

The Political Dimension in the Agrarian Question: Strategies of Resilience and Political Entrepreneurship of Agrarian Elite Families in a Philippine Province¹

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ABSTRACT This paper on the rural political sociology of a Philippine province relates the strategies of political resilience of landed oligarchies to the political dimension of the agrarian question in the Philippines. Bukidnon in Northern Mindanao is used to illustrate how pioneer agrarian families have protected their economic privileges and survived the political challenge posed by migrant politicians. Despite differences in their economic bases and social backgrounds, pioneer families and migrant politicians share strategies of political entrepreneurship and rent-seeking that have maintained oligarchic rule: (1) establishment and maintenance of kinship networks, through intermarriage, and non-kinship, ritual ties; (2) diversification into non-agricultural economic activities; (3) control of political parties and state patronage (primarily electoral) machinery; (4) cooptation or mobilization of political symbols, issues, and movements; (5) use of political power to obstruct progressive legislation, particularly on land reform and taxation; and (6) the strategic management of political violence. Analysis of provincial and national political dynamics, as played out in Bukidnon, shows how the nexus of property, power, and privilege is consolidated, contested, and reconstructed in the ongoing competition among Bukidnon elites. These strategies are integral to the political practices of a landed capitalist class and have serious implications for agrarian transition and industrialization in the Philippines.

Introduction

The recent revival of the agrarian question and its reformulation to include the experiences of poor countries in Asia and Africa (see Bernstein 1996, 1997; Bernstein and Campbell 1985; Byres 1991; Levin and Neocosmos 1989) suggest the importance of a persistent question about the rural political sociology of non-industrial societies: What is the role of agriculture, or more precisely agrarian capitalists, in promoting industrialization in countries where the social relations of production in agriculture are not fully dominated by wage labor and where the state is dominated by agrarians who

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are simultaneously capitalists? Bernstein (1997:25) points out that those studying the problematic of politics in this question should recognize "the importance of political class practices and their irreducibility to economic class practises" and the intrinsic political character of two other problematics: production and accumulation. In this context, an analysis of the role of state-based agrarians in industrialization should not be limited to agrarian class structure and forms of investments that relate to the development of productive forces, but more importantly, should look at the ways in which state-based agrarian elites exercise their powers vis-a-vis capital and peasants and other non-dominant classes in order to block or promote agrarian transition. This is not a plea for the sort of methodological individualism that denies the salience of structures, but a recognition of the non-deterministic outcomes of inequalities in the distribution of agencies and resources that shape social histories.

Following C. Wright Mills' (1966) appeal to study the intersection of biographies and histories, and of social structures and human agencies, this article examines the intersections of strategies of political resilience, the biographies of state-connected agrarian families, the social history of their province, and the interplay of state, capital, and oligarchic rule. The political practices of these families are significant in the agrarian question in the Philippines, which cannot be illuminated by a broad account of domestic agrarian changes and industrial restructuring driven by the demands of the international political economy. Without denying the importance of macro trends and global structures, this paper suggests that the political dimension within the agrarian question can be explained by local/provincial studies that gives central, not marginal, attention to the landed class. Through interviews with 25 provincial politicians and administrators, local historians, and municipal officials and a detailed analysis of the economic and political bases of landed oligarchs, including kinship ties, size of landholdings, and capitalization, this paper charts how national and provincial landed elites form pyramidal and multilateral ties of kinship, business association, party alliance, and patronage, and employ other strategies of oligarchic resilience on both provincial and national levels.

The strategies of political resilience

Modernists argue that the economic and political future of agrarians is bleak and have presented the decline of agrarians and their replacement by industrial elites as the main political consequence of industrialization and urbanization (Germani 1971; Kautsky 1972). This thesis has long been challenged, and the literature discussing how agrarian oligarchies can retain political leadership in industrial society offers two conditions relevant to the Philippine

case. The first arises when agrarians consciously utilize state policies to protect their economic interest even after the transition from agricultural to industrial society has been completed. Gerschekron (1943 [1966]) and Moore (1966) showed how the Prussian Junkers perpetuated their economic power, and consequently their political dominance, by using state power to protect agriculture and minimize competition from the industrial sector. Landed oligarchies can endure economic challenges as long as they hold political power sufficient to force the state to protect them from competition (Brenner 1987; Mayer 1981). The second condition comes into play when agrarians divest and diversify their economic holdings and shift into commerce, banking, and industry, thus ensuring their dominance even after the political relevance of agriculture and land ownership had declined (Zeitlin and Ratcliff 1988).

The most common explanations of the resilience of Philippine agrarians straddle the two conditions. Studies on Philippine economic oligarchies find a propensity to pervade all economic sectors and fractions of capital, including agrarian, commercial, industrial, and financial, and various state institutions, particularly the executive and legislature. Some scholars have taken an instrumentalist view, tracking down interlocking directorates and "colonization" of the state (e.g., Abueva 1965; Carroll 1961; Doherty 1979, 1982; Manapat 1991; Simbulan 1965). Others have examined the contradictions in state-bourgeoisie relations and policy outcomes that have prevented the Philippines from attaining NIC-hood (e.g., Angeles 1992; Rivera 1991; Yoshihara 1985). The movement of agrarians into industrial interests has led several writers (e.g., Bautista and Valdepenas 1977; Ferrer and Montes 1990; Gutierrez 1994; O'Connor 1990; Rivera 1991; Simbulan 1965) to conclude that there has been no decisive severing of ties between the old land owning, exporting families and the new industrial elites who penetrate the state. They suggest a strong element of continuity in the composition of the dominant class in the Philippines. This "continuity of elites" thesis sees an overlap of interests among the Philippine landlords and capitalists who occupy national political positions, leading to the defeat of land reform proposals in the legislature and the pursuit of conflicting economic policies, which results in low agricultural productivity and industrial inefficiency. Many, particularly supporters of nationalist movements and those who erroneously view the Taiwanese and South Korean path of agrarian transition as a good and replicable model, have presented the defeat of landlordism as a necessary precondition of economic progress.

Such studies, however, have not attempted to explain systematically the internal structure of the oligarchy, the mechanisms or strategies of its resilience in achieving, exercising, and keeping

power, and their contribution to industrial promotion.² Thus most studies of agrarian class structure in the Philippines have not given the powers of landowners the same extensive attention accorded to peasants, whether in the context of discussing their revolutionary potential, everyday discursive practices (e.g., Kerkvliet 1990) or tenancy relations (Ledesma 1982; Ledesma et al. 1983). When landlord politicians are discussed extensively, they are usually tucked in studies of social history (e.g., McCoy 1993; McCoy and De Jesus 1982) or analyses of "traditional politics" (e.g., De Castro 1992; De Quiros 1992; Soriano 1987; Wolters 1991). This characterization of Philippine politics on the basis of supposed "traditional" characteristics, such as patronage, clientelism, nepotism, and factionalism, misses the importance of the relationships between state and capital that sustain oligarchic rule: particularly the strategies that oligarchs employ vis-a-vis the state, the economy, and their constituents.

In the Philippines, as in some Latin American countries (see Zeitlin and Ratcliff 1988 on Chile; Hagopian 1986 and Lewin 1987 on Brazil; and Vilas 1992 on Nicaragua), the relationship between state and capital is embedded in the simultaneous occupation of state and business positions by landed capitalists. Legal procedures and codes of conduct rarely include sanctions against conflicts of interests in the occupation of multiple offices in the spheres of "democratic" politics and the economy. The political resilience of landed oligarchies, must be explained in terms of the rent-seeking strategies they use vis-a-vis the state and capital. Such an approach highlights the explanatory relevance of state centralization and bureaucratization, elections, political party and patronage control, and socio-economic variables such as kinship relations and patterns of investment.

Political resilience refers to the concurrent abilities of landed oligarchs to change political circumstances and adapt to changing situations by modifying, altering, or replacing existing strategies. It also refers to a capacity for employing new strategies of political entrepreneurship in order to re-enter the political scene after a period of hibernation or electoral failure. *Political entrepreneurship* is defined as a rulership strategy of translating economic capital (wealth) and social capital (education, reputation, family connection) into political capital (funds, jobs and other material, coercive, and symbolic resources), to buy votes, gain political patronage or access decision-making processes. This translation, in turn, enhances rent- and profit-seeking activities. *Rent-seeking* (or directly unproductive profit-seeking) is associated with the allocation of un-

² Gutierrez (1994), for example, provided excellent data on kinship networks and other business interests of the Congress elected in 1992 without systematically analyzing their relations to party and state patronage politics, as well as their implications for industrial development and democracy.

productive rents, such as subsidized credit, tariff and non-tariff barriers, public enterprises, and non-competitive public expenditures (Buchanan et al. 1980:9–14; Clarete and Roussamet 1987; Ferrer and Montes 1990). Rent-seeking capitalists at the national and provincial levels are involved in what McCoy (1993:22) calls rent-seeking politics, (i.e., “a process of turning political capital into commercial opportunity.”). State officials and aspirants to government office who engage in organizing a political following to access state resources or use state patronage for rent-seeking purposes are appropriately called “political entrepreneurs.” They treat patronage politics as a business in which the most important resources are to be found in the state.

This study highlights four main strategies leading to the persistence of oligarchic rule at the provincial level: (1) the establishment and maintenance of kinship networks, especially through intermarriage, and non-kinship ties between and within oligarchic families; (2) diversification into non-agricultural economic activities, such as real estate, logging, mining, and other industrial enterprises, primarily by establishing family-owned banks that generate loans and subsidies from government banks and other state institutions and create ties with foreign and local capitalists; (3) the control of political parties and state patronage (primarily electoral) machinery by using personal wealth and political party funds to launch candidacies for political office and by dispensing political patronage to non-rival oligarchies, business power brokers, and political ward leaders to secure votes, appointments to public office, access business franchises and protection, and other political favors; and (4) the use of political power to obstruct progressive legislation, particularly concerning land reform and taxation. Two secondary strategies are related to these: the exploitation of political symbols or issues (e.g., nationalism, land reform), movements (peasants, co-operatives, non-government organizations, and private foundations), and foreign aid from international development agencies and the astute management of political violence (usually called warlordism).

The case of Bukidnon demonstrates how agrarian families consolidate power and wealth primarily through the first four strategies and secondarily through the last two. During the martial law era (1972–1986), these strategies were strengthened by oligarchic access to the Marcos-controlled patronage bureaucracy and crony-based allocation of economic privileges, such as the incorporation of business enterprises, government grants and subsidies, and foreign development aid. In the post-Marcos era (1986–1995), these strategies continued through the state patronage machinery concentrated under Corazon Aquino and her successors, Fidel Ramos and Joseph Estrada.

Kinship relations and economic diversification

Bukidnon is a sprawling plateau lying between the mountains of central Mindanao and the northern coast of Misamis province. Virtually untouched by Spanish colonialism and unaffected by Hispanic culture, Bukidnon and the rest of Mindanao challenged American colonizers, who marginalized native leadership and encouraged the wholesale migration of Christian settlers as an effective means of taming both people and nature in Mindanao. Land resettlement eased agrarian tension in Luzon and assimilated the native population into the dominant lowland culture. It also facilitated the exploitation of Bukidnon's forests, agricultural lands, and other natural resources and enhanced the mobility of migrants, intermarriage, and fictive kin relations (Atienza 1992; Edgerton 1982, 1984).

Kinship and ritual kinship ties (*compadrazgo*), both related to the social construction of gender within and outside the Filipino family, are important in the biological and social reproduction of freely intermarrying oligarchic families. Landownership, property inheritance, and the management of large businesses rely heavily on kinship considerations, particularly intermarriage and the role of women in preserving the social status, political prestige, and wealth of the family.³ However, post-war transformations in the political economy—due to capitalist penetration, proletarianization, increased population growth and mobility, access to education, diversification of sources of wealth, and entry of middle class elements into the entrepreneurial class—have diminished the relevance of landownership and kin/ritual kin ties to entry to political office and access to state patronage resources and contributed to the rise of political entrepreneurs and political machines, usually inserted within political parties. Reciprocal ruler-voter relations have been replaced with contractual associations (Magno 1989), landed political clans that relied exclusively on state patronage resources have declined (Magno 1988), and a “fused elite,” based on mergers of the wealth of old political families and the talents of ambitious young boys from poor families, has emerged (Wurfel 1988). In the case of political entrepreneurs who have no relatives in state office, kinship relations and fictive kin ties are eclipsed by political factors in the determination of positional power and influence, and control of state political institutions (e.g., party leadership, selection of candidates, and powers of appointment) play a more important

³The centrality of political families in Philippine society provides a strong element of continuity to the structure and characteristics of the Philippine state (McCoy 1993). The gendered political processes and the role of women and gender relations in the biological and social reproduction of political families and their organizations are important but rarely studied, a gap in scholarship recently filled by Roces (1998).

role in political resilience. Kinship relations, however, remain important in leadership selection, entry, and mobility if and when other political criteria are satisfied.

For almost a century and over three generations, the dominant political family in Bukidnon has been the Fortiches. The clan's forefather was a Basque soldier in the American constabulary, named Manuel (or Manolo) Fortich, who came to the Philippines after the Cuban war. Unlike his brother, who settled in Cebu in the Visayas, Fortich came to Misamis in the 1890s and married an heir of the Azcona Hainzons.⁴ Manolo's sons married into wealthy families from Cagayan and Misamis. Cesar's wife, Perla Neri, was from a landed family. Carlos wedded Remedios Ozamis, daughter of a wealthy trader and politician whose other daughters also married into prominent families—Pilar with a Mendozana from Cebu, and Paz with a Montalvan. Remedios's son Carlos, Paz's son Roberto, and Perla's son Antonio continued the political record of the clan's patriarch Manolo.

Another group of political elites was formed among migrant homesteaders, civil servants, school teachers, engineers, and technicians from Luzon or Visayas, particularly the Ilocos region, who benefitted from the public education system and the Filipinization of civil bureaucracy during the American colonial period. They came with their families or married native women and augmented their salaries from the civil service with income from ranching, agriculture, and other businesses. Such migration to the frontier had become a tradition for young men from densely populated provinces such as Ilocos and Cebu "who did not inherit either ownership or usufruct of farm land or for older ones who had fallen on bad times" (Wurfel 1988:60). From this group of migrant settlers came the Tabios family and Jose Maria Zubiri, the main rivals of the Fortiches in the contest for political control of the province.

The patriarch of the Tabios clan, Guillermo, was from Ilocos and migrated to Bukidnon in 1927 as a senior audit clerk. He married a government nurse from Cebu, and the couple opened a store and a rice and corn mill in Malaybalay and bought lands to add to their 24-hectare homestead. They also engaged in grain trading and leased government lands for ranching. Guillermo's three children became government administrators and elected officials. The eldest son Benjamin obtained law and accounting degrees and worked as chief legal officer and chief of technical staff from 1953–1959 under President Magsaysay before running for Congress in 1961 and 1965. His younger brother Ernesto was appointed interim governor of Bukidnon in 1986 and head of the National Electrification Ad-

⁴ Interview with Governor Carlos Fortich, Malaybalay, Bukidnon, 1992; see also Madigan (1969:7).

ministration (NEA) before his election as governor in 1987. Their sister Violeta was elected congress representative in 1987. She married a member of the Neri family of Cagayan, which had intermarried with the Fortiches. Guillermo's eldest daughter Lydia is married to Bello Cassanova who ran for governor in 1967. Lydia and Bello's son, Roberto Cassanova, was elected vice-mayor of Malaybalay in 1987.

Jose Ma. Zubiri, on the other hand, came to Bukidnon only in 1974 to engage in ranching and sugar production. Because he had experience dealing with sugar planters, milling operations, and labor-related problems in his home province of Negros Occidental, he was hired by his friend Manuel Nieto, then Ambassador to Spain, as resident manager of the Bukidnon Sugar Company (BUSCO). He was made assistant to the president of BUSCO and became executive vice-president in 1982. On top of his regular salary as manager, he was given the option to own shares in the company. Zubiri is married to a daughter of a rich owner of a publishing company.

Intermarriage enabled Bukidnon's political families to corner the most profitable opportunities for economic diversification⁵ in the region. These opportunities were largely created by the penetration of foreign direct investments, joint ventures, and subcontracting arrangements with local capitalists and farmers. Since the 1970s, a number of big agribusiness corporations such as Nestlé and San Miguel have joined Del Monte in exploiting the province's natural resources. These mammoth agribusiness corporations participate in initial capitalisation, technical, marketing, and financial arrangements, equipment supply, and other forms of joint venture with Filipino capitalists.⁶ Equity investment or stock ownership is often predominant, although the controlling shares are still in Filipino hands.

The economic interests of Bukidnon's dominant political families are closely tied to land and agriculture. The Fortiches are also in ranching, trading, and logging operations. In the last three decades, the Fortiches have been able to acquire more lands, pri-

⁵ Economic diversification is used here in two senses. First, it refers to the strategy of extending sources of wealth and profit in disparate businesses so as to minimize the risk of loss. Diversification of familial interests serves as a hedge against price fluctuations, loss of an important foreign or local market, and policy changes (Nowak and Snyder 1974:1148-9). It helps guard against some political uncertainties caused by change in government leadership in a political economy where access to state machinery and resources is an important factor in business (Hutchcroft 1991:427, f.n. 34). Second, it refers to the widening of the economic base of a given area. A province's economic base is more diversified, for example, when it has a sizeable industrial sector with potential to provide mass employment.

⁶ Details on foreign ownership of these companies were obtained from ARC (1985:527-28) and the Securities Exchange Commission (SEC).

marily public lands placed on Forest Lease and Pasture Agreement (FLPA) with the government. In 1953, the Fortiches owned only 178 hectares (Sorongan 1955). By the 1990s, they had title to 753 hectares of land in Valencia, Manolo Fortich, and Quezon towns. They also hold Pasture Lease Agreements (PLA) on some 2,027 hectares of public lands.⁷ On their maternal side, the Ozamis-Fortich owned the vast OADI (Ozamis Agricultural Development, Inc.) estate. Remedios and her children later formed their own trading company called MATERPILCA Farm and Ranch after the first syllables of the siblings' names: Maria Teresa, Pilar, and Carlos. MATERPILCA was incorporated in 1963 and had as its main stockholders ROZFORT (from Remedios Ozamis Fortich) Management Corporation, Pilar Fortich and Ramon Moraza, Ma. Teresa Fortich and Dante Sarraga, and Carlos and Amor Fortich. The logging interests of the family have been consolidated in Remedios O. Fortich Timberland, registered in 1974 and jointly owned and managed by the Fortiches and the Santiagos. From the late 1950s to the 1960s, Carlos Fortich was also the proprietor-manager of Bukidnon Lumber Company, ROZFORT Trucking, and the Malaybalay Rice and Corn Corporation. Since 1980, he has held a seat on the board of Pacific Cement Corporation.⁸

Like the Fortiches, the Tabios clan is based in landownership, retail, rice milling, and trading. They own Tabios Enterprises, one of the province's biggest rice traders, with multi-million peso capitalization in the Bukidnon-Cagayan-Misamis trading region. They also own Belyca Corporation, named after Governor Ernesto Tabios' elder sister Lydia and her husband Bello Cassanova. The Tabios clan members collectively own at least 50 hectares of agricultural lands in the Malaybalay area.⁹

Although relatively new to the province, Zubiri was able to invest his inherited wealth in land and other businesses and earned stock options on top of his substantial salary as resident manager and later executive vice-president of BUSCO. He also leased 3,000 hectares of pasture lands from the government but drastically reduced his total landholding in anticipation of land reform.¹⁰ Besides holding pasture leases on 500 hectares of land for his cattle and leases on 110 hectares of agricultural lands, Zubiri is also the owner of Zubros Aquaculture (fishing), Zubros Agricultural Development Co. (farming), and Zubros Livestock (cattle-raising) since 1986 and is chairman of Bukidnon Sugar Milling Inc., vice-presi-

⁷ Based on 1988 data on land ownership from the PARO, and PENRO records on FLPA for 1991.

⁸ Data from the Commission on Elections (COMELEC), Malaybalay office.

⁹ Data on capitalization from the National Food Authority (NFA); on land size from PARO, Malaybalay.

¹⁰ Interview with Hon. Congressman Jose Ma. Zubiri, 1992.

dent of Rancho Mercedes, director of Valle Escondida Farms, president of Services Cleaners Inc., and a stockholder of Urban International Marketing. He also owns real estate in the plush New Alabang Village and declared a net worth of 6.16 million pesos in his congressional statement of assets and liabilities in 1992 (Gutierrez 1994:295).

At the provincial and local levels, a number of provincial board members and municipal officials are also based in integrated grains trading, milling, and retail businesses, which facilitate the establishment of networks of friendship and ritual kinship and allow frequent contact with constituents. Trader-millers who are not interested in seeking public office can also influence political outcomes as highly liquid financiers. The biggest rice dealers in Cagayan and Bukidnon are ethnic Chinese who are not interested in running for political office but do provide financial support to a variety of electoral candidates, a case of betting on several horses. The distribution of new agricultural technology tied to the government's credit program has also provided opportunities for elite families to go into farm input trading and rural banking since the 1970s. This technology-credit link enables rural bank owners and their relatives and friends to become distributors of farm inputs and implements, either as exclusive franchise holders or retailers. Bukidnon distributors of farm inputs, rural bankers, and grain traders often belong to the same family or clan. Their kinship ties and knowledge of the farm credit and inputs markets help them maintain formal and informal links in dealing with farmer-clients.

Political families with big ambitions in business and national politics prefer forms of economic diversification that entail low capital outlay, but require high-level connections and political-military protection, like logging. As an essential part of the investment portfolio of Bukidnon's political families, logging has contributed tremendously to the depletion of Bukidnon's forest cover.¹¹ When Luzon sources of logs, timber, and minerals dwindled after the Second World War, extractive resource companies moved southward to explore Mindanao lands and meet the growing demand for forest products in the world market. A rise in environmental awareness and protection in Japan, Europe, and the United States in the 1970s further boosted log exports from the Philippines, Thailand, and Indonesia. (Kummer 1992).

Most logging companies in Bukidnon are owned and controlled by well-connected landed capitalist families from Manila, Visayas, and the rest of Mindanao. Until the mid-1980s, only two companies

¹¹ Of the province's total 295,838 hectares of forest land, only 63,732 hectares, or 12 percent, are primary or virgin forest; the rest are secondary cover, bushland or cultivated land. See *CMN* (May 1992a).

were owned by Misamis and Bukidnon elite families: the Remedios O. Fortich and P. N. Roa Enterprises. The rest were, for the most part, owned by Chinese capitalists and businessmen from other provinces and regions. The cuts permitted to logging companies have peaked with the powers of their “political directors” (BFD 1981). Having a “political director” on its board assures a logging company of protection of its operations, low taxes, and passage of its cut logs across military checkpoints. The importance placed on political directors is best illustrated by the case of NAREDICO, owned by the Roa and Valderrama families, who also owned other logging companies. NAREDICO, one of the biggest logging companies operating in Mindanao, was formed in the 1960s with national state politicians, Egmidio Tanjuatco Sr. (uncle-in-law of President Corazon Aquino) and Estanislao Alinea sitting on the board of directors along with Chinese businessmen. In the 1970s, former General (now President) Fidel V. Ramos sat as a company director while owning only one share, worth 100 pesos (\$1 U.S.=40 pesos in 1998). The company then merged with Misamis Mahogany Incorporated (MISMACO). In 1985, the Chairman of NAREDICO was former Ambassador Narciso Ramos, the father of President Ramos. In 1987, Fidel Ramos was replaced by his nephew Ranjit Shahani, son of Senator Leticia Ramos-Shahani, also Pangasinan’s vice-governor in 1992, and congressman in 1998. SEC records in 1992 revealed that the young Shahani owned four shares in NAREDICO, worth 400 pesos.¹²

Landed capitalist families based in logging have an intricate network of interlocking interests based on kinship and fictive kin ties. The Valderramas of Negros Occidental who own Consuelo Development Corporation and Valderrama Management Corporation, involved in real estate, agricultural production and fishponds, also own the logging and lumber firm, T. H. Valderrama and Sons, which has operations in Bukidnon. Almendras Enterprises is the mother company of the Almendras Mahogany Corporation. The general manager and vice-president of Almendras Mahogany, Francisco T. Lee is also connected with other logging companies: Rustan Investment and Management Corporation and Greenhills Wood Industries. Almendras Mahogany president, Alarico S. Lim, is also the chairman of Oro Marketing and partner and manager of the Cagayan de Oro Timber Company. Lim is also connected with Prime Construction Supply and Oro Mindanao Machine Work. The “political directors” on Almendras Mahogany are Paul Almendras and Prudencio Plaza Jr., who belong to two powerful political families in Mindanao. Timber Industries of the Philippines and SPV Timber and Construction are controlled by Chinese-Filipino fami-

¹² Data on NAREDICO’s Board of Directors and capitalization taken from SEC.

lies and their partners. Among the directors on the SPV Timber board in the late 1970s were military officers: General Segundo P. Velasco, as chairman, and General Zosimo Paredes and Colonel Fidelio Agar.¹³

Control of elections, parties and patronage resources, and the exploitation of political symbols

As political entrepreneurs, landed oligarchs have shifted their most important power base from land (e.g., hacienda ownership) to the state. But unlike in Brazil (Hagopian, 1986; Sarles 1982) and the former Soviet Union (Hammer 1990), where the most enduring political oligarchies have controlled the state through political parties, the party system in the Philippines is overshadowed by executive and legislative offices in controlling the state's patronage resources. State patronage encompasses three mechanisms by which the state gains popular support: *first*, promotion of capital accumulation to enhance the interests of industries, individual capitalists, and corporations; *second*, dispensing of political privileges, state funds, and resources to state managers, especially government officials; and *third*, the distribution of patronage "spoils" to clients of state elites, pork barrel to their constituents, and welfare services to mass electorates.

The mechanisms of state patronage are often concealed within the parameters of standard, legal procedures in bureaucratic operations, especially in executive-legislative relations. The relations of the Philippine Congress and Senate with the Presidency, and intramural politics within the two branches of government interacting with party politics are the main conduits in patronage. For the volatile, unorganized electorate, state patronage is dispensed in two ways: by transient, transactional material exchanges through party machines during elections (e.g., money, a community well, road paving, or a promise of a job in return for votes) and by the heavy politicization of government services. Extension of government service becomes a political tool when services are delivered in anticipation of political rewards or misappropriated by intervening political elements. In agrarian societies, however, patronage ties also include the symbolic exchange of personal/social obligations and favors.

Control of party politics, almost equivalent to electoral politics, is the stepping stone to entitlements in the executive and legislative branches of government. Because they are factionalized, fluid, and personality-oriented and afford ample chances to change party affiliation (i.e., turncoatism), Philippine political parties are more of a ceremonial prop and vehicle of intra-elite competition than an ef-

¹³ Data on ownership and corporate interlocks from the SEC.

fective channel of enduring political alliances, ideological positions, and differing economic platforms (Grossholtz 1964; Liang 1970). As such, political parties rest on very volatile coalitions easily swayed by considerations of personality, horse-trading, and patronage rewards. Moreover, party organizations are very hierarchical and governed by minority leaderships brought to power by narrow constituencies. Although seemingly shallow and superfluous, elections and political parties are important mechanisms in the creation of a social equilibrium that enables competition among oligarchs and perpetuation of elite rule. More than ever, contemporary electoral exercises have become expensive, a drain not only on public spending, but also on candidates' sources of funds. The boldness with which political entrepreneurs take risks in seeking political office can be explained by the economic rewards associated with having a foothold within the state. This foothold guarantees the entrepreneurs privileged appropriation of resources, such as political appointments, pork barrel public works, jobs for their ward leaders and followers, stakes in state-owned corporations, logging and mining concessions, franchises, licenses, government credit allocations, and access to official development aid. The distribution of these state resources can then be converted into political support for the candidacy and (business) offices of political entrepreneurs. Once lodged in office, oligarchs utilize their powers and position to shape the political system and institutions to their advantage. By blocking competitors, eliminating potential opposition, and forging alliances with their kind, they form a political class of self-perpetuating oligarchs who utilize the state power to accumulate personal wealth.

The political entrepreneurship of the resilient Fortich clan and Zubiri demonstrate that success within a political system marked by oligarchic rule depends on a combination of pedigree, wealth, access to state patronage, and kin or friendship ties to the significant patronage referees (e.g., the Spanish and American officials in the colonial state; Marcos during the martial law period). Under the American regime, Manolo Fortich, was hired as an assistant to the American lieutenant general by Secretary of Interior Dean Worcester, who was impressed by his leadership abilities. He was later appointed lieutenant-governor of Bukidnon when it was still part of Agusan. As lieutenant governor, Fortich concentrated his efforts in cultivating the friendship of natives and establishing native settlements, a program he believed best served the interests of the American colonial government and the welfare of the natives. Manolo served as an appointed provincial governor from 1914 to 1921, when Bukidnon became a separate province. In 1921, he ran as a member of the Nacionalista Party as Bukidnon's representative to the Philippine Assembly, winning successive terms as congressman

until 1935. Unlike other provinces, all political offices in Bukidnon were filled by appointments until 1955—based on the recommendations of Manolo Fortich. When the first provincial elections were held, Manolo was elected to the national parliament and the governorship of Bukidnon went to his politician-friends from Mindanao and Visayas.

Carlos A. H. Fortich Sr. took over the consolidation of his father's political career, serving as governor during the Japanese occupation. Like other politicians who served under the Japanese, Fortich survived charges of collaboration and was elected congress representative after the war, but died before finishing his term of office. His widow Remedios took over his seat, serving out the unfinished part of his term. Remedios did not seek reelection in 1949, preferring to serve as chair of the board of directors of the National Rice and Corn Administration (NARIC) and the National Resettlement and Rehabilitation Administration (NARRA) in 1957. The Fortich's domination of Bukidnon politics continued with the election of Cesar Fortich, Remedios' brother-in-law, as congressman in 1949. Cesar held this post for four consecutive terms from 1949 to 1965. During his term of office, Cesar became chairman of the powerful House Committee on Public Works and a member of the Committee on Agriculture and Franchises. In 1960, he was inducted as secretary of agriculture in President Garcia's cabinet. The Fortiches never gave up their influence in Bukidnon politics and have always supported their chosen candidates in elections. Aspiring provincial and local politicians who lacked machinery and resources often sought the blessings of the Fortiches to increase their chances of electoral success.¹⁴

The political victories of the Fortiches would not have been possible had they not skilfully tapped the support of Bukidnon natives and the patronage of national power brokers—from the Americans during the colonial period to incumbent President Ramos. Manolo, as an American client, created mini-patrons out of his native proteges. The next generations of Fortiches followed his lead and harnessed native support by granting state scholarships, jobs, political favors, and other privileges to natives. Under their administration, a number of native Bukidnons were able to secure a public education either in the province or in Manila. Scholarship grants and other educational privileges, seen as passports to success, were given out in the 1940s and 1950s through the provincial governor's office or by the provincial treasurer's appropriations. As clients of national patronage referees, the younger Fortiches realized early

¹⁴ Interviews with former Malaybalay Mayor and National Assembly representative Lorenzo Dinlayan and Mr. Emilio Sumagay, Department of Interior and Local Government, Malaybalay (1992).

the importance of state patronage, in the form of extension of welfare benefits and appointments to political offices, in dealing with natives.

Despite internal rifts between the families of Cesar and Carlos' widow Remedios, the Fortiches have usually closed ranks against their common political opponents, particularly the Tabioses. Remedios' son Carlos assumed control over the province when he became governor in 1967. His victory was boosted by his uncle Cesar, who convinced incumbent Governor Oblad to retreat from the gubernatorial race and run instead in the 1969 congressional elections, so as not to split the votes. However, abandoning his promise to support Oblad, Cesar sought, and won, the lone Bukidnon seat for himself. His reelection in 1969 marked the Fortiches' command of Bukidnon's political affairs until the eve of the martial law declaration in 1972. The Ozamis-Fortich branch regained its dominance in the legislature and provincial politics with the 1978 election of Carlos as governor, his cousin, Roberto Ozamis Montalvan, as National Assembly representative, and their political ally, Lorenzo Dinlayan, as mayor of Malaybalay, the provincial capital. As the Marcos regime's main political intermediary in Bukidnon, Carlos was practically the governor of the region for 18 years, from 1967 to 1986, and the Marcoses relied on him to bring votes for the administration's candidates in the 1978, 1980, 1981 and 1984 elections.

By 1984, Zubiri had become a new player in Bukidnon's political scene. His political biography, intersecting with the history of the Bukidnon Sugar Company (BUSCO), shows how landed capitalist elites use their position in an important economic enterprise to consolidate their political base and maintain clientelist ties with national party leaders and influential patronage referees. BUSCO was owned and built in the mid-1970s by prominent businessmen connected with President Marcos, namely, Roberto S. Benedicto, Manuel Nieto Jr., former Ambassador to Spain, and Jose Africa. As BUSCO's resident manager, Zubiri succeeded in convincing small farmers and big landowners to switch from corn to sugar. He became popular with the local population through patronage links with mill workers, small cultivators, and planter members of the Sugar Growers Association of Bukidnon Incorporated (SGABI), which formed his political base. Zubiri formed SGABI as a direct challenge to the Sugar Planters Association of Bukidnon (SPA) organized in 1978 by Roberto Montalvan and his cousin Mike Fortich just before the first National Assembly elections.¹⁵ Backed by BUSCO's owners, Zubiri launched his political career and won his first term in parliament under Marcos's KBL party in 1984.

¹⁵ Interview with Mike Fortich, Quezon, Bukidnon (1992).

Because he was beholden to Benedicto, and in need of KBL's machinery and funds, Zubiri maintained his KBL membership and supported Marcos in the 1986 presidential elections. This campaign pitted Zubiri against Governor Fortich, who bet on Corazon Aquino's *Lakas ng Bansa* (LABAN) Party after almost two decades of association with the Marcoses. When Governor Fortich had to resign from office after the 1986 uprising, he was replaced by Benjamin Tabios's younger brother, Ernesto Tabios, as interim governor. Ernesto was then the emerging leader of the opposition supported by the Catholic Church and cause-oriented groups. In the 1987 elections, a tactical alliance formed among various political families and administration candidates sealed the election of Zubiri and Violeta Labaria-Tabios as congress representatives, Ernesto Tabios as governor, and Lorenzo Dinlayan as vice-governor, beating all Fortich-supported candidates. Fortich tried to recapture political control of the province by fielding his wife Amor de Lara Fortich as candidate for vice-governor and running mate of their gubernatorial candidate, Timoteo Ocaya. Under the de facto Tabios-Dinlayan-Acosta-Zubiri coalition, Tabios beat Ocaya and Dinlayan defeated Amor Fortich by a wide margin of 59,278 votes.

The brief interlude of the reign of the Tabioses occurred at a time when many politicians tainted by association with the Marcoses decided to hibernate before switching party affiliations. Ernesto Tabios and his sister Violeta had both worked in the private sector before entering politics. They were not populists and had a strong managerial style in their political dealings. Ernesto had less patience with "pat-and-talk" politics and, thus, failed to nurture local power brokers and consolidate his base. He employed consultants and technicians, preferring to administer packaged programs and services instead of outright pork barrel spending. He spent considerable time in Manila to pursue funding for his NGO and private foundation projects, particularly the Bukidnon Socio-Economic Foundation (BSEF) and the Integrated Area Development Management Program (IAD), and funds poured into these pet projects. BSEF's lifeblood was the provincial government's funding assistance to farm cooperatives. IAD enabled Tabios to cultivate grassroots support by conducting consultations in every *barangay*, thus boosting his candidacy in 1987.¹⁶

Meanwhile, after President Aquino closed the National Assembly in 1986, Zubiri concentrated his efforts on the reconsolidation of his political base in the third district. In 1987, he abandoned the Marcos-supported KBL and ran as a candidate of Aquino's Liberal Party-LAKAS coalition and helped convince Socorro Olaivar-Acosta to run for political office as congress representative of the second

¹⁶ Interview with Gov. Ernesto Tabios, Provincial Capitol (1992); also in *CMN* (May 1992b).

district.¹⁷ Zubiri later left the Liberal Party-LAKAS coalition to join the new administration party formed by Aquino, the *Laban ng Demokratikong Pilipino* (LDP). When the LDP split in 1991 between those who supported House Speaker Ramon Mitra and those who went with Cory's choice, General Fidel Ramos, Zubiri remained with Mitra but maintained close links with municipal elites within and outside his district who ran in the 1988 local elections. Political observers in the provincial capital noted that 14 out of the 22 elected mayors in 1992 were Zubiri's men, attending meetings called by Zubiri more frequently than those called by Governor Tabios. Zubiri's affiliation with the LDP, however, was only temporary. The re-alignment of political forces in preparation for the 1992 general elections had modified local alliances in Bukidnon. Since the incumbent Governor Tabios was the LDP's standard bearer, Zubiri could remain an LDP candidate for the third district, but could not play the role of provincial power broker. When he was approached by Danding Cojuangco to organize the NPC ticket in Bukidnon, Zubiri left the LDP to become the Cojuangco-backed power broker in the region.

With the LDP's formation as the official administration party, LAKAS became moribund until it was resurrected by presidential aspirant Fidel Ramos as the LAKAS-EDSA-NUCD. Although Dinlayan was president of the Bukidnon chapter of LAKAS, the national LAKAS-NUCD fielded Carlos Fortich for governor. The marginalization of Dinlayan by Ramos's party came after Fortich had a conference in Manila with LAKAS officials, particularly Emilio "Lito" Osmena of Cebu, a distant relative of Fortich by intermarriage who became the vice-presidential running mate of Fidel Ramos and approached Fortich to form a Bukidnon ticket under LAKAS. Left without a party, Dinlayan revived the local KBL chapter, not under Imelda Marcos but under the splinter faction of Vicente Millora. With neither personal wealth nor the backing of a national political party, Dinlayan was abandoned by his supporters once they realized that he could not survive the political race, where money and machinery matter most.¹⁸

The 1992 elections were actually a three-cornered fight between major power brokers—Governor Carlos Fortich, Governor Ernesto Tabios, and Congressman Jose Ma. Zubiri. However, its results indicated a considerable decline in the political influence of the Fortich and Tabios families, and the undisputed reign of Zubiri as Bukidnon's leading power broker. All members of the Tabios clan,

¹⁷ Interview with Jose Ma. Zubiri, Congress Rep. (1992). Congress Rep. Acosta, elected in 1988, 1992 and 1995, has a rather unusual background for a politician. She has a Ph.D. in food production technology from Iowa State University while her husband has a Ph.D. in plant breeding from the University of Hawaii and is senior manager of the Research Department at Del Monte.

¹⁸ Interviews with Lorenzo Dinlayan and Carlos Fortich, Jr., Malaybalay (1992).

including Ernesto, who ran for governor, and his sister Violeta, for the second district representative, failed to get re-elected. Of the several Fortich candidates, only Carlos Fortich, Jr. won, by a slim majority, over his rival for governor. His cousin Michael Fortich ran under LDP but lost to NPC candidate, and Zubiri's teammate, Carlos Leonardo Sr. Another cousin, Antonio Fortich, lost his seat as provincial board member in the third district. The most humiliating defeat was suffered by another cousin, Roberto Montalvan, who ran under the Tabios-led LDP party but was supported by the Fortich clan, who junked their own candidate in the third district. Despite the combined Fortich-Tabios support, Montalvan was still defeated by Zubiri by a margin of almost three votes for every vote he received. In contrast, Cojuangco's NPC, led by Zubiri, almost swept the major seats, losing only the governorship. The NPC's Nemesio Beltran was elected vice-governor. Eight out of ten members of the provincial board were NPC candidates as well as 17 out of 22 elected mayors and 2 out of 3 winners of congress seats.¹⁹

Zubiri's political entrepreneurial strategies have drastically altered the rules in Bukidnon politics, and campaigns now require more money and better machinery. In 1995, Zubiri cleverly dissociated himself from Cojuangco and affiliated with President Ramos's LAKAS-NUCD in order to remain close to the main patronage referees. Fortich, on the other hand, regained his seat as provincial governor by a small margin over his closest rival. Fortich, Zubiri, and Tabios are likely to face each other again in the coming elections, or at least indirectly through candidates they support, but they will also meet strong challenges from younger politicians. If these new, younger contenders are to succeed, or if the Tabioses and Fortiches are to make a political rebound, they will have to match Zubiri's political entrepreneurship strategies.

Opposition to agrarian reform

Kinship relations, economic wealth, and party/patronage control remain important instruments of oligarchic rule mainly when they are used to acquire political power and wield that power to block democratic attempts and legislative proposals for political and socio-economic reforms. Success is interconnected with the exploitation of political symbols, mobilization of mass movements, appropriation of foreign development aid for political ends, and the astute management of political violence, strategies which are employed by elites in other provinces (see Angeles 1995; McCoy 1993).

The obstruction of reform through the combined use of legislative power, manipulation, and violence at various levels of politics is

¹⁹ Interviews with Rep. Jose Zubiri, Batasang Pambansa and Rep. R. Tilanduka, Malaybalay (1992).

clearly demonstrated in the way Congress and landlord organizations have historically blocked the passage of a truly comprehensive and redistributive land reform (Putzel 1992). It is also manifested in the degree to which provincial and local elites in government have impeded the implementation of land reform laws, watered-down as they already are, by working through the bureaucratic and judicial systems. Oligarchs also block meaningful reform of fiscal processes and proposals, particularly the expansion of the tax base that would involve increasing taxes paid by the rich, landowners, and corporations. Agricultural land taxes have remained minimal, while proposals to tax idle lands, to increase direct taxes on real estate, corporate incomes, dividends, and capital gains, and to update property assessment values to 1983 levels have met strong opposition, forcing the Aquino government to stop cabinet discussions of the proposals in 1986 (Montes 1991:64). Although agricultural land taxes are low, landowners do not invest in their land because of the perennially low prices for agricultural commodities, the long delay in realizing profits from investment in agriculture, and the greater rates of return from non-agricultural activities, especially financial and other service-related (not manufacturing) industries. The tax base has been enlarged by increasing indirect sales and value added taxes, which can be passed directly to consumers, and hence, worsen the already regressive tax structure. Under a progressive tax structure, low-income groups would pay less while the rich are taxed more, but in a regressive system, the poor are taxed more than the rich relative to their incomes.²⁰

Legislative proposals to prevent the concurrent occupation of corporate and government positions have also met fierce resistance in Congress ever since the early post-war period. The absence of stiffer penalties on graft, corruption, nepotism, and conflict of interest, in combination with a lack of effective implementation of existing laws, has left the use of political power and rent-seeking privileges to enhance private business interests or arrange business dealings with the government uncurbed. But political power is exercised by oligarchs not only in negative ways, i.e., to block reforms and use force or repression, but also in “productive” ways that reproduce social relations and assist in the modification of ongoing discourses and relations to preserve the pattern of class power and domination.²¹ This is best seen in the elites’ exploitation of symbolic social capital by building huge residential houses, approving the use of their names in schools, hospitals, church pews, and list of donors to numerous social and charity functions, or encouraging their con-

²⁰ For details on Philippine fiscal policy and policy-making processes, see Montes (1991).

²¹ As Foucault (1980:119) explains his deconstructionist conception of power: “What makes power hold good, what makes it accepted is simply the fact that it doesn’t weigh on us as a force that says no but that it traverses and produces things, it induces pleasure, forms knowledge, produces discourse.”

stituents to call them “*Kuya*” (big brother), “*Mamang*” (mother) or “*Ate*” (big sister), thus suggesting fictive kin ties that transcend relations of political expediency.

New economic entrepreneurs in Bukidnon view the agrarian interests of Bukidnon’s landed politicians as the main obstacle to industrialization in their province. They do not, however, connect the issue of economic diversification and rural industrialization to the structure of land ownership. Bukidnon’s landed politicians and entrepreneurs alike rarely see economic benefits in land reform; some even blatantly obstruct its implementation. As capitalists who are simultaneously landowners, they oppose increases in taxes on both agricultural lands and business operations. Until the early 1990s, holders of pasture lease agreements (PLA) on government lands only paid an annual fee of one peso per hectare of pasture land. Agricultural land tax rates have remained low, at one percent of the assessed, not market, value of the land, which could be easily underestimated. Taxes on business operations have also remained minimal, thus reinforcing an already regressive taxation system.²²

The case of Ozamis Agricultural Development, Inc. (OADI), owned by the Ozamis-Fortich clan until the 1980s, shows how landed families have managed to evade paying high agricultural taxes. As of 1992, OADI had 1,023.733 hectares of privately titled land, according to data from the Provincial Agrarian Reform Office. In 1953, OADI owned the same quantity of land, located in the fertile areas of Quezon, with an assessed value of 30,710 pesos, a very low valuation even at 1950s levels. A religious institution, the Philippine Mission Corporation of Seventh Day Adventists, owned a comparable 1,024 hectares but had an assessed value of 184,920 pesos, and Shaon Farms Corporation owned 1,023 hectares, assessed at 97,160 pesos. (Sorongon, 1955:4, Appendix). Thus, OADI’s assessed land value in the 1950s was one third that of Shaon Farms and one sixth of the Philippine Mission Corporation’s, despite similar land size. The Fortiches are widely known to oppose land reform in their writings and public pronouncements.²³ Due to his political position and kinship connections, Governor Fortich was able to eject some 340 members of the BULCAN farmers’ organization from his Colonia estate in Valencia in 1992.²⁴ The actual size of the Fortiches’ private landholding has also been questioned since most of the land claimed by the Fortiches are still listed as public lands. Fortich’s brother-in-law, Dante Sarraga, appointed undersecretary

²² Interview with Pablo Durias, Assistant Provincial Treasurer (1992).

²³ In his paper “Comprehensive Agrarian Reform Program,” Carlos Fortich (1987) stressed the uniqueness of Mindanao as a region of migrant settlers who started as small landowners. He also emphasized that most rural people are poor because of their “ignorance, poor education, not eating the right kinds of foods” and especially because of the young people who do not wish to continue farming.

of the Department of Environment and Natural Resources (DENR) by the Aquino administration in 1986, was believed to have had a hand in delaying the DENR's decision to declare that Fortiches' lands were government property and, therefore, could only be placed under pasture lease agreements. If the land is declared "alienable and disposable," the Fortiches will have to secure title and then place the land under the Comprehensive Agrarian Reform Program (CARP).

One of the most open and vocal critics of the Fortiches' opposition to land reform is Congressman Jose Maria Zubiri. Since CARP's implementation in 1987, he cancelled his lease on 3,000 hectares of pasture lands and appointed some 250 family-beneficiaries to 800 hectares of agricultural lands and placed the rest under the Integrated Social Forestry Programme (ISFP), ostensibly for reforestation, leaving him with 110 hectares of agricultural land and 500 hectares of pasture land for his cattle.²⁵ Zubiri's support of land reform does not negate his landed origins and interests in land acquisition. Instead, it suggests his recognition of land reform as a populist concern and, more importantly, as an issue upon which to anchor his criticism of the Fortiches. His actions also suggest that he relies less on the clientelist networks created around the traditional agrarian class structure, which is being eroded by capitalist penetration, than on patronage relations built around the combined and effective use of political party machinery, state resources, community or neighborhood associations, and welfare organizations.

Discussion and conclusions

How do the above strategies of political resilience employed by the landed oligarchs relate to the question of agrarian transition in the Philippines? From our discussion, it is clear that this class of landed oligarchs contributes to the social forces that block the agrarian transition in Bukidnon and other Philippine provinces. The agrarian nature of Bukidnon's economy has provided landed families a relatively stable base from which to project their power, but land is not essential to oligarchic survival. Without effective strategies for

²⁴ On November 26, 1991, BULCAN members occupied Fortich's estate, claiming that the area was covered by CARP and that the Departments of Agrarian Reform and Environment and Natural Resources had not taken any action to enforce the law. Fortich filed a case for ejection with the Municipal Trial Court and the judge presiding over the case granted a writ of preliminary injunction after members of BULCAN failed to appear during the hearing. BULCAN members claimed that the municipal court had no jurisdiction over the case (*CMN* December 1991:1-2).

²⁵ Interviews with Jose Ma. Zubiri, 1992 and Emil Sumagang, head of the provincial DILG, 1992. Data from PENRO in Malaybalay, however, did not show Zubiri as among the holders of forest and pasture land agreements. Neither was he included in the 1990 DAR list of landowners.

capitalizing on state patronage and party machines, the rise of Zubiri as a power broker and the prolonged political domination of the Fortiches would not have been possible. The strategies of rulership they exercise—from their opposition to progressive legislation to their investment and consumption patterns—retard the process of industrial development. Thus, a “landlord path” similar to the Japanese model of agrarian transition is unlikely to occur in the Philippines, given the failure of landed capitalist families to develop huge, vertically integrated, agro-industrial complexes and the disadvantaged positioning of their produce (rice, sugar, coconut, corn) in world commodity chains. The diversification strategies of oligarchs are shaped by policy regimes that can either create or dampen opportunities for further diversification of the national economy. Filipino landed elites have diversified mainly into essentially non-manufacturing and non-productive investments, such as real estate, that contribute little to industrialization. In other words, their investment choices have involved the recycling of old money, or worse, the expansion of rent-seeking activities, without creating new wealth, jobs, or capital or establishing forward and backward linkages with other domestic industries and sectors.

If the “landlord path” to agrarian transition is not likely, would the “peasant path” be possible? Byres (1991:61) notes that the peasant path to agrarian transition may be a possibility in poor countries provided there is “a sustained struggle by peasants” supported by “a powerful state, with the capacity to move against the social, political and economic power of a strong landlord class.” This peasant path however, does not necessarily lead to capitalist accumulation, not the least because of possible peasant resistance to incorporation in the circuit of “capitalist commodity relations and class differentiation” (Bernstein 1997:36). In the Philippine case, given the historical weakness of peasant organizations, which, in different junctures and locations, have been coopted by powerful landed interests, repressed by military forces and landlord-sponsored paramilitary groups, or fractured by squabbles within the left movements to which they are connected, the peasant path is unlikely to take shape.

The problem of identifying the potential path to agrarian transition is further compounded by persistent patrimonial trends in the history of state-oligarchy relations and the strong urban industrial bias of state development policy. Patrimonial trends in state-oligarchy relations were most clear in the kleptocracy of the Marcos regime and the continued rent-seeking of landed capitalists in the post-Marcos administrations. The urban industrial bias of state development policy, which started under successive post-war administrations and became more pronounced under the Aquino and Ramos administrations, presents unfavorable conditions for land-

owners. As governments meet the demands of international creditors and multinational interests by increasing interest rates and opening markets to investors, landed capitalists try to maneuver within the constricted space available to them in an era of global political and economic restructuring, by intensifying their rent-seeking activities, and focusing on their local financial and trading networks. State-connected landed capitalists have contradictory interests that make them hesitant to use their state powers to tax commerce and industry to support the agricultural economy, or to tax rent-seekers (i.e., themselves) in order to enlarge the revenue base and support job creation. The result of such fiscal policy is stagnation in both domestic industry and agriculture. This stagnation produces high rates of unemployment, dampens local consumer demand, constricts the already narrow domestic market, and makes overseas migration a lucrative option for many Filipinos. Thus, the problems generated by almost 20 years of authoritarian rule and the effects of global economic restructuring have presented the landed capitalist class in the Philippines with limited choices for accumulation, forcing them to depend heavily on state patronage and other neo-patronal strategies which do not promote industrialization.

This discussion suggests that the political dimension in the agrarian question in the Philippines will have to be resolved by political means, starting with the democratization of the political economy. This could lead to a widening of access to state resources to enable popular organizations to act independently (i.e., outside the influence of oligarchic interests). Increasing marginalized groups' capacity for and access to political power and state resources could be the first step towards creating consultative and participatory processes essential to economic solutions. These solutions should prioritize agrarian reform and sound fiscal policies that would restructure the national budget and widen the tax base to support social programs. Democratization through popular participatory processes could also challenge the prevailing political culture of patronage, and create alternatives to the present political system, particularly its legislative, electoral, and party institutions.

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