How Colonial Theories Explain Human Development in the Philippines

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At the end of the Second World War, a good relationship with the United States and a relatively well-educated, peaceful populace meant that the future for the Philippines looked bright.[[1]](#footnote-1) When compared to its impoverished war torn neighbors, the small island nation was expected to lead the East Asian recovery. A quick glimpse at today’s newspapers reveals a different story. Economic dynamism and growth, embodied by countries like Korea, Taiwan, and Japan, missed the Philippines. Instead, it became known as “East Asia’s Stray Cat” or the “Sick Man of Southeast Asia”.[[2]](#footnote-2) Given its post war status, this is mystifying. Through an examination Filipino history and politics, we will see that the inability to become a modern nation can be explained by colonial theories of human development.

Human development is a broad and all encompassing term that deals with anything from economic, to social, to personal wellbeing. In this analysis we fall back on Amartya Sen’s definition of development as a capability. His approach is one where “human life [is] seen as a combination of various functionings and capabilities, and the analysis of human freedom as a central feature of living”[[3]](#footnote-3) The post World War Two focus on raw economic data, such as GDP growth, can give a false impression of a country’s well being. Data can be manipulated or misread, covering up true problems. For example, a country with strong GDP growth may struggle with large inequalities leaving a significant portion of the population in poverty. It would then be remiss to assume that good GDP growth alone indicated a health development. The most accurate picture is obtained by looking at statistics that reveal those capabilities that have been fulfilled, such as literacy or nourishment rates. However, work by Angus Deaton has revealed a general positive correlation between national income and life satisfaction.[[4]](#footnote-4) As a result, this analysis will use income and wealth statistics complemented by holistic development indicators to develop a full view of the health of the region.

 Over the last half century the Philippines’s level of human development has been disappointing. It emerged from World War Two as the leader of an echelon of war torn Asian countries such as South Korea, Taiwan, Thailand, Singapore, Japan, Malaysia, and Hong Kong.[[5]](#footnote-5) However, as those countries grew and developed, the Philippines stagnated. Positive indicators like life expectancy consistently rank well below those of its peers. The chart on this page shows that life expectancy in the Philippines is 69 years compared to an average of 72 for the region.[[6]](#footnote-6) This discrepancy is seen in almost all development indices. Negative capability indicators, such as the number of children that are underweight, are pitifully high. The Philippines has more underweight children than countries like North Korea and Rwanda.[[7]](#footnote-7) Despite some worrying statistics, the majority of indicators mark it as globally average. There are even some impressive statistics, such as literacy rates that exceed 90%.[[8]](#footnote-8) The primary dilemma we encounter when examining the Philippines does not concern its global status as a country with average development indicators, but rather its role as the exception in an otherwise quickly developing part of the world. The crux of this analysis tries to explain why many of these “East Asian Tigers” now have standards of living that rival or exceed those of the developed western economies while the Philippines languish in mediocrity.

This discrepancy is best explained when using a colonial lens to examine the current situation. The colonial theory of development places the responsibility for a states’ current development status on the quality, duration, and type of colonialism that occurred. To explain this theory authors Acemoglu and Robinson use Lewis’s “two-economy theory”. The theory purports that developing countries consist of two “economies”, the traditional and the modern. The inability of developing countries to move labor into the modern economy explains the poverty of developing countries. Acemoglu and Robinson contend that the “dual economy was not natural or inevitable. It had been created by European colonialism.”[[9]](#footnote-9) It is important to note that the institution of colonialism itself is not necessarily considered detrimental; rather it is the manner in which the colonization took place. The colonizer with too light of a touch, that did not establish appropriate centralized governance could be just as detrimental in weakening current development as the overbearing, harsh, and cruel colonizer that actively created regimes of exploitation. As we will see, the Philippines fall definitively in to the first category.

Colonization of the Philippines took place in two waves. The first wave consisted of Spanish colonizers, who claimed the archipelago as their own. Hindered by the fact that the Philippines are made up of over 7000 different islands and were controlled by a variety of different leaders and tribes, the small Spanish governing force fell back on the strategy of establishing haciendas, or large land holdings given to Spanish colonizers.[[10]](#footnote-10) This institution established a small ruling elite that owned vast tracts of land and disenfranchised the majority of the Filipino population. At the end of the nineteenth century, America obtained the Philippines from the Spanish. The new colonizers found it easiest to maintain the status quo and to work with the ruling elite to funnel natural resources back to the US.[[11]](#footnote-11)

An imprint of the hacienda system remains in place today. Only 5.5% of landowning families own 44% of the land, and a few as 100 families occupy all national political positions. [[12]](#footnote-12) This is a significant barrier for effective governance, because it means that true power in the region rests outside of the state structure, but rather in the hand of private citizens. The scholar Samuel Huntington uses the idea of “institutionalization” or the process through which organizations acquire value and stability to measure the quality of political systems.[[13]](#footnote-13) The extent that is state is insulated from non-political activities is one of his core criteria. In the Philippines the state has very little insulation from the elite because these rich landowners can use their economic power and personal connections sway government policy to their own interests.

The scholar Antoinette Raquiza uses a comparison between Thailand and Philippines to demonstrate the lack of government insulation. Thailand possesses what she calls “bureaucratic polity” meaning the government can make unbiased decisions about policy and ruling without the interference of outside institutions.[[14]](#footnote-14) The result is relatively holistic, sustained, healthy development. In contrast the Philippines demonstrate “proprietary polity” meaning the economic elite have a stake in state power. This makes the state vulnerable to the whims of the economic elite creating a state that lacks stability.[[15]](#footnote-15) This has several detrimental side effects. The lack of consistent policy scares off investors, disenfranchises the people, and prevents consistent economic progress.

The best example of Philippine proprietary polity is seen just after independence, when the government adopted a policy of Import Substitution Industrialization (ISI). While the rest of East Asia was looking outwards to sell their goods and boost growth, the Philippines stayed protectionist and import based.[[16]](#footnote-16) The scholars Manacsa and Tan contend “the ISI system provided Filipino oligarchs with opportunities to expand their economic power into the manufacturing sector by securing import licenses and dollar allocations.”[[17]](#footnote-17) In order to preserver their power the land owning elite actively opposed policies that would generate growth. It is clear that without the powerful landowners established by the Spanish and encouraged by the Americans the Philippines’s development capability would have been much higher.

The development lag caused by the lack of power centralization is made very clear when colonial histories are compared. The Philippines’s colonial history is quite different from the other countries in region. For example, Korea was occupied by Japan, which instead of the laissez faire hacienda system tightly controlled its colony. The Japanese set up an economy based around exports, industrialization, and a strong bureaucracy. When the Japanese left, the imprint of these institutions remained and Korea easily slipped into a strong centralized government.[[18]](#footnote-18) Its bureaucracy is meritocratic and inclined to help businesses and facilitate industrialization. Two scholars, Evans and Rauch, have correlated the Weberianess, a measure of the meritocratic effectiveness of a bureaucracy, to the levels of economic growth experienced by a country.[[19]](#footnote-19) In other words, the better able the government is able to run itself the more prepared it is to engage businesses, facilitate growth, and promote higher standards of living. This data truly reveals how the inept colonial government of the Philippines has been its downfall when keeping up with its Southeast Asian peers. The Weberian score of the Philippines is a measly 6 when compared to Taiwan’s 12, Korea’s 13, or Hong Kong’s 11. [[20]](#footnote-20)

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| **Weberianness of Southeast Asian Countries** | |
| **Country** | **Weberian Score** |
| Philippines | 6.00 |
| Hong Kong | 11.00 |
| Malaysia | 10.50 |
| Korea | 13.00 |
| Singapore | 13.50 |
| Taiwan | 12.00 |

This chart shows that the Weberian score of the successful East Asian countries is much higher than that the Philippines. This leaves the conclusion that those countries that had strong colonial rule were given well-organized and adaptable bureaucracies that were able to effectively facilitate the transition from colony to nation. The Philippines lacked this organization and as a result were unable to create a strong central government with the institutional integrity necessary to keep power within the mechanism of the state. The result has been a country headed by an irresponsible oligarchy ruling with only its own interests in mind. It’s no wonder its development indicators lag behind those of Korea or Taiwan.

Despite it oligarchic tendencies, the Philippines has long prided itself on having a vibrant participatory democracy.[[21]](#footnote-21) It may appear paradoxical that when using the capability definition of development that those regions such as Korea, Singapore, and Hong Kong that do not have vibrant and full-fledged democracies are recognized as being more developed than the Philippines. While a strong democracy is the first step towards breaking an oligarchic system, colonial legacies can explain this disconnect. During American occupation, instead of instituting land reforms, a representative democracy was placed on top of old social inequalities. Maca writes “Whilst the American’s dismantled the feudal system of land ownership in Taiwan and South Korea in the post-war period, the Philippines feudal structure was consolidated.”[[22]](#footnote-22) The American desire for resources overpowered the importation of democratic ideals and solidified the elite. As Anderson writes "It was above all the political innovations of the Americans that created a solid, visible, ‘national oligarchy.’"[[23]](#footnote-23) The resulting democracy lacked inclusivity of a true republic creating an inherently personalistic government. Despite the relative lack of a democratic process in the other regions, their well-constructed governments actually allow for its citizens to fulfill more capabilities than the supposed representative democracy of the Philippines.

The Philippines face a number of other challenges from the geographic challenge of ruling 7000 islands to the cultural challenge of strong prioritized kinship networks.[[24]](#footnote-24) These too are components of Philippine development and need to be fully considered for an accurate assessment. However, it has been demonstrated that the Philippines’s inability to match the development of its East Asian peers, stems at least in part from the effects of colonization. The establishment of a land owning gentry by Spanish rule, whose power was reinforced by a American occupation created a fractured government that lacked the central authority to facilitate business and state growth.

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*This paper represents my own work in accordance with University regulations.*

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