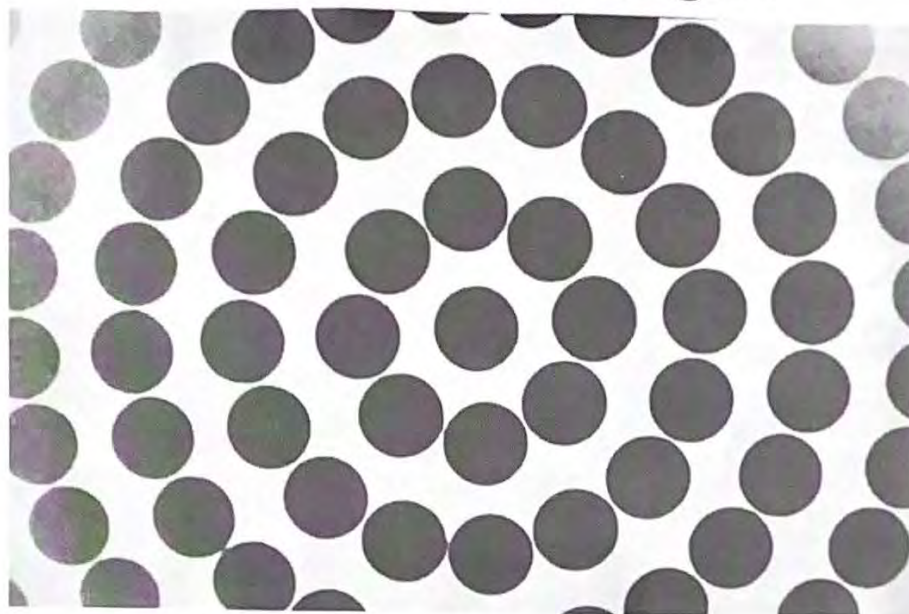


CHAPTER I

The Past as Prologue



A society's response to a challenge is oftentimes heralded as a novelty in the life of that society. On closer examination, however, it does happen that an instrument which the society fashions to cope with a given situation has deep roots in its history, that it is but a revivification of what had proved efficacious in an earlier age. The society in crisis may not be aware of it, and conveniently looks beyond the realm of its own experience for solutions to its current problems. But that does not destroy an intrinsic or historical reality.

The Fund for Assistance to Private Education, or FAPE, is a case in point. Government assistance to private education, a concept and practice which FAPE embodies, is not entirely alien to our experience: its origins and development date from the beginnings of the western presence in the sixteenth century up to the early sixties.

The popular view that the creation of FAPE in 1968 was both "a landmark in the program of assistance to the private institutions" and "something refreshingly new"¹ in the per-

spective of government's association with the private sector of education, while not exactly inaccurate, is therefore, misleading.

A. Government and Private Education: A Brief Historical Perspective

There are remote and immediate antecedents in our nation's history to the venture that was launched in 1968, and the concept of government assistance to private education, if not always a total or even partial reality, has been here long before the birth of FAPE. One gains a better and clearer understanding of this concept if it is viewed not merely in terms of direct subsidies, but also in the light of government's attempts to create incentives for private education and a congenial atmosphere for the pursuit of educational policies and objectives; likewise, its cooptation by assigning private education a meaningful role in decision-making (the better to motivate it for greater participation in development efforts), and the like.

A discussion of government assistance to private education before

the birth of FAPE should, therefore, be made within the context of the various aspects of the relationship between government and private education since the introduction of formal education in our country. Happily, there are some published and unpublished works on the subject.²

Several of these are rather polemical in tone, castigating government for its alleged indifference at best and for perceived attempts at suppression at worst.³ But beneath this rhetoric is the remarkable fact that the relationship between government and private education at varying periods in our history had been for the most part mutually rewarding to both. That such a relationship may have been less harmonious during the post-World War II era than in the halcyon days of the prewar Commonwealth, and later seared by the wrenching strains and stresses in Philippine society during the sixties, does not demolish the general validity of this observation.

1. The Spanish Period

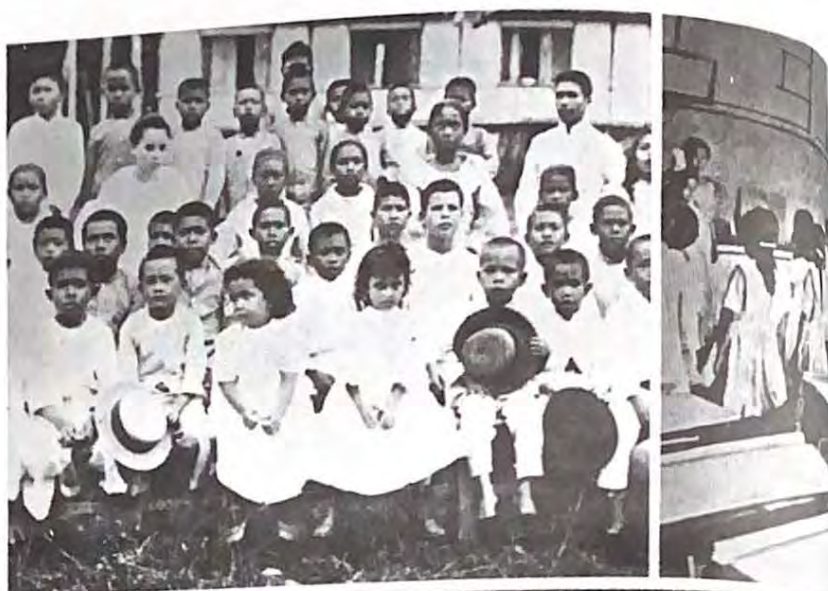
The mutually rewarding relation-

ship was particularly true during the long presence of Spain in the Philippines. In a way, private education was born during this period, since the sectarian schools were practically the only schools in the country until the educational reform measures of the 1860's; technically speaking, these were private schools. The Roman Catholic Church, more specifically the various religious orders, had a monopoly of primary education before the Educational Decree of 1863; but they continued with their near monopoly of secondary education and specially higher education throughout the Spanish regime.⁴

In return for performing a vital state responsibility, the Catholic Church and the religious orders were provided a share of the tributes collected by the *encomenderos*, were awarded *encomiendas* themselves, and bestowed tracts of land by the Spanish Crown.⁵

If the sectarian schools may properly be called private schools, since they were not state schools *per se*, but receiving direct or indirect financial subsidy, to say nothing of real properties, from the state, then the principle and practice of government assistance to private education may be said to have started four centuries before the establishment of FAPE. This was possible, indeed it was the norm, because there was a union between Church and State in the Philippines, a situation that was more pronounced than in the mother country.⁶

Government support may have diminished after 1863, when the colonial government itself directly assumed the responsibility for providing at least primary instruction to the Filipinos, and efforts were made to supervise the operations of the private schools, i.e., sectarian schools. Nevertheless, the owners of private schools, e.g. the religious orders, continued to enjoy an influential role, if not also power, over the educational system. Parish priests, most of them friars, were members of local, provincial and city school boards; at the national level, both the Archbishop of Manila



and the Rector of the University of Santo Tomas were members of the educational board: the latter was *ex officio* head of all schools in the country. The Dominicans also controlled all "private schools",⁷ while the Jesuits ran the *Ateneo Municipal* and the Normal School, both public institutions supported by public money.

The above are examples of the interlocking relationship between government and private education during the latter portion of Spanish colonial rule.

2. The American Period⁸

A totally different situation prevailed with the coming of the Americans, when the system of private education as we know it today was implanted here. The sectarian schools of the previous regime were now denied the government assistance that they had enjoyed for so long: under the principle of the separation between Church and State, a fundamental underpinning of the American political system, subsidy of any kind to private education under sectarian ownership was then considered constitutionally untenable or im-



possible. This, in spite of forceful arguments by no less than American Catholic prelates themselves that the Filipino heritage from Spain—a reality that could not be ignored—called for a different policy, even if it meant departing from a principle that was compatible with social reality in the United States. But the American social engineers chose not to violate the American Constitution and thus deviate from the American political tradition.⁹

In applying a political principle, the new regime, therefore, abruptly ter-

minated the quasi-governmental status of the private, i.e., sectarian, schools. But it was slow in prescribing the guidelines under which these schools and the newly established ones were to operate. To be sure, one of the first measures enacted by the Philippine Commission (Act No. 74), authorized the "establishment and maintenance of private schools" (Sec. 25) when it created the new public school system in 1901; however, the formulation of specific guidelines did not immediately follow. The private schools had to fend for themselves under a policy

that was characterized benevolently, but incorrectly, as "laissez faire".

In a way, this was understandable. The American government was more concerned with organizing a nationwide system of public, secular and free primary schools amidst such equally pressing imperatives as rounding off the Filipino armed struggle and reconciling the Filipino leadership to American sovereignty; replacement of the military regime with civilian rule, on the wrong assumption that this would stop forthwith lingering resistance, and forging a working alliance with the Filipino elite; resolving the vexatious issue of the friars and their extensive estates and the political, economic and social consequences of the Aglipayan Schism; and, not the least, coming to grips with the more basic problem of food production and economic reconstruction, made all the more excruciating on account of cholera and rinderpest epidemics and annual visitations of swarms of locusts and packs of rats. The old as well as recently established private institutions did not know what exactly was their role, since there were no unequivocal policies and directives, let alone a specific office to guide them; indeed, they were even suspected as bastions of the "old" order, especially when they seemed hesitant in aligning their curricula and medium of instruction to those of the public schools.¹⁰ The private schools were probably expected to readjust on their own initiative with due regard to the evolving educational system and emerging values, but bewildered and bereft of adequate resources, they failed to do so positively.

The years 1899-1906, identified by students of Philippine education as constituting the first phase of government relations with private education in this century, were, therefore, a period of "widespread disorganization." It is no wonder, then, that an exasperated General Superintendent of Education would recommend "government control of the private schools" in his report to the Philippine Commission.¹¹

The American colonial government could not maintain its Sphinx-like attitude for long, however, and so, abandoning its "laissez-faire policy", finally decided to prescribe the operations of the private schools, first through the Corporation Law passed by the Philippine Commission in 1906 (Act No. 1459) and second, the Private School Law passed by the all-Filipino legislature in 1917 (Act No. 2706). By virtue of the former, the private schools were treated like any other private enterprises. As corporations engaged in production, albeit of a different variety, private schools were under the technical jurisdiction of the Secretary of Commerce and Police,¹² as degree-granting institutions, however, they were subject to regulations issued by the Secretary of Public Instruction.

The latter used the powers vested in him by the Corporation Law as a truncheon to compel the private schools to align their curricula and, just as important, their medium of instruction with those of the public primary schools and the soon to be established University of the Philippines. But this was true only for the "incorporated" schools and colleges. The "unincorporated" ones which constituted the majority, refused to comply with the stiff prescriptions of the Secretary of Public Instruction, invoking in the process the principle of academic freedom in prescribing curricula and medium of instruction. Fortunately for such schools, they were able to escape rigid supervision on account of the inadequacy of Department personnel or supervisors.

In an effort to remedy the defects of the Corporation Law, insofar as the private schools were concerned, the Philippine Legislature enacted the Private School Law in 1917. But while authorizing the Secretary of Public Instruction to maintain a general standard of efficiency in all private schools and colleges in the Philippines, he was not given the power to force into compliance the many unrecognized schools which continued to grant degrees. Because of this loop-

hole, the period after 1917 saw the meteoric increase in the number of private schools, most of them "unrecognized", to the detriment of those who were frantically trying to comply with all government regulations, if only because they happened to be incorporated and recognized. It was, in a manner of speaking, a case of a few good eggs in a basketful of rotten ones.

Such was the situation when the Monroe Educational Survey of the Philippine educational system was undertaken in 1925. The Monroe Commission found many private schools to be of pitifully low standards, in part owing to haphazard supervision by the authorities who, of course, were not equipped with sufficient powers under the law.

The aftermath was government's withdrawal of its recognition of some 250 courses of study and the recommended closure of patently substandard schools. A new Office of Commissioner of Private Education was created to prescribe and enforce regulations in a sincere and determined effort to rehabilitate the private educational sector.¹³

There was understandably strong resentment on the part of most of the private schools towards the new order of things, and they actually made attempts to undermine the authority of the new office in the Department of Public Instruction through congressional action. But towards the mid-thirties, the private schools had reconciled themselves to strict government supervision. Perhaps, they finally realized that the government, after all, was not only protecting the general interest but also, and above all, private education itself, by restoring "public confidence in it."¹⁴

Significantly, in retrospect, it was during this period that the National Research Council of the Philippines (NRCP) was created.¹⁵ Open to all scientists and scholars from the public and private sectors, including those in academia, election to membership in the Council was distinction and, as such, incentive enough for anyone to

excel in his field of specialization. Research grants were also, and still are, available; because of limited funds, they were also modest in amount, and granted on an individual, not institutional, basis. However, for private education faculty members, whose institutions had neither the inclination to encourage research nor the funds to subsidize it, unlike for instance in the case of the University of the Philippines, NRCP was an available source of research funds. The creation of NRCP may, therefore, be regarded as a mode of government assistance to private education, though it was not thought of as such in 1933.

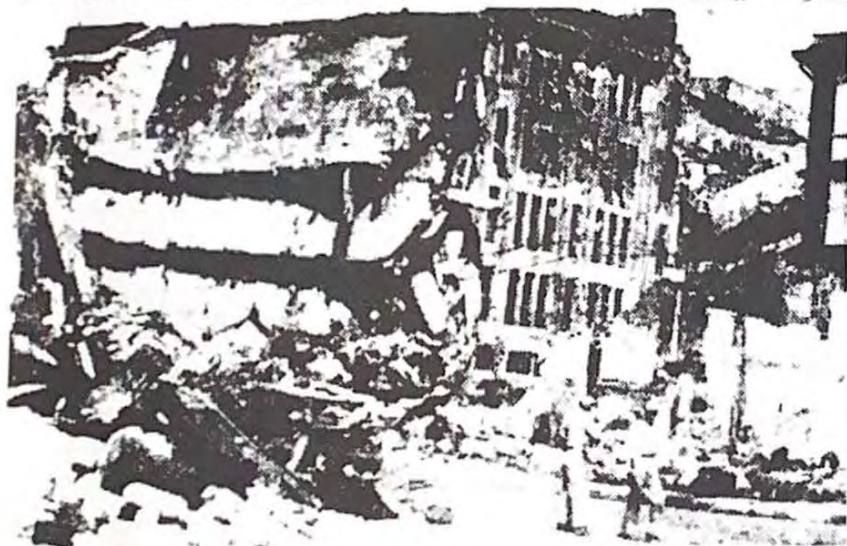
3. The Commonwealth Period

A rehabilitated private education sector was a fitting counterpart to the public sector under a new environment of political autonomy during the Commonwealth, which began in November, 1935. During this period, all educational institutions were placed under the supervision of the government and subject to the latter's regulation, pursuant to the Philippine Constitution. The Department of Public Instruction was accordingly vested with increased powers of supervision over private schools. This made for conscious efforts on the part of private education to maintain and even upgrade academic standards. Stricter requirements were also prescribed for the opening of a new school, especially a university; this had the effect of protecting the established private schools from unscrupulous and business-minded would-be educators.

Thus, so long as they strove to upgrade themselves, in keeping with new educational trends, the private schools were allowed to grow and prosper, even as they received no direct financial subsidy from the government for their role in helping prepare the country for independence. The relationship, recalled Dr. Daniel M. Salcedo, "was very ideal from everybody's point of view."¹⁶

4. The Postwar Period

Then came the Pacific War and the



ensuing three years of Japanese Occupation, an unwanted intrusion into an otherwise idyllic situation and peaceful transition to nationhood. There was a disruption of many normal activities, including education, such that when the war was over, many of those whose schooling had been abruptly cut short in 1941 and never bothered to go back to school under the Japanese, and who were now over-aged for their school levels, trooped to the colleges and universities. With government schools and the prewar private colleges unable to accommodate this influx, more so since they could not immediately operate at full capacity — rehabilitation of their damaged physical facilities still to be undertaken and prewar faculty who had died or were no longer willing to return to teaching still to be replaced — new private schools simply mushroomed to fill the vacuum without complying with the requisites to operate. With hardly an administrative machinery to enforce standards, such schools, as well as the older ones, were simply allowed to offer courses of study, even if they did not meet the minimum standards.

With a view to strengthening that machinery and, hopefully, arrest the further deterioration of academic standards, Congress passed R.A. No. 74 in October, 1946. This Act imposed a one per cent tax on all tuition fees of private schools for the support of additional personnel of the Bureau of Private Schools. It was assumed that with more funds, more supervisors could be hired; the government would then be in a better position to regulate and supervise, perhaps even control, the operations of the rapidly expanding private education sector.

Those who conceived the law were wrong, not because it is wrong to assess someone for his own good, just as there is nothing wrong with paying taxes to support a government that provides essential services efficiently and protects its citizens. They were wrong because history did not bear them out.

In just two years after the enact-

ment of the law, an alarmed Philippine Congress created a Joint Congressional Committee on Education. A Board of Consultants and Technical Staff from the leading educators and education officials of the time was created. The Committee's report was submitted to the Congress on December 12, 1949.¹⁷

The Committee strongly recommended the repeal of the law because, among others: "the levy is undesirable" in that it was subsidizing a government service which the latter was supposed to render; the imposition of the tax "predisposes the Bureau of Private Schools to follow a lax policy in order to bolster collections and swell the funds"; it tended to "develop among the supervisors a passive and tolerant attitude toward weak private schools, as they would not, of course, want to close the schools that contribute to the salaries they receive"; it fostered "commercialization of private education"; and, furthermore, the "emergency" which had necessitated its enactment had already passed.¹⁸

Repeal of the 1% levy was recommended to another congressional committee in 1951. This time, a new justification was presented, the significance of which has been overlooked in the existing literature on government relations with private education. Recommendation XIII reads as follows:

Our government should encourage rather than discourage the establishment of good schools that are helping our government in the cultural and educational development of our people. The government should not only create [an] atmosphere favorable for the steady development of private initiative; it should in due time even provide stimulation and encouragement by *giving grants, subvention or some forms of financial aids* to those schools and colleges that meet and maintain a creditable standard of instruction."¹⁹

This, however, was not expressive of congressional thinking, let alone the government's. It was merely the recommendation of a study group composed of technical experts. And it took the lawmakers another six years to repeal R.A. No. 74.²⁰

On the other hand, it would be erroneous to dismiss Recommendation XIII as nothing but an idealist's whim. Rather, it should be seen as evidence of the existence of a vision among some responsible citizens²¹ as to how the government and the private education sector should relate to each other, a vision that could be conceptualized, refined into a workable blueprint, and finally operationalized at some opportune moment.

The fifties were obviously not the proper moment to translate the vision into reality. The state of the nation's economy convinced everyone in government that it was not feasible, while the constitutional injunction against disbursement of public funds for what could be even remotely construed as sectarian ends (many of the private schools being sectarian), made the same officials believe that it was not legally permissible.²² Furthermore, private education appeared to be prospering, what with all-too-visible new buildings to accommodate increasing enrollment. Evidently, private education was not in need of financial assistance or subvention; removal of a tax burden would suffice, at least in the meantime.

Thus, when R.A. No. 74 was finally repealed in 1957, no ancillary program of direct financial assistance for private education was recommended. Recommendation XIII was to remain a noble dream, as a totality, for another decade.

In retrospect, however, its impact was far-reaching. It doubtless influenced the congressional decision to repeal R.A. No. 74, as may be gleaned from the following arguments in favor of the repeal measure:

Private education is not merely an adjunct of public education but its counterpart, on an equal

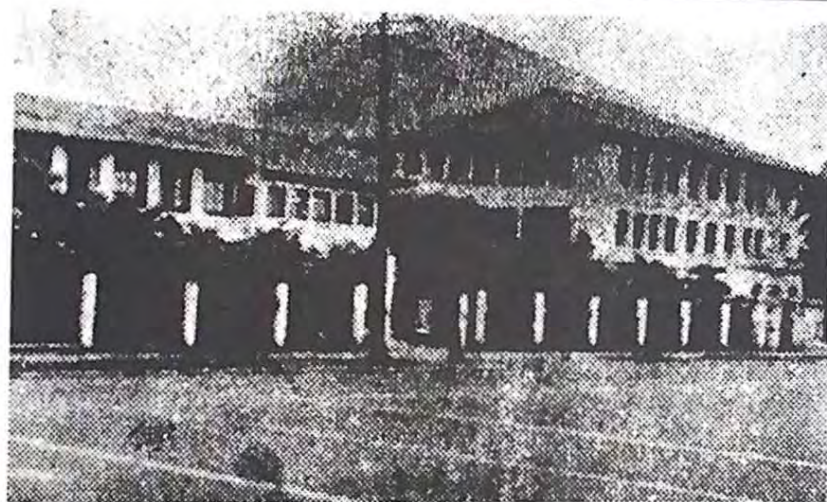
plane, in the mission to educate the youth . . .

Taxing the private schools will hamper their growth, which tax should otherwise go to their full development as robust and wholesome educational institutions.

Additionally, private schools were regarded as "eleemosynary in character with a charitable and humanitarian mission, and not necessarily business and commercial in nature," which the government did not intend to destroy by continuing the imposition of the one per cent tax.²³

Operationalizing the concept that the public and private sectors of education were complementary to each other and, as such, should be treated equally, Congress enacted R.A. No. 1124 in June, 1954. The Act created the Board of National Education, which was entrusted with the responsibility of formulating the nation's general educational objectives and policies. Of the original four appointed members of the Board (the rest were members *ex-officio*), three were from the major private educational associations, about which more will be said presently.²⁴ By virtue of R.A. No. 1124, therefore, the government had now formally coopted private education by assigning it a meaningful role in decision making.²⁵

Following the repeal of the obnoxious one per cent tax on private education, and perhaps influenced by the spirit which had animated and informed the government's action — which in turn could be linked to Recommendation XIII — Congress passed the "Science Act of 1958".²⁶ This notable piece of legislation created the National Science Development Board, whose Chairman is a member of the Cabinet no less, and destined to play the leading role in the development of science and science education in the country. One of NSDB's programs is the provision of scholarships, fifteen annually, for masteral and doctoral studies in the sciences. The program is open to faculty and graduate students



from both public and private institutions.²⁶

Just as important, if not more so, are the research grants — from the substantial NSDB financial chest — which now include support for research in the social sciences, grants which are considerably more than those available from the NRCP, established a quarter of a century earlier. Again, the grants are open to public and private education faculty; subject to certain conditions, they are even available on an institutional basis.²⁷

Five years later, i.e., 1963, Congress amended the Science Act, "extending tax exemption privileges on grants, bequests and donations for scientific purposes to private educational institutions" ²⁸ That same year, NEC Chairman Sixto K. Roxas III's piece on "Investment in Education: The Philippine Experience" was published,²⁹ hinting state subsidy to selected programs of private schools that were helping meet the "critical" manpower needs for development. And among education officials, the view was gaining currency that government subsidy to private schools, even sectarian schools, may be endorsed as a government policy.³⁰

Slowly, the government was moving towards the revivification of the seminal ideas contained in Recommendation XIII, perhaps without even knowing that it was.

In June, 1964, government came out with the first sectoral direct subsidy to private education, with the enactment of R.A. No. 4056 authorizing the Board of Medical Education to give financial assistance to private medical colleges — not exceeding P500,000 annually — this to be drawn from the proceeds of one charity sweepstakes race.³¹

Ironically, just when a sizable fund became available government paused, as it were, at the water's edge. But, as historical movements go, only briefly. For in 1968, government finally tapped the War Damage Special Fund for Education and constituted P24 million of it into a trust fund that became the Fund for Assistance to Private

Education. The noble dream had become a reality.

Viewed from all its dimensions, the concept of government assistance to private education is not a novelty in our history, nor even a contemporary phenomenon. It has roots that reach as far back as the beginnings of formal education in our country. Its pervasiveness varied from time to time, a natural function of changing values and outlook. Its implementation was equally uneven, at times non-existent; indeed, it may have even been ignored as a concept altogether during the first three decades of American rule, but to be revived at moments when conditions indicated feasibility of realization and implementation.

The late sixties were one such moment. Through the fortuitous confluence of private initiative and government responsiveness, FAPE was born as a compelling necessity — a semi-public, semi-private foundation that has served as the major conduit for government assistance to private education for the past decade.³²

B. Private Higher Education in the Philippines: A Brief Profile

Since FAPE's principal target of assistance is private higher education, a brief profile of private colleges and universities will be presented in this introductory chapter.³³ For this purpose, we have reproduced a few tables

which tell in more graphic terms vital statistical information on private higher education at the time of FAPE's birth.

In 1968-1969, there were 582 private colleges and universities in the country, with a total undergraduate and graduate enrollment of 565,035. The number increased to 595 in 1969-1970, with total collegiate enrollment at 573,094, or 92% of all students enrolled at the time; only 8% were in state colleges and universities.

Most of the bigger universities (40) were in urban centers, viz.: Metropolitan Manila (18), Cebu City (5), Iloilo City (3), Bacolod City (2) and Baguio City (2). The forty big universities accounted for 59.8% of private education's share of collegiate enrollment, while the 555 smaller colleges accounted for only 40.2%.

These private schools were either sectarian (47.86%) or non-sectarian (52.14%). They were also classified as non-stock educational corporations (281) or educational stock corporations (274).

Almost one-half of the private colleges and universities were members of, or affiliated with, the three major educational associations, e.g.: Association of Christian Schools and Colleges (22),³⁴ Catholic Educational Association of the Philippines (182),³⁵ and Philippine Association of Colleges and Universities (53).³⁶ The majority (337) were either affiliated with the

Philippine Association of Private Schools, Colleges and Universities³⁷ and the Philippine Association of Private Technical Institutions,³⁸ or simply unaffiliated.³⁹

Sometime in late 1960 or early 1961, when student activism and other issues began to pose problems of stability for the entire educational system, and particularly the private schools, the heads and officers of ACSC, CEAP and PACU, under PACU's initiative, started holding informal meetings, "to articulate, coordinate and integrate" their activities.⁴⁰ The upshot of these meetings was the formal organization of the Coordinating Council of Private Educational Associations (COCOPEA) on June 29, 1961.

Earlier, in 1954, the three associations had been granted membership in the former Board of National Education (now the National Board of Education), indicating, among others, government's desire to coopt private education by assigning it an official role in decision-making.⁴¹ This act of the government may also be viewed as a recognition of the strength of these associations at the time. They became stronger when they formed COCOPEA, which held its first annual convention in Baguio on January 17, 1963;⁴² exactly a year later, COCOPEA would set in motion private education's drive to tap the Special Fund for Education.⁴³

