free press, even more than the government in the Metropolis, if it wishes to be straight and decent. [Rizal 2011(1889a):145]

A rich and varied ethnolinguistic profile is not fatal for Rizal's vision of unity. The interplay of effective institutions has the potential to overcome the disadvantage of fractionalization. Thus, whether as an effective political weapon or a precondition for prosperity, Rizal was correct in putting unity of the archipelago as the first among his purposes for the Liga. Its

relevance should not be lost on subsequent generations, which witnessed major collective victories when the people were most united (the two EDSA revolutions being the most obvious instances).

*3.2. Mutual protection in every case of trouble and need;
defense against every violence and injustice*

Ideally, the power to use violence is a monopoly of the state, granted by the citizens as a part of the social contract. The citizens, in return, expect the state to enforce rules to make the society more secure. The problem, unfortunately, is that the state—because of this power—is also capable to use the rules toward its own ends. Thus, it is observed that more developed countries managed to make economic growth go “hand in hand with more checks and balances” versus the state. Generally, a state that is more beholden to the citizenry is relatively more prosperous [Nye 2011].

The logic of the *limited-access order* or the *natural state* according to North, Wallis, and Weingast [2009] entails the achievement of stability through the monopolization of economic rents and power by a coalition of elites.

Often, the state is used as an instrument of a broad coalition of dominant elites to achieve this stability in the limited-access order. Thus, this coalition of elites, sometimes with the help of the state, wields power (which includes, but is not limited to, violence) to deter entry into the coalition and to support and help maintain the dominance of this coalition. Limiting entry into the coalition assures that economic rents will not be dissipated. On the other hand, members of the dominant coalition will seek to create credible incentives to cooperate among themselves to secure order. This coalition then maneuvers economic policy such that it favors the few who are members. In this instance, therefore, a certain stable order is achieved to the extent violence is controlled, but economic activity and progress do not redound to the whole society—sometimes even to the detriment of a large segment of the population.

Accounts of Rizal’s time reveal the interplay of these elite factions in the country’s economic and political life. Governor-General Carlos de la Torre lists the political elites during his incumbency as follows: the *Peninsulares*, the *ilustrado* families, and the friars [Corpuz 2006]. The *Peninsulares* were Spaniards born in Spain who usually held political office in the country. The *ilustrado* families were the rich natives and mestizos who ran myriad agriculture and trade businesses, while the friars were typically Spaniards

from the Orders. Since agriculture was the lifeblood of 19th-century Philippines, it is no wonder that de la Torre's list also corresponds to the list of dominant landowners compiled by another famous observer, Tomas de Comyn [Corpuz 1997]. The relationships between and among these political and economic elites shaped the way affairs in the Philippines were conducted.

The ties between the Peninsulares and the indios (masses) were frayed from the start. Discrimination was *modus vivendi*. The indios were conditioned to believe they were inferior to the Spaniards, and the belief was passed down through generations. One social commentator poignantly remarked:

The townspeople were obliged to remove their hats when a Spaniard passed, and this was especially the case if he occupied some official position ... No Indian [i.e., Filipino] was allowed to sit at the same table with a Spaniard, even though the Spaniard was a guest in the Indian's house.... [A]lthough many of the Spaniards married pure blood native women, the wives were always looked down on in society as belonging to an inferior class. (Pardo de Tavera quoted in Agoncillo [1990:121])

Such a low regard for another person's humanity makes violence against the indio a proximate reality. Rizal himself experienced it firsthand: while walking along a dark street in Calamba he failed to take off his hat and salute the *alferez* (constabulary lieutenant) who made sure that his whip connected to its target—Rizal's back. Not content, the *alferez* threw him in jail and threatened him with deportation. In another instance, the *alferez* made Rizal's mother, Teodora Alonso, walk 20 miles from Calamba to Santa Cruz, Laguna. This heartless display of force and violence by the authorities did not escape Rizal's pen:

In our town, we saw, almost every day, the lieutenant of the Civil Guard, and the *alcalde* on his occasional visits, mauling and beating the defenceless and peaceful townspeople who had not taken off their hats and greeted them at a distance. In our town we saw unrestrained force, violence and other excesses committed by those who were entrusted with keeping the public peace ... (Rizal quoted in Coates [1992:15])

The ilustrado families, on the other hand, were small in number—"at most two dozen" (La Torre quoted in Corpuz [2006:8]). This group was a significant counterpoint to the abusive nature of the friars and the

government authorities. This is because “together with the secular priests they hoped for freedom of the press, representation in the Cortes, takeover of the offices hitherto reserved for Spaniards, secularization of the curacies, and abolition of the religious orders’ properties”—in short, from this class originated the impetus for reform [Corpuz 2006]. It comes as no surprise then that in finding the equilibrium for sharing among the elites, the government and the friars time and again sought to thwart the ilustrado families’ attempt at co-opting them. With pressure coming from the friars of branding these families’ educated sons as filibusteros, most of them were sent to Europe purportedly for higher studies but also to escape the punishment due them for being potential disturbers of the peace. These educated young people, collectively known as ilustrados (enlightened), coalesced and became the leading voice of reform for the Philippines. Rizal, Lopez-Jaena, and the Luna brothers among others were part of this young group of Filipino émigrés.

Although the first two elite classes wielded respectable power, it was undeniably the influence of the friars that most permeated the 19th-century Filipino psyche. The institution of *frailocracy* was the main ill that Rizal and his compatriots denounced. The role of the friar was so significant that all others

are crushed and become small—government, country, religion, everything. To speak about the Philippines, it is necessary first to speak about the friar, for the friar is everywhere, from the government office, to the suitcase of the poor, hidden in the corner of his hut. [Rizal 2011(1889e):127]

How powerful were the friars? Del Pilar mentions that they “control all the fundamental forces of society in the Philippines” [del Pilar 2009(1889):35]. A report by the 1901 Philippine Commission acknowledged the “truth that the whole government of Spain ... rested on the friars” and that “the friars were the pedestal or foundation of the sovereignty of Spain ... which being removed, the whole structure would topple over” [Corpuz 2006:149]. Apart from his primary responsibility as a spiritual guide, the friar also had influence over civil authority. He was

the inspector of primary schools; chairman of the health board, board of charities, and board of taxation; formerly he was chairman but later only so in an honorary capacity, of the board of public works. [Corpuz 2006:146]

Furthermore, his roles also included being

- (a) the one who certifies to the correctness of *cedulas*;
- (b) the president of the board of statistics;
- (c) the president of the census taking of the town;
- (d) the one who determines who were to serve in the army;
- (e) an election officer and dispute settler;
- (f) the censor of the municipal budgets before they were sent to the provincial governor;
- (g) the president of the prison board;
- (h) a member of the provincial board;
- (i) a member of the board for partitioning Crown lands;
- (j) a counselor for the municipal council;
- (k) the supervisor of the election of the police force;
- (l) the examiner of the scholars attending the first and second grades in the public schools;
- (m) the censor of the plays, comedies, and dramas in the language of the country [Corpuz 2006:147-148].

With nearly absolute power over the Filipinos, and with the obvious lack of checks and balances, the friars used force and violence wantonly. Harassment, deportation, and seizure of property were a regular part of the friar's toolkit. The most notorious instance of the abuse of friar authority involved the Rizal family itself and its Calamba hacienda. The Dominicans—taking over the lands of the expelled Jesuits and eventually encroaching on the whole town of Calamba—collected rent from the whole town but only paid taxes on the original Jesuit property, only a tenth of their total hacienda. Moreover, the rents paid by tenants were arbitrarily increased, a case of which was “when 45 pesos became 900 in a few years through an annual forced imposition” [Rizal 2011(1888):38]. When the people petitioned for redress—with Rizal as their spokesperson—the Dominicans answered by harassing Rizal and forcing him to leave the country. The Dominican friars also made a successful attempt to have Valeriano Weyler¹⁰ appointed governor-general. Weyler, under obvious friar influence, then proceeded to

¹⁰Weyler was nicknamed “the butcher” for his atrocities in Cuba. His *reconcentrados* or concentration camps claimed hundreds of thousands of lives.

sen[d] a detachment of artillery to Calamba ... About thirty families, including the Rizals, were given twenty-four hours' notice to pull their houses down and quit ... Paciano, his brothers-in-law, and a number of others ... were deported to the island of Mindoro ...

In the ensuing weeks ... more houses were destroyed ... led by Dominican friars who personally ordered which houses were to be demolished and which burnt, and who forcibly prevented any neighbor from giving sanctuary to the homeless ... By March 1891 forty heads of families had been deported, 300 families were left landless and destitute, and most of the town of Calamba was a ravaged ruin. [Coates 1992:184]

But why did the friar's power survive and dominate when the government and the people themselves could serve as restraints to such atrocities? Indeed, it was the friar's sense of *realpolitik* that ensured his relevance in the society:

Shrewdly, [the friars] convince the government that the people have a mental and physical inclination to resist the government. They then wait for a decisive moment to alarm the people of the tyranny of the government.¹¹

Thanks to this dexterous performance, the friar commands in all official centers and controls the minds of the people.

Thus deceived, the government says: "Without the friar, our power in the Philippines will fail. Let us uphold the friar. Let us sacrifice our criticism and our interests for his sake. The friar is our most valuable support.

The people in turn say: "Without the friar the government will tyrannize us. Let us give all our wealth to the friar. He is our salvation." [del Pilar 2009(1889):55]

The Filipinos, including the *ilustrado* families of Rizal's time, were victims of the complicity of the dominant elites—the state officials and the friars—to use violence to maintain societal order. Lacking a viable, impartial, and credible third party to redress grievances and impose reasonable

¹¹ Convinced of the separatist tendencies of the Filipinos, the government even gave salaries to Spanish friars. Thus, the dependence was likely to be mutual: the threats to the regime were viewed by the friars as threats to their wealth as well [Corpuz 2006:166].

sanctions, the Filipinos were left to fend for themselves for protection and justice. It is in this institutional context of threats of violence that the second and third purposes of the Liga should be viewed. A Liga member has the right to “invoke the full assistance of the *Liga Filipina*” in case “of any trouble, affront, or injustice.” It also mandated that members “should not humiliate, or treat haughtily any one” and “no member shall be judged without first giving an opportunity to defend himself.” Unwillingness to help a fellow member will itself merit a harsh punishment: “If a member who is able to help another in case of trouble or danger refuses to do so, a penalty shall be imposed on him equivalent at least to what the other has suffered” [Rizal 2011(1892a):310]. To ensure justice even for the lowliest of members, the Liga’s constitution provides that it will invest its funds “to support a poor member in the defense of his rights against a powerful man.” Stated in abstract and general terms, these provisions from the constitution of the Liga parallel Rizal’s belief in the “Declaration of the Rights of Man” (which he translated into Tagalog)—especially in the belief in the rights of “freedom, private property, security and resistance to oppression” and that “the law ... should be the same for everybody” [Rizal 2011(1891):300].

Thus, Rizal recognized that a vital step toward the prosperity of his country is a functional rule of law and an impartial justice system toward a social order that dispenses violence and force only in a night watchman capacity.

3.3. Development of education, agriculture, and commerce

3.3.1. Education

Rizal was a big believer in education. Apart from the lack of a national sentiment, he blamed the lack of a good education as a major cause of backwardness of the Philippines. From the Filipino’s “birth until the grave,” his education was “brutalizing, depressing and anti-human”:

For five or ten years the youth comes in contact with books, chosen by the very same priests who boldly declare that it is an evil for the Filipinos to know Castillian, that the Filipino should

not be separated from his carabao, that he should not have any further ambition, etc. During these five or ten years the majority of students have grasped nothing ... that no one understands what the books say, not even perhaps the professors themselves. During these five or ten years the students have to contend with the daily preaching that lowers human dignity, gradually or brutally killing their self-respect ... [Rizal 2011(1890a):256-257]

Education serves many purposes. First, modern growth theory asserts human capital to be a proximate cause of sustained economic growth (see, for instance, Becker [1965]; Mincer [1974]; and Lucas [1988]). Education contributes to the formation of valuable skills and human capital used in the production process and also serves as the force behind the development of new ideas and technology. Second, and on a more fundamental level, education is also used as the vehicle through which beliefs themselves are formed. Beliefs and other social factors then interact together to fashion certain institutions, and when beliefs change so too will the institutions they engender (see discussion in section 2).¹² As intimated in an earlier section, Rizal was well aware of the power of education in forming beliefs and its effect on the development of both the individual, in particular, and the nation in general:

The very limited home education, the tyrannical and sterile education in the few educational centers, the blind subjection of youth to his elders, influence the mind not to aspire to excel those who preceded him and merely to be content to follow or walk behind them. Stagnation inevitably results from this, and he who devotes himself to copying fails to develop his inherent qualities, he naturally becomes sterile; hence decadence. Indolence is a corollary derived from the absence of stimulus and vitality. [Rizal 2011(1890a):259]

Rizal, in his undated essay “La Instruccion,” asserts that even a

modest and almost rudimentary education would be enough to awaken in the pupils ideas of education and progress, and the people, the rulers and even religion would gain much, for thus

¹²There is also another channel where education induces institutional change: countries that escape poverty accumulate physical capital and human capital (by educating themselves), and as their economy grows they are more likely to build up their institutions [Glaeser et al. 2004].

would disappear superstition, routine, crass ignorance and certain customs which would be immoral were they not the offspring of extreme innocence and candor. (Rizal quoted in Ocampo [2001])

But what kind of “modest and rudimentary” education does Rizal have in mind? We need not speculate, for a fortunate unintended consequence of Rizal’s banishment to Dapitan provides an answer to the question. Rizal—partly out of a desire to help young boys of Talisay (a town near Dapitan) and probably partly out of boredom—established and operated a school from late 1893 to July 1896. His school’s curriculum integrated the two purposes of education mentioned earlier, and his aim was to teach the boys “to behave like men.” Agriculture and cultivation were taught to develop skills for livelihood. Boxing, fencing, swimming, excursions, and sailing were taught to develop self-reliance. The formal subjects were the three R’s, geometry, Spanish, and the then-useless language English.¹³

But apart from life skills and knowledge, Rizal used education to destroy the cobwebs of superstitions, unproductive beliefs, and other darkness of the mind that hampered development. This was apparent in Rizal’s school’s admission process. Coates tells the story:

He would then, towards dusk, take the unsuspecting candidate through a stroll through the vale, in the course of which, at some easily definable place, he would without the boy noticing it leave his walking stick behind, propped against a tree.

Together they would return to the house where, when it was completely dark and none of the other students were anywhere to be seen, he would suddenly recall the loss of his stick ... and [ask] the boy if he would be kind enough to fetch it for him ...

For a child brought up in a world of spirits and legend it was terrifying, and many boys stumbled breathlessly back to the house saying they could not find the stick. Rizal ... the next day would send them home with a note to their parents saying he regretted there was no vacancy. [Coates 1992:262-263]

The Liga’s constitution provides that its funds should be invested “to support a member or his son who has no means but is studious and possesses notable aptitude.” This provision was put first among other

¹³ Imagine the surprise of the colonizing Americans when they found young men speaking English in a remote part of the Philippines.

competing uses of funds. It denotes how serious Rizal was in cultivating education and raising the average level of human capital by helping even those who cannot afford to have a decent one.

3.3.2. Agriculture and commerce

Corpuz [1997:139] describes the Philippines during Rizal's time as a "dual economy"—predominantly agriculture and trade, which "dualized the society and economy into the poverty sector of subsistence farmers and the rich class of the landed gentry." Agriculture was mostly found in the pueblos where life hummed in resigned monotony while active trade was pursued mostly in the cacophony of the cities. There was a conspicuous absence of manufacturing exports—in fact, during the mid-1890s the only Philippine exports were raw agricultural products. Although the agriculture sector was our economy's main lifeblood for domestic consumption and trade, it was small-scale compared to other colonies in Southeast Asia and Latin America. One comment during the mid-1800s was that in every agricultural commodity in the country

[o]ne feature is common, or rather all are distinguished by the peculiar absence of one feature, rarely missed elsewhere in the colonial tropics, namely, large estates. Rice lands, cane lands, coffee lands, hemp lands alike, all are divided and subdivided.... Large proprietors, in the accepted signification of the phrase, are rare in the Philippines. (Palgrave quoted in Corpuz [1997])

And of the large and fertile tracts of lands that existed, the friars themselves were the owners, who had neither the experience nor the competence to operate plantations. Add to this the fact that the friars acquired these lands through less than legal means. Rizal wrote:

The fact that the best estates, the best tracts of land in some provinces, the more profitable ones because of their accessibility, are in the hands of the religious corporations whose desideratum is the ignorance and the condition of semi-wretchedness of the Filipinos so that they can continue governing them and make themselves necessary to their hapless existence, is one of the reasons why many towns do not progress despite the efforts of their inhabitants. [Rizal 2011(1890a):254]

The table below shows the extent of landholding inequality during Rizal's time:

Table 1. Farms classified by size, proportion to total number of farms, and to area cultivated

Size of farm	Number of farms		Area cultivated (has.)	
All farms	815,453	100%	1,298,845	100%
Less than 0.35 hectare	176,953	21.7	25,977	2
0.35 to less than 1 ha.	229,142	28.1	109,103	8.4
1 ha. to less than 2 has.	167,983	20.6	162,356	12.5
2 ha. to less than 5 has.	150,859	18.5	283,148	21.8
5 ha. to less than 10 has.	533,004	6.5	187,034	14.4
10 ha. to less than 15 has.	14,678	1.8	83,126	6.4
15 ha. to less than 30 has.	12,232	1.5	107,804	8.3
30 ha. to less than 50 has.	4,893	0.6	67,540	5.2
50 ha. to less than 100 has.	3,262	0.4	85,724	6.6
100 ha. and larger	2,446	0.3	187,034	14.4
Source: Corpuz[1997:159].				

The table shows that farms of less than five hectares—which were the farmlands of Filipinos in the pueblos—constituted nearly nine-tenths of total farms but were just about half of the cultivated area. The estimated Gini coefficient from this table is 0.63.¹⁴ This is only somewhat higher than the estimated 0.57 in 2002 [Balisacan 2007] on the heroic assumption that the two Gini coefficients are comparable. The point is that the high inequality in landholdings that dominated the Philippines during Rizal's time has persisted. It also undoubtedly played a role in perpetuating the duality that was present in the economy then and contributed to agriculture's anemic performance.

There are a plethora of offered reasons of agriculture's backwardness during Rizal's time. We do not attempt to enumerate them all¹⁵ but we note that first, there existed a vicious cycle of indebtedness and landlessness created by restricted land and credit markets. Sale or purchases of pueblo lands were prohibited under the antiquated *Recopilación* provisions and the royal *cédula* of October 13, 1713. Moreover, since the Filipinos had no

¹⁴ The coefficient is estimated as $G = 1 - \sum_{i=1}^N (\sigma Y_i + \sigma Y_{i-1})(\sigma X_i + \sigma X_{i-1})$ where σY_i is the cumulative percentage of area cultivated in size category i and σX_i is the cumulative percentage of number of farms in size category i .

¹⁵ An excellent source of material for this are chapters 6-8 of Corpuz [1997].

other source of credit and land was the only asset for most people, complex contractual institutions emerged to circumvent these laws [Corpuz 1997]. Among these were as follows:

- (a) Usury - a debtor pays 25 percent interest per month (or 200 percenta year).
- (b) Advance harvest purchase - the creditor gives money in exchange for a purchase of the debtor's crop (usually rice) at harvest time valued at depressed prices.
- (c) *Sanglangbili* - a concatenation of the words *sangla* (mortgage) and *bili* (sale). In this institutional setup, the creditor makes a small loan to the debtor (typically lower than the land's market value) and the harvest rights are transferred to the creditor until the debtor pays.
- (d) Indenture - the debtor, his son or daughter places himself or herself in the creditor's service for the life of the loan.

Needless to say, all these institutional arrangements were mostly disadvantageous to the masses. Unclear property rights and the virtual absence of legal sources of credit for the poor became the avenue for elites to further consolidate their hold over the masses.

Second, there seemed to be difficulty in setting up big plantation ventures. In fact, foreigners who tried to set up plantations began selling off the lands during the mid-1860s.¹⁶ One of the foreigners' common complaints was labor availability. Recruiting workers for plantation work was a costly activity. The foreigner had to pay the men's tributes, obtain a certification and clearances from the barangay's *cabeza*, the pueblo's *gobnadorcillo* and then from the parish priest for the worker's passport that was good for only three months (which disrupted plantation work if it expired during the harvest season). Another reason was backward technology. An issue was scale itself—since landholdings were insufficiently large, the cost per hectare of investment in technology was high. In addition, because of the availability of a vast army of unemployed workers, there was little incentive to invest in more efficient and labor-saving technology. Thus, technology in Philippine plantations was inferior to that of other countries—for instance Philippine sugar-processing technology in the mid-to late 1890s

¹⁶ The Lopez family account of land acquisition from foreigners, as documented in Corpuz [1997:150], is an interesting case in point.

was already being used by Jamaica and Barbados during the early 1700s. Another frequent complaint was the absence of credit and capital. Owing to the absence of government support for credit financing, the foreign trading houses served as sources of credit for plantation owners' investments. Lastly, infrastructure was sorely lacking—bad roads, no river transport infrastructure, and a rail system that opened only during the 1890s. The institutions in place created disincentives to invest in infrastructure. The pueblos were tasked to build and maintain roads, the cost of which was to be debited from their community fund. Such institutional features precluded investments in infrastructure that went beyond the pueblo's border. Building a road network needed coordination, and each pueblo had no incentive to spend and share his part in building the network.

The dynamic sector that fueled incomes in the cities and polarized the economy was foreign trade. Agricultural exports were mainly the preserve of rich Filipino planters with expanded landholdings, most likely acquired through *sanglangbili* and other illegal means. Foreigners also ventured into trade but, as discussed earlier, faced difficulties maintaining and expanding their operations. Financing the trade business required close relationships between the businessmen and the trading houses that provided capital. The foreign trade houses also became the agents of various foreign insurance businesses and also went into foreign exchange operations. Moreover, they also became part-owners in different businesses such as abaca, cordage, and sugar refineries [Corpuz 1997]. Government support was generally nonexistent.¹⁷ Rizal even asserts that the government was detrimental to business:

The governor, in charge of administering the country and collecting the various taxes in the name of the Government, devotes himself almost entirely to business; for him the high and noble functions of his office are nothing more than instruments for personal gain. He monopolizes all business, and instead of stimulating around him love of work, instead of curbing the very natural indolence of the natives, abusing his authority, he thinks of nothing else but of destroying all competition which might bother him or attempt to share in his profits. Little does it matter if the country is impoverished, is without education, without

¹⁷ The Banco Español-Filipino de Isabela II was set up in 1852 supposedly to finance agriculture and crafts. It never did what it was intended to do; it became a commercial bank instead.

trade, without industry, provided the governor gets rich quickly.
[Rizal 2011(1890a):248]

The Spanish government did sometimes endeavor to expand foreign trade. It attempted to simplify the convoluted tariff schedules that existed in the early 1800s. Well into the late 1800s, however, tariffs were still heavily protective of Spanish goods. Commodities aboard Spanish vessels were not assessed any duties. As a result, smuggling became even more rampant.

With the dynamism of foreign trade emerged trade centers like Manila and Iloilo—population growth created large pueblos that consequently enlarged the domestic markets. However, incomes were still so low that most manufactures produced were for basic consumption items, like cigars, beer, bread, and clothes. Manufactures did not use new technology and thus productivity was low. Low productivity pressed down on wages, and there was again a vicious cycle of low productivity and low incomes.

But prospective entrepreneurs who wished to latch on to the dynamism of the cities found it very difficult. For ordinary Filipinos who wanted to start a business, the roadblocks were more than challenging. With the keen eye of a modern economist, Rizal observes:

All the Filipinos and all those in the Philippines who have wished to engage in business know how many documents, how many comings and goings, how many stamped papers, and how much patience are necessary to secure from the Government a permit for an enterprise. One must count on the good will of this one, on the influence of that one, on a good bribe to another so that he would not pigeonhole the application, a gift to the one further on so that he may have pass it on to his chief. One must pray to God to give him good humor and time to look it over; to give another enough talent to see its expediency; to one further away sufficient stupidity not to scent a revolutionary purpose behind the enterprise; and may they not spend their time taking baths, hunting, or playing cards with the Reverend Friars in their convents or in their country houses. [Rizal 2011(1890a):249]

All this has a contemporary ring: in 2010, the Philippines ranked 148 out of 183 countries on the “ease of doing business” index released by the World Bank.¹⁸ In this regard, Rizal’s observation was both contemporary and prescient.

¹⁸ <http://www.doingbusiness.org/rankings>.

Several provisions in the Liga were meant to respond to the hindrances that the Filipino farmer or businessman encountered. These included the following:

- (a) To give preferential treatment to members of the Liga in all his acts; he shall not buy except in the store of a member or if he sells him something, he should give him a discount. Other things being equal, he shall always favor a fellow member. Every violation of this article shall be severely punished.
- (b) Every member has a right to the moral, material, and pecuniary aid of his council and of the Liga Filipina.
- (c) He can demand that all fellow members favor him in his business or profession so long as he offers the same guarantees as others.
- (d) He can ask for any capital to finance any business if funds are available in the treasury.
- (e) From all the establishments of members directly supported by the Liga Filipina he can ask for a discount on articles bought by him or services rendered to him.

Furthermore, apart of the Liga's funds was used to

- (a) lend money to a member who needs it for an industry or for farming,
- (b) favor the introduction of machinery or industries that are new or necessary to the country, and
- (c) open stores that can provide members with their necessities at lower prices than elsewhere.

Although the operational aspects of these provisions are somewhat vague, we can see several possible reasons why Rizal stipulated them. First, these provisions gave the means and incentives for highly productive investments in "new and necessary" machinery that is *sine qua non* for economic progress. Second, these were provisions to protect members from excessive profiteering that plagued highly distorted markets like those present during Rizal's time. A more subtle and important third reason is that Rizal intended to create a culture of cooperation among Filipino businessmen, not unlike the *guanxi* networks of the Chinese or the Maghribi trading merchants. Nor is this surprising. In the absence of institutions such as the rule of law and a credible third-party government that would facilitate business growth, there is little recourse but to rely on being a part of a small coalition that imposes discipline and imposes sanctions to

make cooperation possible. It may be surmised that Rizal hoped that the culture that would emerge would extend until the time (and even on a larger scale) when the Philippines could run its own affairs or be given sufficient autonomy by Spain.

3.4. Study and implementation of reforms

Since the Liga was short-lived, we have no chance of knowing the specific reforms it would have espoused. What is certain, however, is that Rizal was now fixing his sights beyond the “old theme” demands of representation in the Cortes, equality of rights and administrative reforms.¹⁹ His reforms were now aimed at building the civic structures and institutions in the event of Philippine independence—“to ensure that the masses who fought in battle are governed by civil institutions that promise a just and lawful society” [Corpuz 2006:240]. His reforms sought to ensure that Filipinos become capable of governing themselves effectively and not just become condemned to play a game of musical chairs where power only changed from one dominant class to another.

Although we may not know the exact reforms that would have been studied and implemented by the Liga, we can get a glimpse of what reforms Rizal had in mind by looking at one of his most ambitious potential projects—the North Borneo colonization by Calamba families dispossessed by the friars. Though admittedly narrower in scope, the stipulations that Rizal wrote in a draft contract with the British North Borneo Company are still suggestive of several aspects of Rizal’s idea of reforms:

First, his belief in a sufficient amount of liberty for economic activity:

Whereas ... if [the families] decide to emigrate to the B. N. B, it is solely for the sake of a reasonable amount of peace and liberty, two things without which, all growth, all progress, agriculture as well as industry, are absolutely impossible. [Rizal 2011(1892b):324]

And also,

Liberty being absolutely necessary so that agriculture and industry may progress and as there shall be no compulsory public labor or military service and the colony, being free, will not tolerate slavery;

¹⁹ Corpuz [2006] asserts that Rizal, after breaking with *La Solidaridad* and del Pilar, became more “revolutionary” in outlook. Corpuz describes the efforts of del Pilar and the *Soli* for representation in the Cortes and other demands as “pathetic.”

freedom of religion, freedom of the press, and freedom of peaceful public assembly will be guaranteed. [Rizal 2011(1892b):328]

Second, his belief in incentives to investment and infrastructure:

No duty shall be levied on machines; factories, canals, floodgates, etc. that the colony shall construct within its lands. [Rizal 2011(1892b):327]

Third, his belief in democracy:

the colony shall elect a governor and set up a council composed of the most influential members of the community ... The election of the governor and justice of the peace shall be held regularly every three years and shall be approved by the central government. [Rizal 2011(1892b):326]

Fourth, his belief in a credible settler of disputes:

the colony shall elect ... a justice of the peace to decide on disputes among the settlers with the aid of a jury, if there be need of such. [Rizal 2011(1892b):326]

Also,

All disputes arising between the colony or a member of the same and another person not belonging to it shall be submitted to the judgment of the Supreme Court of the State. [Rizal 2011(1892b):326]

Fifth, his belief in peace and order:

The governor ... shall have the right ... to organize a kind of police force to look after peace and order in the villages, farms, fields, and ports. [Rizal 2011(1892b):327]

And finally, his belief in a decent and modern living environment:

The cities of the colony shall be built in accordance with the demands of modern life and the laws of hygiene. [Rizal 2011(1892b):327]

One immediately notices the prescience of these demands. These were the same reforms sought by colonies when they gained independence after

the advent of World War II. It takes no leap of faith to believe that some of these demands were the reforms Rizal sought when he established the Liga. The reforms Rizal envisioned were intended to lead the Philippines on the march toward modernity.

4. Conclusion

As a social observer and commentator, Rizal was *sui generis*. We have shown how Rizal, with a physician's eye, was able to diagnose the main institutional ills that plagued his country. But he went one step further with the Liga—he built the foundations for the patient's convalescence from his institutional cancer. Beyond exposing these institutional bottlenecks “on the steps of the temple so that every one who came to invoke the Divinity might offer them a remedy,” he sought to create the conditions to change the institutions themselves. National unity, mutual protection and defense against injustice and trouble, a humanizing education, a robust agriculture and trade, and the intelligent study and application of reforms were the scalpels that would extirpate the malignant cells of antidevelopment institutions.

This paper has also shown Rizal's modern outlook on reforms. The reforms he desired—democratic elections, economic liberty, and a well-functioning rule of law—were precisely what colonies around the world demanded, half a century after Rizal's writings.

By establishing the Liga, Rizal hoped for the country's prosperity. With economic development people could enjoy their liberties and cast away the wretchedness that three centuries of indenture had wrought. In the end, Rizal had only one wish for the Filipinos:

I would like the Filipino to become worthy, noble, honorable, for a people who makes itself despicable for its cowardice or vices exposes itself to abuses and vexations. [Rizal 2011(1896b):345]

Rizal was both a man of thought and of action. But his thoughts were motivated by the desire to change his society and his actions were guided by a careful study of the relevant prevailing conditions. Indeed, more than any of his contemporaries, he was the embodiment of that other famous 19th-century social observer's maxim: *die Philosophen haben die Welt nur verschieden interpretiert; es kommt aber darauf an, sie zu verändern*. And for it he willingly paid the ultimate price.

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