

From Manhattan to Dapitan: Human Dignity and Structural Realities in a Filipino Business School

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Manhattan and Dapitan

Manhattan and Dapitan are symbols of two realities. We need to understand both in order to fulfill our task of educating the young.

Manhattan would be the pinnacle of “globalization” whose heart is abstract. It is a finance market where shares, currencies, and derivatives at \$3 billion daily moved on dealers’ screen in email time in early 2000.¹ A digital ticker tape proudly proclaims at Wall Street, “The world puts its trust in us.”

Dapitan, one of the four streets which bound the University of Santo Tomas (UST), is a commercial and residential area. Behind the popular world food chains and computer shops are bed spaces in households who shelter UST students as well as employees for minimal fees. Vendors sell snack items and school supplies. At night, scavengers sleep in their pushcarts parked near the university gates. There is dualism in Dapitan, the co-existence of a modern sector and an informal sector within the same economy. Pushed out from the modern sector because of their low level of skills and training, people create income opportunities in the informal sector.

Dapitan is a microcosm of the entire Philippines with an entrenched income pyramid. The poorest 70% have to make ends meet with a declining portion of income while the top 10% continue to gain as indicated in Table 1.

Table 1: Philippine Income Distribution

Income Decile	1988	1994	2000
Total	100	100	100
Poorest 70%	36.7	36.2	33.5
Middle 20%	27.6	28.2	28.1
Top 10%	35.8	35.5	38.4

Source: National Statistics Office

There is a plus side to both Manhattan and Dapitan. In Manhattan, the “blossoming of the human potentials” is possible. Mind as well as energy-stretching jobs would be common. When Filipinos work there, it is likely that they send dollar remittances for education, housing, or even for more basic food and clothing.

Dapitan evokes a sense of belonging, a sense of identity, or the values we prize. For us in UST, Dapitan is home with its street food, and friendships we have forged while living there or earning a living near there.

For a UST Commerce graduate of 1976, it has been a tale of “From Dapitan to Manhattan.” Four years after passing the CPA exams in 1978, she migrated to the USA and started working as an operations clerk in a subsidiary of a European bank in New York. She eventually passed the New York CPA exams and is presently the Director of Accounting and Tax of the same European bank with current total assets of \$5.4 billion. “Lulu”, her pseudonym, personifies the brain drain problem of the Philippines. Manhattan stands for dollar revenues which accrue to Filipino families. Much private returns and less social returns but who is to say which is better?

Turbo capitalism and Dualism: Structural Realities

On the downside, Manhattan represents turbo-capitalism when products, services and news as well as capital and labor power attain a new level of mobility and acceleration.²

Global integration has been rapid but unbalanced. Nowhere is this more dramatic than in the declining costs of transportation and communication. During the 1930’s, air revenue per passenger mile was 68 cents. Contrast this with 11 cents for the 1990’s. A telephone call, three minutes from New York to London, was billed at \$245 in the 1930’s. In the nineties, the same costs a measly \$3.00.

Table 2: Declining cost of Transportation and Communication (1990 US\$)

Year	Air Transport (Average Revenue per passenger mile)	Telephone Call (3 mins, NY/London)
1930	0.68	245
1940	0.45	189
1950	0.30	53
1960	0.24	46
1970	0.16	32
1980	0.10	5
1990	0.11	3

Source: Human Development Report, 1999

Globalization is not new. Elmer Altvater from the Free University of Berlin contends that it was earlier manifested in colonialism in a seminar held in November 1997 at the Philipps University of Marburg.

Barnet and Cavanagh identify four global webs: the cultural bazaar, shopping mall, workplace and financial network.³ The global cultural bazaar is the newest and most nearly universal in reach. Films, television, radio, wire, magazines are included, whether for education or entertainment. The dazzling array of what we eat, drink, wear, and enjoy are in global shopping mall. The global workplace includes the factories, the law firms or the hospitals. The maze of credit cards, quasi-money instruments as well as currency transactions - forward or swaps- comprise the global financial network.

Turbo capitalism appears in the successful “silent takeover” by global business of national economies as well as politics:⁴

- Business is in the drivers’ seat and determines the rules of the game while governments have become referees, enforcing rules laid by the others.
- Trickle down economics: theory that growth will “trickle down” to the masses has been disproved in the light of growing inequalities and corporations’ gains from subsidies or tax cuts for themselves with no regard for the local community.
- The final stage - end of politics itself, collapsing into cycles of protest, repression, and despair.

The most disturbing aspect is that the “formidable power and mobility of global corporations are undermining the effectiveness of national governments to carry out essential policies on behalf of their people” (Barnet and Cavanagh 1994:19).

In search for more balance between globalization and local communities, Friedman presents a thesis, akin to connecting Manhattan to Dapitan:

How the age-old quests for material betterment and for individual and communal identity ... play themselves out in today’s dominant international systems of globalization. This is the drama of the Lexus and the olive tree.(Friedmann, 2000: p.34)

The Lexus, the Japanese luxury car produced more by robots than humans, stands for material betterment. The olive tree symbolizes our roots, our communities, or our tradition. Friedman contends that we straddle between these two realities, desiring a better quality of life which could come from the globalization boom while at the same time clinging to the comfort of home.

If we are to function well in this era, preserving the olive trees while joining the crowd working towards the Lexus becomes necessary. We cannot be persons alone and hence, we need to be rooted in an olive grove. Rabbi Harold S. Kushner beautifully interprets a scene from One Hundred Years of Solitude by Gabriel Garcia Marquez:⁵ “. . . if we

forget whom we belong to, and if we forget that there is a God, something profoundly human in us will be lost.”

John Paul II reminds us that globalization breeds inequality and exclusion:

The church cannot but express profound concern that our world continues to be divided no longer by the former political and military blocs, but by a tragic line between those who can benefit from these opportunities and those who seem cut off from them.

Remarks to President Bush, March 12, 2000

Turbo-capitalism drives vulnerable economies like the Philippines to deeper dualism due to the exclusion of people both as workers and consumers. In the Philippines, dualism has come about in the initial stages towards modernization when priority was given to import substitution and then exports promotion. This has led to a neglected agriculture, which could have served as a backbone of a developed country.

Further weakening the unstable economic foundations of the Philippines is politics. Cardinal Gaudencio Rosales of Manila has expressed a popular sentiment: the most destructive element of Philippine society is the way politics has been played in the last 50 plus years.

Turbo capitalism has allies among Filipino politicians, exacerbating the entrenched inequality and economic exclusion of the majority. Political power has been used to amass political power and vice-versa. Economics and politics are controlled in the regions by 34 families (McBeth, 1989). Seventy two out of every 100 poor Filipinos are in the rural areas.

Dapitan represents dualism, typical of developing economies like the Philippines. The "modern sector" like the global food chains follow international standards of hygiene, work hours, and processes that are transferred from home to host countries.

Paradoxically, it is the informal sector where prices of goods and services are lower which "subsidizes" the modern sector. The affordable prices of noodle or "home-cooked" eateries or street food in Dapitan enable employees of the giant fast food firms in the same vicinity to enjoy higher real incomes due to lower food costs. It is not difficult to imagine the same thing happening in Makati, the Wall Street of the Philippines. There we see well-dressed corporate "yuppies" lining up or making orders for mobile fast food jeepneys.⁶ In both instances, we see the informal sector propping up the modern sector, allowing turbo-capitalism to gain more speed.

Towards Social Responsibility by a Filipino Business School in a Catholic University

We live in a world where we have to make choices given structural realities. The radical call of the Gospel requires us to promote human dignity in the face of the pressures from Manhattan as well as the dualism and human values that Dapitan represents. Human

values are the roots which anchor our students to the reality of the local while aware of global standards and techniques. Education is helping our students see the connections between the global Manhattan and the local Dapitan.

The “good” company assumes there are good business schools. A Filipino business school in a Catholic University would be a primary laboratory for the integration of Catholic Social Teaching (CST) in the formation of the young towards social responsibility. Vatican Council II counsels us to help our university students to be “truly outstanding in learning, ready to shoulder the burdens of society and witnesses to the Faith in the world.”

The Catholic university is universal, embracing all human persons. This is contradictory to the market exclusion of the majority in a global economy. In the nineties, out of 5.4 billion people, almost 3.6 billion have neither the cash nor credit to buy much of anything (Barnet and Cavanagh, 1994, p.19). The “viewpoint from those who suffer” (Bonhoffer in Lemanski, Liddy and Toth, 1997) makes a Catholic university truly universal. Otherwise, the wealth of talent in higher schools of learning tends to insulate them from the needs of the deprived.

This paper documents how a business school of a Catholic university in the Philippines measures up to this ideal. While striving to be in the global mainstream, a business school anchors students deeply into their own culture while forming them to care for the excluded in the global market. How do we maintain this balance? Being a “good” business school precisely means equipping students with both values as well as tools to apply CST in the business setting, local or global. This function is critical in a society with such scarce resources that no safety nets are provided for those excluded.

In the title, Manhattan precedes Dapitan because what happens in Manhattan influences the way we are to educate our students. To cling to the familiar Dapitan neighborhood while ignoring trends and decisions in faraway Manhattan could lead us to irrelevance in today’s world.

Strategy follows Vision and Mission

A Filipino business school in a Catholic university should then be able to anticipate professional training for the demands of globally competitive Manhattan while being culturally rooted and able to care for those “excluded” in Dapitan. To promote human dignity given the structural realities of turbo capitalism and dualism, we need to think global, be entrepreneurial while becoming truly universal.

By deliberate planning and Divine Providence, we are able to document the processes and results which link “Manhattan” to “Dapitan” in the formation of our students:

1. Innovation in the curriculum: The UST College of Commerce offered in 2004-05 a new major in entrepreneurship. Entrepreneurship unites knowing and doing. Since we realize that inequity produces exclusion, we embarked on

Entrepreneurship and Ethics education toward Equity (Triple E). The vision of the Triple E program is to enable our students to provide affordable goods and services as well as generate paid work for excluded groups like women and out of school youth. We organized and trained a core group of faculty. Students will learn to be entrepreneurs in communities where they will be assigned to keep them in touch with the needs of the mass market, more than 75 per cent of Filipinos in 1999 (cited by Roberto, 2000). The approach is community based since development from the bottom is low-cost (Saniel in Talisayon 1990), vernacular spaces provide meaningful solutions (Rahnema in Sachs 1992) and local communities combine economic imperatives with social benefits (Dahrendorf, 1995). The community approach upholds the principle of subsidiarity in CST. Triple E is anchored on the Triple L model of action research with grassroots women. Triple L refers to Listening, Leadership and Livelihood training.

Triple L Model for action research with grassroots women	
Listening	Centrality of the human person
Leadership	Strategic interest due to subordination
Livelihood	Practical need for income

2. Student activities: We invited about 30 students from Sophia University for a campus tour and interaction with our students in August, 2004. The Japanese guests were donors of scholarships to schoolchildren in Iloilo, Visayas and Benguet, Luzon. Our student leaders served Filipino hospitality at its best, even giving a Japanese translation of Philippine history to the guests. DIVERSITY was an acronym the student leaders used for the event: Different Individuals Valuing Each other Regardless of Skin, Intelligence, Talents, and Years. The 13th Pope Leo XIII lecture series in February 2006 featured overseas Filipino workers (OFWs). The Economics Society, whose motto has been the two-fold mission of an economist: “trustee of the poor” (Boulding in Meier, (1984) and “guardian of rationality” (Meier, 1984), coordinated. The main resource person was a Scalabrini priest serving with the Episcopal Commission on Migrant Peoples. The four-person panel included a Filipino woman household worker in Singapore and Hong Kong, an Italian woman doing a dissertation on overseas worker remittances, a faculty member who had contractual work in Indonesia, and an outstanding senior student whose single parent has supported his studies by working as a seamstress in Brunei.

3. Faculty Development Program: This involved mainly two forms: faculty presentation/participation in international conferences and in-house faculty upgrading. For instance, faculty members presented papers in an environment conference in Hong Kong as well as in the International Society of Business, Ethics and Economics Conference in Melbourne. The Financial Lecture Series of 2004 began with “The Sliding Dollar”, a talk given by our guest lecturer in the department of economics from Milan from November 2004-March 2006. This was followed by two talks by outside experts on derivatives and the bonds market. For the “soft skills”, the three guidance counselors of the college facilitated a

lived-in seminar workshop for updating faculty on their role as student advisers. The discussions centering on student problems such as cash needs resulted in a proposal by the Dean for a student contingency fund. This was approved by the Rector's office and enables students with emergency needs to borrow about \$200 dollars to pay for tuition fees payable in three months.

4. Alumni relations: To help us in planning towards a curriculum for our business administration (BA) students which would anticipate industry's needs, we organized a BA Trisectoral Forum series. Outstanding BA students who won in a first strategic marketing conference contest in 2004 took the initiative to ensure that succeeding groups of students would fare better in the job market. The three sectors represented were the alumni, the faculty and the students. Social marketing as a possible track was taken up since The Philippines has a vibrant NGO world and causes were abundant: e.g. child labor and the environment. The attendance of the alumni board officers at the forum and their closer relationships with the student leaders led to a related project of providing a profile of 2006 graduates in a CD rom format to interested employers. The increasing acquaintance by the alumni officers with the financial needs of students led to more corporate scholarships as well as those given by the Alumni Board officers.

5. Community service: This refers to the internal community of the college as well as the external communities where students work. The most immediate community with whom the College of Commerce students and faculty interact is the non academic, maintenance and security staff. Annually, since 2003, the Dean's office together with student organizations holds a Christmas party where the children of the staff are invited and encouraged to show their talents. It is a concrete way of sharing time, talent, and treasure. In 2004, when severe floods hit Bulacan in Central Luzon where the Triple E students were working, the student body was mobilized to render emergency help to the area capped by a medical visit by a UST-Manila doctor. The elected municipal government passed a resolution in gratitude for the help of the college. Likewise the Entrepreneurs' Guild with the Dean's office held discounted grocery sales in Antipolo, a community where Triple E students are engaged with women residents. Sales proceeds were used to buy school supplies also sold to the women at bargain prices. Triple E students likewise helped the Dean's Office for a livelihood project for women in the university parish: selling of palm leaves on Palm Sunday and food processing skills training. In the latter, the university faculty served as resource persons.

6. Regional and International Linkages: A memorandum of agreement was signed with the University of Atma Jaya in Yogyakarta (UAJY) in February 2005. This promotes regional cooperation with a Catholic university facilitated by the department head for Asia of the Katholischer Akademischer Auslander Dienst in Bonn. The UAJY rector returned the visit of a team of three faculty members of UST-Manila. Business Ethics was the subject of a talk given by the rector to senior students and faculty members. This is a promising project for the lessons from the interaction of a Catholic university in a country with a Muslim majority.

For its international linkage, the UST College of Commerce is the university entity participating in a research network called Four Pillars Project. Four universities, bonded by their Thomistic beliefs and values, participate:

- a. UST Manila: economically developing country
- b. The Ukrainian Catholic University in Lviv, Ukraine – also with participation from the St. Thomas Institute in Kyiv: ex-communist country
- c. The UST, Minnesota, USA, in particular, the Center for Catholic Studies: Midwest US
- d. The Pontifical University of St. Thomas (Angelicum), Rome, in particular, the Faculty of Social Sciences: Roman pontifical university

The present focus is on Catholic Social Thought and Corporate Social Responsibility.

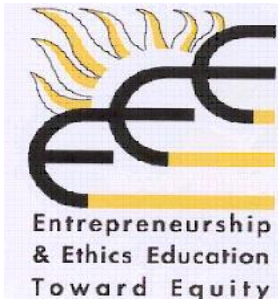
7. Separation of the college Department of Accounting to a new College of Accountancy: This is an alumni initiative which aims to continue the tradition of excellence of the department as well as to contribute their share to enhance learning in their Alma Mater. The long term goal is the reality of Manhattan: the critical need for transparency in accounting as globalization gallops versus stories of corporate greed as in Enron.

Throughout these activities, CST principles permeate the attempts toward social responsibility: primacy of the person, universal destination of goods and the common good. The budget is indeed a test of where our heart is: to enable the daily paid workers to enjoy a day off for recreation as well as education in Philippine history, the College allocated an activity budget in 2005 and 2006 to cover their wages. The multiple experiences of human goodness bring out valuable lessons: strategy follows vision and mission, human values are roots versus the turbulence in Manhattan, openness to the action of the Spirit. Mistakes are recognized and adjustments made.

What about our hopes for the future? It is a paradox that the harshness of turbo capitalism is tempered by the thinking of the founder of the “laissez faire “model in 1776. “No society can surely be flourishing and happy, of which the greater part are poor and miserable”(Adam Smith, *Wealth of Nations* pp.91,96,99 as cited by Rothschild, 1995, p.3).At the 1995 World Social Summit in Copenhagen, Emma Rothschild lamented that this was “the road not taken” by the followers of Adam Smith. Adam Smith insisted that minimum economic security for all guarantees the general prosperity for all. We have to expose the perversions of the market, exhorts the World Council of Churches (“The Political Economy of the Holy Spirit, ca 1990).

“Born from the heart of the Church”, Catholic universities have a contribution to make since religion binds us to one another in a “web of compassion” (term coined by Galtung, 1995). A challenge to Catholic universities in predominantly Christian Philippines remains: how to infuse the political sphere with religious values (please refer to Kivimaki, 1995). We need to see and listen to the “signs of the times”, the presence and activity of God whether in distant Manhattan or familiar Dapitan.

Focus on the Triple E program: “Response to the Country’s Social and Economic Problems”



Fr. Tamerlane R. Lana, then UST rector, responded positively when a new commerce degree major in entrepreneurship was suggested. To prepare, a core team of interdisciplinary faculty was formed. In January, 2004, the core faculty participated in two seminar-workshops that would give direction to their work: learning outcomes and entrepreneurship. Learning outcomes bridge the cognitive, affective and psychomotor skills with what is needed when graduates practice their profession in the real world. On the feast of St. Thomas Aquinas, the core faculty listened to two alumni from the Center of Entrepreneurship of the Asian Institute of Management.

Aside from regular weekly meetings, the core faculty retreated to the Dominican House in Baguio City to brainstorm on Triple E learning approaches, admissions criteria and procedures as well as marketing the course to the sophomores. The efforts paid off with three sections enrolled for school year 2004-05. In order to further inculcate the Triple E vision and mission among the students, their sections were named after the great social encyclicals: *Rerum Novarum*, *Populorum Progressio*, and *Laborem Exercens*.


Since self-mastery is a key to successful entrepreneurship, self-awareness and team building sessions were held with Triple E students. Under the business principle of “Know your market,” community field visits were conducted. Low income neighborhoods were selected in Antipolo, Bulacan, Tagaytay, and Sta. Mesa. Forming the hearts of the students is the primordial goal of the Triple E curriculum. Figure 1 shows an interactive program of modes of student interaction with grassroots communities.

Figure 1: Student formation thru interaction with grassroots communities



Promoting Human Dignity in the face of Manhattan and Dapitan

Our strategy follows our vision and mission while:

- We consider the realities of  Manhattan – turbo-capitalism / material betterment
Dapitan – dualism / roots
- We continue to provide leadership in areas of proven excellence. e.g. accounting
- We pioneer in promoting the “excluded” e. g. Triple E or social marketing

As a Catholic university, we need to think global, be entrepreneurial while becoming truly universal. We need to be aware what is happening in the world. This world-mindedness is facilitated by technology. We see live struggles for democracy in the Ukraine, the suffering in Darfur, or the triumph of the human spirit in sports events.

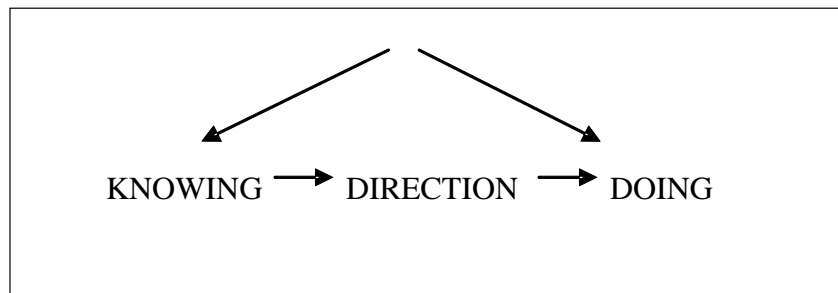
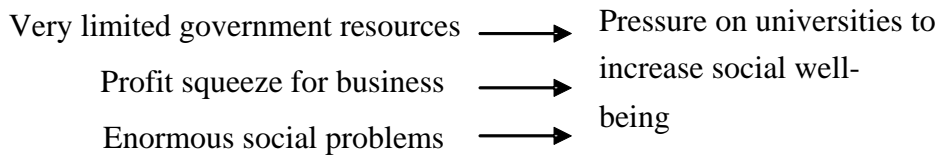
In the global economy, we observe the “Silent Takeover” thesis of Noreena Hertz. As early as in the beginning of the nineties three hundred corporations control one-fourth of the world’s total assets. Sony and Bertelsmann, known for “technology for pleasure” as well as MTV, magazine and book production, are changing the way we see, hear and think.

Powerful finance rules the world according to Diane Elson. Financial capitalism is the term used by Munck (2002) to clearly denote that finance has overtaken the other resources and has become the lead sector in the era of globalization. The world of stocks, bonds, and derivatives has given rise to what John Maynard Keynes predicted as the “casino economy.”

Power has been vested in imperial corporations since they ultimately make decisions involving us as workers, producers, and consumers. National sovereignty is held at bay. Off camera and yet proceeding effectively, assert Barnett and Cavanagh, is globalization from below. Robert Falk uses this term to denote that global mass movements have appeared and flourished with the use of technology.⁷ The Internet has been an acknowledged tool of success for anti-globalization marches which have disturbed and unsettled world trade conferences as well as the summit meetings of the eight most dominant economies.

We have to be entrepreneurial, which simply means we unite our “knowing” with our “doing.”

Figure 2: Catholic University in a Developing Country



Why get involved?



Duty to “know more” about reality: Rootedness in reality

“Knowing more” ⇒ Christ-like compassion ⇒ “do something” for excluded (*Ex Corde Ecclesiae*):

Social Responsibility: Forming student’s hearts and minds ⇒ youth: “Enormous force for renewal” (*Puebla 1978 #1178*)

We need to seek, recognize, or even construct opportunity if we are to be entrepreneurial. Opportunities to serve as a university abound in a society we live in where the majority does not meet their basic needs. For instance, a university community is a potential market for poor women’s products like native delicacies, sewing products or soap.

We have to be true to our being universal, to embrace all that concerns the human person and to embrace all human persons. We draw inspiration from the Protestant theologian, Dietrich Bonhoffer, imprisoned and eventually executed by the Nazis:

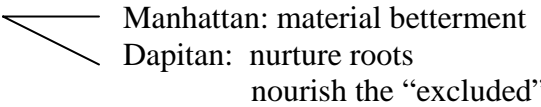
“It is an experience of incomparable value to have (the) learned to see the great events of history from beneath: from the viewpoint of the useless, the suspect, the abused, the powerless, the despised, - in a word, from the viewpoint of those who suffer.”⁸

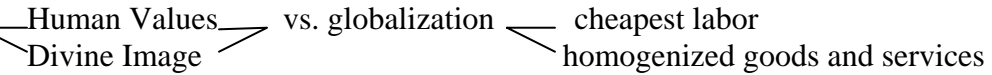
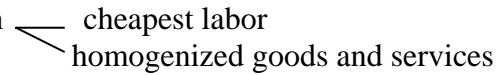
We need to be conscious that we could influence the making of a “new agenda” versus the silent takeover:⁹

- inclusiveness
- reconnection of the social and the economic
- determination that everyone has access to justice

Hertz laments the lack of moral imperative, responsibility or political will. Here, as a Catholic university, could we provide the moral leadership as well as assume responsibility towards a world with more justice and truth?

The threats to precarious economies in the global village are many: “race to the bottom” among those who would attract foreign investments or provide labor exports, a homogenous world culture, inequality and exclusion. In the face of threats, let us organize opportunities to help the young by seeking to:

- balance 
 - Manhattan: material betterment
 - Dapitan: nurture roots
nourish the “excluded”

- affirm 
 - Human Values vs. globalization 
 - Divine Image
 - cheapest labor
 - homogenized goods and services

- hope: anchored in rich Filipino culture, history and identity
 - seeds of faith
 - hospitality
 - heroic love of country (EDSA 1 and 2)¹⁰

These challenges require us, as a Catholic University, to practice rigorous fidelity and courageous creativity (*Ex corde Ecclesiae*). We are able to respond since we have been gifted with a “faith that throws a new light on everything . . . and thus directs solutions which are fully human” (*Gaudium et Spes 11*).

¹ Christa Wichterich, *The Globalized Woman*, Melbourne: Spinifex Press, 2000. p.viii.

² Edward Luttwak, a US military strategist, is quoted by Wichterich, *ibid.* , p.vii.

³ These categories are very well-documented in Richard Barnett and John Cavanagh, *Global Dreams: Imperial Corporations and the New World Order*, New York: Simon and Schuster 1994. Barnett earlier co-authored *Global Reach*, a pioneering book on multinational corporations in 1974. In this work with Cavanagh, interviews are made with global corporations which exemplify these global webs.

⁴ A very interesting thesis is presented by Noreena Hertz in *The Silent Takeover*, New York: Harper and Collins Publishers, 2003.pp.8-9. It is a view sympathetic to those excluded from the process of globalization and motivates them to action out of the present impasse.

⁵ Quoted in Friedmann, pp.31-32.

⁶ Jeepneys are a Filipino innovation. They originated from the World War II vehicles used by the American soldiers and have been recycled as popular modes of transportation in the metropolis.

⁷ Barnett and Cavanagh, 1994 p. 429.

⁸ Quoted in “Third World Debt: A Multidisciplinary Analysis” by Raymond Lemanski, Richard Liddy and William Toth in <http://www.stthomas.edu/cathstudies/1997>.

⁹ Hertz, 2003, p.239.

¹⁰ 1986 marked the end of the 21 years of dictatorship by Marcos brought about by a peaceful revolution distinct with rosaries and flowers. In 2001, People Power 2 toppled Joseph Estrada whose administration was charged with corruption. Impeachment proceedings were cut short by a tide of mass protest against the action of legislators to hide the truth.