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Poverty is readily visible in the Philippines, particularly a large slum on the edge of Manila. The cause of poverty is the control of resources by an oligarchy that controls the economy and the government. While they grow enormously wealthy by owning the land from which gold, silver, sugar, pineapple, coconuts come, the rest of the population struggles to survive. Most efforts at reform have been misguided, such as the Huk Rebellion, because they have misdiagnosed the roots of poverty. The problem is not capitalism; it is the monopoly power of landlords.



I went to the Philippines, because my wife is from there. Our first trip together in 1972 was my first experience seeing the contrast between wealth and poverty in such a stark manner. On the train from Manila to my wife's province, I saw along the embankment thousands of tin shacks that people lived in. It was a sight I had never seen before in my life. These thousands of people were displaced from the land, because they could not eke out a living from farming. The Philippines has a large educated, English-speaking workforce, but the people cannot find jobs suitable to their training.

The Philippines is run by an oligarchy that was founded in land and resource monopolization. The elite maintain privileges based on their land and resources. Somebody once said that capitalists in Asia are largely based on the surpluses they have gotten from their land monopolization. People confuse the roles of capitalist and landowner. A lot of the radicals in the

Philippines want to get rid of capitalism.

There have been reform movements in the Philippines. Agrarian reform has been tried in the Philippines, but it has failed over the past forty years, by being co-opted by the landlords. The problem is that the political system in the Philippines is a crony system, based on who you know. The wealthy people control the political system. That is why there have not been a lot of popular movements. The last reform was called the comprehensive agrarian reform program, CARP. It failed. Landlords were supposed to disperse large landed estates among the landless people, but they used various legal and technical methods to get around those kinds of reforms.

It is the basic issue everywhere—privilege is the biggest problem. The most fundamental privilege is owning land and resources. The Philippines is basically a resource-based economy: gold, silver, sugar, pineapple, coconut—all these basic materials are owned by a few families. The other developments came from the surplus they collected from these resources. So Makati is like Wall Street—it is a beautiful development. Then you go a few miles away and you see shanty towns, people crammed in. My wife's family is struggling; they are considered middle class by Filipino standards, but they are struggling every day to make a living.

There are so many petty fees in the Philippines. You have to pay to go to school, after elementary school. All kinds of registration fees. All these petty fees are built into the system—all the fees that people have to pay to do daily activities they can hardly afford. It is incredible. And the number of children and adults in the streets selling drinks and newspapers and candy and whatever they can to eke out a living. These are people who have been displaced from their lands, who cannot make a living farming.

My brother-in-law is still a farmer. His land is scattered. I am not sure how this came about—maybe from selling lands. The divisions are done by embankments that are the boundaries. It is very scattered small-farm landownership. They own their own land and they have to pay taxes on the land. It is not worth much; it is way out in the boondocks. He scratches out a living.

I have been mainly in northern Luzon. In Mindanao there has been a civil war going on for maybe over forty years. There is a large Muslim population there, so it is part religious but it is also economic. There are a lot of pineapple plantations. The situation down there from a land point of view is even worse: more concentrated than in Luzon.