

MONETARY CULTURE AND CHALLENGES OF EQUALITY

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A. *The Social Question*

There is a universal belief in the equality among people regardless of religion, culture, gender, race, class, and caste. All are called to a life of dignity. All are called to be children of God.¹

The empirical reality, however, belies the foregoing belief. There is a great gap between the monetarily rich and the monetarily poor within countries and among countries. In this modern time, money has meant for people different life-chances. When one has money, one can “buy” food, health, education, and even religious services. The social question appears to be economic in nature. This economic problem, however, can be viewed from a sociological perspective. Despite whatever effort has been and is being undertaken, the so-called underdeveloped and developing countries have been far from catching up with the so-called developed countries. Within the country, there are enclaves of rich among a majority of “have-nots”.

The tension between equalities of men and human inequalities remains. Sustaining efforts to equilibrate them is a big problem particularly now when natural resources are being depleted and the future life-chances of our children are at stake.

¹ MICHAEL WALSH and BRIAN DAVIES (eds.), *Proclaiming Justice and Peace. Papal Documents from Rerum novarum to Centesimus annus*, Expanded Edition, North America, Mystic, Connecticut: Twenty-Third Publications, 1991, 522 pages.

B. *The Sociological Analysis*

The following analysis is derived among others from my social experiences having been Head of a Philippine-based graduate school/institute of the social sciences² whose principal aim has been precisely to contribute to the solution of the tension between equalities of men/women and human inequality by utilizing a three-pronged approach — theorizing from collective experiences of social transformatory processes of which the institute wishes to be an integral part, participatory action research,³ and popular communication of personal and social transformatory ideas.

² MINA RAMIREZ, *The Asian Social Institute*, Missionhurst, (October-November, 1994), Arlington, Virginia: Missionhurst Inc., pp. 12-15. The Asian Social Institute, Inc. is a graduate school of the Social Sciences offering masters' degrees in Economics, General Sociology, Pastoral Sociology and Social Work. Since its founding in June, 1962 by a Dutch missionary priest, Rev. Dr. Francis Senden, CICM, the Asian Social Institute has been training socially-oriented leaders among Filipinos and other Asians with the hope that with their training in the social sciences, they will improve the situation of the marginalized in their respective countries. The Asian Social Institute has tried to live up to its option for the poor a) through the content and process of its formation and training program which includes basic courses such as "Philosophy of Commitment to Total Human Development" and "Communication for Development" as well as Exposure to Marginalized Communities in the Rural and Urban Areas as a pedagogical approach; b) by undertaking participatory action research on development processes; c) by emphasis on how to communicate the humane and Christian value of this option for the poor through training of various sectors of communications, publication and audiovisual production, d) by action programs which not only benefit the poor directly but also serve as learning environments for theorizing about practical transformation, e) by networking with other organizations and movements having similar dreams and aspirations in order to share with them its ideas of how to transform society towards a state where human dignity will be lived and respected. As a graduate school of the social sciences, ASI's uniqueness lies in the fact that it is Asian in character, grassroots in orientation, Christian in spirit, ecumenical and interfaith in action and reflection, interdisciplinary in approach and humanizing and liberating in its process. In short, ASI's vision is that of a just and humane social order.

³ An element of action research is the participation of the "subject-objects" of research in all the decisions that pertain to the research process from the definition of the problem to interpretation of findings and reflection on these findings. "Participatory Action research" differs from conventional research in that the research is not a discrete activity separated from other activities, such as education, action and organization which are all integral to social change processes. In evaluating development programs, it places much more emphasis on the process of development, rather than on its results. This type of research demands from the research-facilitator the skills of "action science". (See: PETER M. SENGE, *The Fifth Discipline. The Art and Practice of Learning Organization*, New York, London, Toronto, Sydney, Auckland: Currency Doubleday, 1990, 423 pages: On p. 191, the author speaks about the "learning skills of 'action science' ... (which) fall between two broad classes: skills of reflection and skills of inquiry. Skills of reflection concern slowing down our own thinking processes so that we can become more aware of how we form our mental models and the ways they influence our actions. Inquiry skills concern how we

The gap between the truth of belief/faith and the truth about empirical reality, particularly in the economic order analyzed from a sociological perspective, is due to an interrelated set of historical and current factors. It is to be noted that what I shall elucidate here is based on my understanding of the socio-cultural context of the Philippines in its relation to the Asian Region and to the West. However, the interrelated set of historical and current factors in the Philippines may have something in common with and bear some implications for other underdeveloped and developing countries and regions as well.

1. Induced Process of Development. The imposition of large scale institutional life — (political, economic, educational, social, and religious) by colonial powers had stifled the self-reflection and the creative powers of our people who were blocked in deriving from within their popular cultures, the inner resources necessary to respond meaningfully within their own context to their basic life-needs.⁴ In the pre-colonial Philippines, there was only one institution, “the extended family”,⁵ known as *barangay*, the basic political, educational, economic, religious and cultural unit which was relatively self-sufficient from other extended families. In colonial times these functions have become differentiated and replaced by imposed social

operate in face-to-face interactions with others, especially in dealing with complex and conflictual issues”.

⁴ MINA RAMIREZ, *Reflections on Culture*, Manila: An Asian Social Institute Publication, 1993 (Second Edition), 27 pages. In this monograph, the writer presents a critique of the present socio-cultural system of the Philippines. On page 3, she defines *socio-cultural system* “as the complex of institutional dynamics, which manifests the collective unconscious (the hidden dimension of a culture) that has developed through the historical evolution of a people. The institutional dynamics of a society spells out the structures of the enduring patterns of relationships operating as extensions of culture, the deepest layer of which are values. These values are charged with high emotional content because these are perceived as basic to life-needs”.

⁵ ONOFRE D. CORPUZ, *The Philippines*, Englewood, New Jersey, Prentice-Hall Inc. 1965, 156 pages. On pages 22-23, the author describes the social organization known as the *barangay*, “named after the boat that brought the original migrants from their homes in Malaysia and Indonesia. Each boat carried an extended-family group, consisting of the head (called *datu*) and his immediate family, as well as the families of his children, his brothers and sisters, and the aged kinfolk. In some parts of the country during the Spanish regime the people of the towns still referred to each other as *cabanca* meaning ‘boat companion’. Interpersonal or social relations in such a community tended to be informal, and government was based on kinship rule and custom, rather than on law enforcement and administrative regulation” ... The *barangay* “was preserved intact as the basic unit of local administration throughout the period of the Spanish occupation, from 1565 to 1898, when the headman, called the *cabeza de barangay*, was the lowest, but a crucial administrative figure”. The “Barangay System” composed of basic political units of Philippine society was re-established again during the Marcos Era, from 1965 onwards until today.

arrangements which understandably have been only ritualistically owned by the people. The collective unconscious of the popular cultural systems characterized by a face to face small group orientation (familistic and personalistic) operated within the imposed dominant cultural system with its impersonalistic and universalistic normative assumptions.⁶ The latter has not been understood by the indigeneous groups even those who have had formal schooling. Indeed this has been overlooked for four centuries even by most foreign and local leaders. The popular cultural mindset is deeply embedded in the indigeneous languages spoken at home and in the local communities but the dominant cultural mindset is instilled in the formal school system through the vehicle of foreign languages, first through Spanish, then through English.

The social order embedded in the popular cultural system can be characterized as personalistic solidarity. People depended for their livelihood on barter, given a subsistence economy in a country abundant with natural land and marine resources and whose concept of the "market" is a place close by. In the developed countries, social order depended on a different concept of impersonal solidarity regulated by social legislation. If one obeys such laws one takes care of the common good simultaneously. Likewise the concept of bureaucracy emerged from a rationalistically designed society where public officials and people in large-scale institutions have to deal with the many whose anonymity supposedly implied that officials display no favoritism but treat everybody in the same manner. Such impersonal solidarity should be particularly characteristic of urban cultures. Industrialization, bureaucratization/institutionalization (or social life rationally conducted through formal organizations) were systems and processes naturally evolved in the West and the prime movers of social change there. However, they had not evolved naturally in the Philippines. Needless to say, mass media technology, supported by business and mainly

⁶ Impersonalism and universalism as normative assumptions of modern societies reflect the "progressive rationalization" in a society manifested in the trend towards "increasing bureaucratization". Max Weber introduced the term "bureaucracy" to mean "that type of hierarchical organization which is designed rationally to coordinate the work of many individuals in the pursuit of large-scale administrative tasks". It is, however, a sociological term which means "a particular organization of rationally coordinated unequals ...". One of the characteristics of bureaucracy is the management of the office according to rules. This set of rules does not allow for a staff member "to regulate a matter by commands given for each case, but only to regulate the matter abstractly. This stands in extreme contrast to the regulation of all relationships through individual privileges and bestowals of favor, which is absolutely dominant in patrimonism, ...". (See: LEWIS A. COSER and BERNARD ROSENBERG, *Sociological Theory*, Fourth Edition, New York: Collier Macmillan International Editions, 1976, 651 pages, pp. 53-354.

geared to commercial interests, has led to a one-way impersonal communication as opposed to a two-way, face-to-face communication congruent with a social order characterized by personalism. Communication in the modern context has become mediated by information technology, just as money mediates economic and other exchanges. However, money — a basic element that governs the exchanges within institutions and between institutions on community and national levels is something alien to the majority of Filipinos. The introduction of a monetary economy has been treated as a discrete feature, not associated with the institutions which are linked with the whole “developing” or “modernizing process”, constituting, in fact, a “westernization process” in the Philippines.⁷

2. The Lack of Understanding of the Monetary Culture. Money has been the symbol of the large-scale dominant institutional life after political colonization. While in former times, people were able to live with simple and direct exchanges without a medium of exchange (by barter), colonization has led people to live through a mediated economy, the mediator being money. Exchanges among persons, groups and institutions have been ruled and measured by money. However, the discipline that is associated with the dominant system which is ruled by money — savings consciousness, productivity consciousness and cost consciousness — has not penetrated the mindsets of the people particularly in the rural areas and towns. There, the cultural norms are still constituted by a face-to-face extended family orientation. Barter after all is an unmediated economic system. In contrast, the colonial powers had introduced formal organizations where impersonal interactions became the rule. There is a “facelessness” associated with concepts such as “mass production”, “mass education”, “mass media” and “public health system”. In exchanges within the dominant socio-cultural context, money is the mediating, facilitating, impersonal factor. In the popular cultural system, personal relationships themselves constitute the capital. Personal knowledge of each other secures a reciprocal relationship of giving to and receiving from one other. In the dominant system, however, money without the discipline that goes with its use is perceived as the capital. The shift of thinking from the barter mentality to the monetarized mentality has not yet been achieved. Generally, people think of money only as an item which could be exchanged for goods

⁷ FELIX WILFRED, *Sunset in the East. Asian Challenges and Christian Involvement*, Madras, India: University of Madras, 1991, 358 pages, p. 24 (cf. M.N. SRINIVAS, *Social Change in Modern India*, Bombay, India: Orient Longman, 1972, p. 42).

and services. This is quite evident in the economic behavior of the average Filipino income-earner who tends to spend his hard-earned pesos or dollars on consumer goods and modern gadgets, while budgeting and saving are given little attention. Due to his/her penchant for spending, securing money in the easiest ways possible, just as in the West, has become a norm of behavior. School education is equated with power by the rich, and seen generally by the masses as a way to earn an income if not an avenue to status and prestige — hence, a means to social mobility. Another method of earning an income is through trade, i.e. buying and selling of goods. “Money by all means” through practices such as graft and corruption, gambling, scavenging, even through prostitution (among women and children), and currently emigration, has become a way out for many. These practices are bound to destroy precious elements of Philippines’ indigeneous culture — family life, a natural religiosity, sensitivity to art, music, song and dance, and meaningful celebrations at peak moments of life. Accumulating wealth through entrepreneurship — the application of talents to make something new of the Philippines’ natural resources, has not been given a chance because of lack of incentives given by nepotistical public officials, seemingly unaware of what it is to work for “the bigger family” — the nation.⁸ The great majority in the Philippines have not moved above survival level through their enduring participation in an informal economy. They have not graduated from mere livelihood ventures to micro-enterprise and then to industry. It is the foreigners who get the chance of exploiting the country’s natural resources following the norms of liberal-capitalism. This has served to benefit only the few. And local political and big business leaders have collaborated intentionally or unintentionally with these powers to undervalue the labor of the monetarily poor laboring masses as well as the produce of those in the rural areas. Moreover the political and economic elite also control the media.

Profit-oriented liberal-capitalism has caused social dislocations. Intensified agrarian production, for instance, had caused the grabbing of

⁸ CORPUZ, *op. cit.*: An explanation of the specific uniqueness of the Philippines in Southeast Asia is contained on p. 21, where he writes, “Almost every country in Southeast Asia has a wealth of annals or dynastic histories upon which to rely in a reconstruction of its past. This is because some degree at least of political or administrative integration had been attained in these countries before the arrival of the Westerner ... It was not so in the Philippines. Up to the mid-sixteenth century the inhabitants of the archipelago lived in scattered and almost isolated communities. The people were predominatly of Malay stock, migrants from Indonesia and Malaysia”. In this sense, the Philippines is relatively a young nation. It was the colonization process that helped consolidate the various *barangays* into a single nation.

land by economically powerful groups, precluding its communal use by indigeneous groups. The gap between the rural and the urban areas is evident. Local powerful families (most of them — with foreign sounding names in Spanish or Chinese) control primary, secondary and tertiary industries. Money circulates only at the top of society. The rest of the society understandably becomes deprived, deprived too of the energies to defeat a system that works for the benefit of the few. It is unfortunate that the First World is usually differentiated from the Third World countries in terms of Gross National Product (GNP).⁹ Social equity or “Gross National Well-Being” is not given as much attention.

3. The Globalization of the Market. When “more than a quarter of the world’s population — live in absolute poverty”, when “900 million people cannot read or write”, and “one out of three children born alive is undernourished at some time within its first five years”, and “at least 14 million of those children die of hunger every year”,¹⁰ foreign colonialism as well as local colonialism (i.e., the imposition of systems that intentionally or unintentionally impoverish the great mass of the world’s monetarily poor people) still continues. The lives of people are now controlled by a world economic system, dominated by transnational corporations and international financial intermediaries which still dictate how countries will have to develop. While from all countries, certain products are demanded in the world market, small countries which are low in financial capital, organizational capacity, technology, and knowledge, certainly cannot compete and are placed at a perpetual disadvantage. How can people like those in the Philippines, whose simple lives have been complicated by imported processes cope with the globalization of trade? For these processes fall on the totally different cultural soil of the popular system which has not outgrown the barter mentality even within the local scene. How can people whose cultural inner resources were stifled by centuries of foreign and local colonialism have the self-confidence to transform this world environment to their advantage? How can they even understand the complexity of a system calling for an impersonal solidarity where the ethic

⁹ S.C. DUBE, *Modernization and Development - The Search for Alternative Paradigms*, Tokyo: The United Nations University, 1985, 144 pages. On p. 7, the author identifies one dilemma of modernization and development — growth vs. distribution. While GNP has been used to measure growth, it has also been dethroned as the only measure. However, this is only the case on the conceptual level but not on the operational level.

¹⁰ World Council of Churches, *Christian Faith and World Economy Today. A Study Document of the World Council of Churches*, Geneva: WCC Publications, 1992, 59 pages, p. 18.

and culture of sharing could underlie the flow of money, of goods and services?

4. The Fast Pace of Information and Communication Technology. Information now has become a source of wealth, for information gives feedback on the prices of products and on where people should compete in order to reap a profit. It is also this information and communication technology that subliminally creates new wants in people and new markets. Information and communication technology serves those already powerful in the world and within countries. How can the poor in all countries cope with this technological “animal”? How can the organized poor handle the information and communication technology so that it will assist in instilling the disciplinary requirements of a monetarized economy?

5. The Debt Trap. The situation in the Philippines and many countries of the Third World has been aggravated by the fact that it is severely indebted to international financial intermediaries. In the Philippines, “total foreign exchange liabilities as of December 1992 reached \$30,934 billion, \$4.682 billion higher than the end — 1985 level of \$26.3 billion”, representing an annual increase of 2.5 %. Net resource outflows to the country’s creditors during the period 1987-1992 were substantial. In that period, the country paid US \$6.9 billion more to its creditors than what it received.¹¹ A report from the National Secretariat for Social Action, Justice and Peace in the Philippines gives an indication of the state of the country with reference to foreign debt:

The approved budget for 1994 is P327.7 billion. The biggest slice of it, 32 percent, goes to debt servicing, ironic for a country whose majority of people are impoverished.

... By the end of 1993, the (government) has already incurred a deficit of P15.56 billion through loans from bilateral institutions like the World Bank and the International Monetary Fund.

As of August 1993, the Philippines’ foreign debt tallied to US \$34.44 billion and domestic debt to P1.13 trillion. This huge debt places the country at the mercy of the bilateral institutions giving them rights to influence financial policies ...

For the proposed 1995 national budget, the projected deficit is pushed to P51 billion. Budget officials announced the budget be financed by borrowings because revenue measures could raise only P337.4 billion.¹²

¹¹ See: *Philippine Development Report*. Republic of the Philippines: National Economic and Development Authority, 1993, pp. XIII-26 - XIII-27.

¹² See p. 12, NASSA NEWS, *Philippines and NASSA: A Country and an Organizational*

In the oriental perspective, the way one breathes is the way to one's health and being. When one breathes only from the chest (and not from the diaphragm), energy is not well distributed to all parts of the body and is uncondusive to health. Breath symbolizes life. The smooth flow of breath means the smooth flow of life. By analogy, money has now become like breath. For money means life-chance. But if money circulates in society among a few powerful groups, the rest of the society/world becomes sick, through not being energized to create and re-create and revitalize its people and their environment.

C. The Challenges to Bridge the Tension Between Human Equality and Human Inequality

1. The Challenge of Learning from Experience. By this is meant that people should not take their lives for granted. And not to take life for granted means delving into the assumptions rife in their world and making a critique of the solutions to poverty being proposed to them by the modernizing elite. Poverty alleviation is a complex global issue. Industrialization, modernization, and development may have to take a different pattern in the developing world as viewed from the developing world. In this venture, even those who reach out to help need to be sensitive to the assumptions embedded in the culture and to listen to the voices of the moneyless victims of the large-scale global monetary system. The people, on the other hand, need to be fully aware, need to secure information from socially-oriented enlightened professionals, on how the world impinges on their lives while they keep themselves grounded in their concrete though diverse socio-cultural systems.

2. The Challenge of Valuing our Inner Spiritual and Cultural Resources. That the poor still have a way of sharing and caring in community and of constituting personalistic small group solidarity, is an element that needs to be integrated into the economic system and information and communication systems. To believe that a culture of sharing could become integrated into a monetary system, deepened by our faith in a God-of-Life, incarnate in our midst ("multiplying bread", "making the lame walk" i.e., making them self-reliant, "making the blind see" i.e., see new economic and social

arrangements — a new economic order, a new information and communication order of sharing and caring) — could be a programme among the marginalized, and supported by enlightened socially-oriented professional groups in the country.

3. The Challenge of Transforming Mindsets into Systems that are Focused on Life-Promotion rather than on its Destruction. Alternative futures should mean concentrating every effort towards life-givingness, creating institutions that promote people's creativity and fair exchanges that will make life flow to every woman, man and child. If money is a value-system, then to what we assign monetary value is of great importance. Frequently works of aggression are given more weight than works of cooperation.¹³ Material products are given more weight than the building of human-capabilities.

4. The Challenge of Transforming Organized Greed into Organized Care. Economics conducted merely for profit could be transformed into an economics which make life flow to all, where a product becomes a symbol of solidarity because all who participate in its making — the suppliers, the entrepreneur, the manufacturers, the marketers, and the consumers could equitably share in the benefits of production. It is here where the particularistic family-oriented norms of the popular cultural system should elasticate to the universalistic norms of the dominant cultural system towards a life of dignity for all. The operations of all institutions could have organized care as their ethical presupposition. Nowadays, helping the poor to understand the dynamics of the economic system by translating the monetary culture and the institutions associated with it — entrepreneurship, banking, management, accounting, etc. — into categories derived from their popular cultures — becomes a real challenge. The emergence of small enterprises through the education given by Grameen Bank, which could then develop into larger enterprises, assisted by rural cooperative banks in co-operation with the international cooperative banks and alternative trade organizations should be fostered. However, for all of these to achieve sustained development, there is a need for the support of accompanying groups within the informal sector which ensure livelihood at every crucial stage of the economic growth process. This calls for a management development course to train development managers who will be able to

¹³ HAZEL HENDERSON, *Creating Alternative Futures. The End of Economics*, Foreword by E.F. Schumacher, N. York: Perigee Books, 1978, 418 pages, pp. 15-16.

translate management concepts in people's categories related to their profound life-values.

5. The Challenge of Making The year 2000 a Jubilee Year. In the Year of Social Development, 1995, the Churches could put moral pressure on the international financial intermediaries (The World Bank, The International Monetary Fund, etc.), to declare the Year 2000 as a Jubilee Year for all nations, which in effect should mean the writing-off of financial debts as well.

6. The Challenge of Body-Mind-Spirit Integration — a Holistic Approach to Growth and Development. This approach in human and social development rejects all dualism, all fragmentation and division. Respect for various paths to development based on differing cultural and religious expressions of human dignity should be recognized. The popular and dominant cultural systems could blend together for life-promotion. Can we organize care in a way that a degree of personalism could be kept? Could we have "high technology" with a "high touch"? In this modern and post-modern age — systems thinking (holistic thinking), networking, the interdisciplinary approach to seeing and acting on reality — are positive waves ushering in the 21st century. A corollary to holistic thinking is concern for the planet earth and sustainable development, an emphasis on the dignity of both women and men. and creation spirituality ("spirituality of the breath", in the oriental perspective). In this context, the religious dimension could offer ethical animation to the monetarized culture.

D. Conclusion

The monetary system and culture need to be redeemed in order to reduce the tension between human equalities of people and social inequalities. For the monetary system, as a value-system, creating life-chances for people, has its social consequences. It also determines the opportunities for personal development and the corresponding self-confidence of persons, families and groups to contribute in the building of communities, institutions and society. It is my fervent hope that this paper may enhance the understanding of the monetary system as it affects developing countries and spur movements towards redeeming it so that this economic culture may truly become life-giving not just to a few but to ALL.