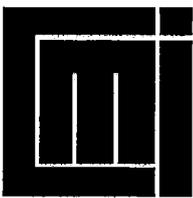


# **Coconuts and Cultivation in the Philippines**

A Study of Social Formation in  
Candelaria, Quezon Province

Guro Skåre

R 1995: 4  
December 1995



**Report**  
Chr. Michelsen Institute  
Bergen Norway

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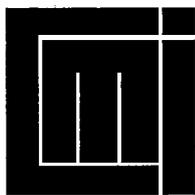
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## **Indexing terms**

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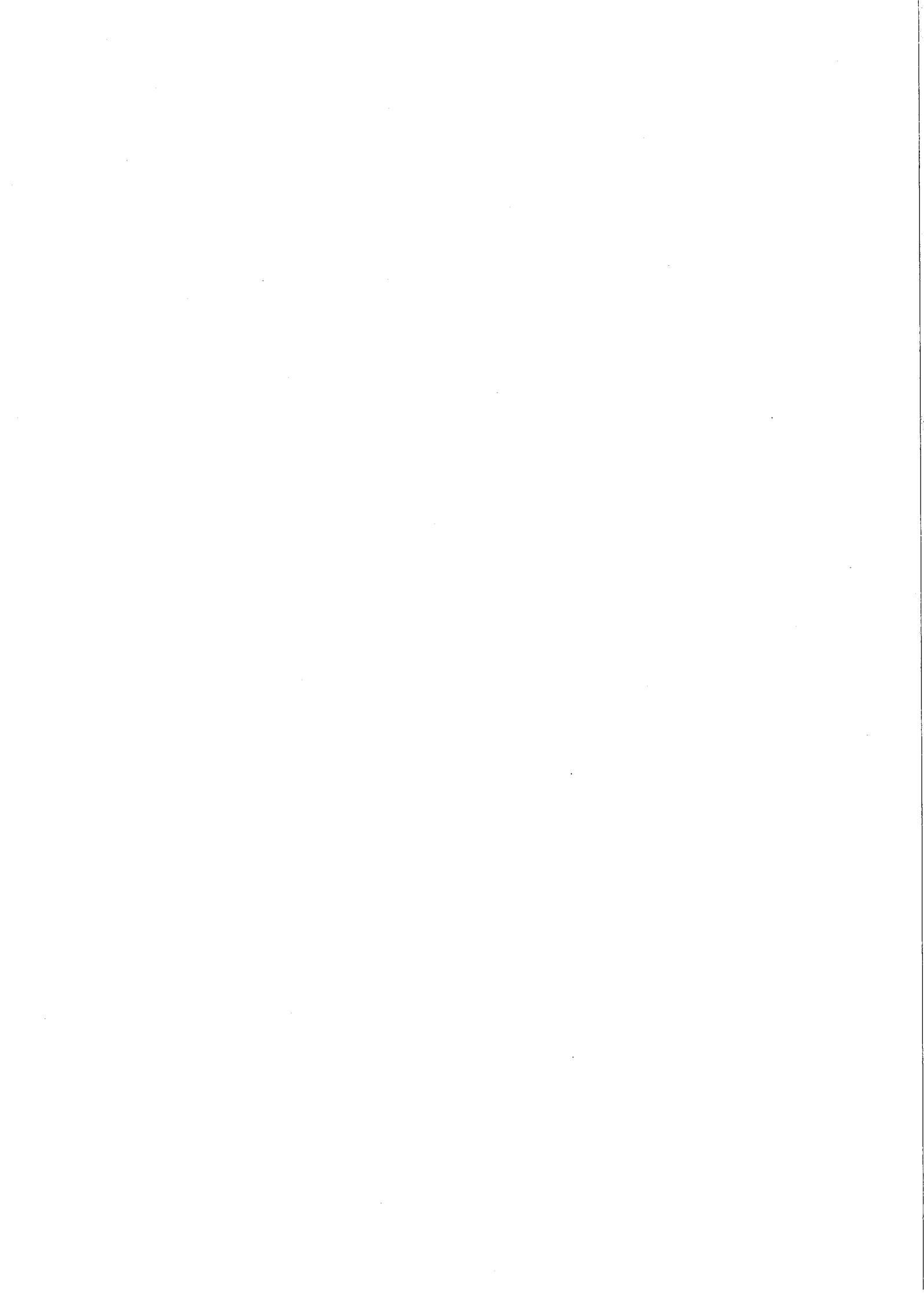
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All the time this work has been the major part of my life, mum and dad have been the most wonderful “private secretaries” and supporters, when things seemed too big to conquer.

I hope my work is not in vain. Thank you all for your patience, interest and understanding — Maraming Salamat!

# Abbreviations

AFP	Armed Forces of the Philippines
CAFGU	Civilian Armed Forces Geographical Units
CCSF	Coconut Consumers Stabilization Fund
COCOFED	Philippine Coconut Planters Association Inc <sup>1</sup>
CPP	Communist Party of the Philippines
EC	European Community
FEAR	Far Eastern Economic Review
HBM	Hukbong Magpagpalaya ng Bayan (Army of National Liberation)
HUK	See HUKBALAHAP
HUKBALAHAP	Hukbo ng Bayan Laban sa Hapon (Peoples Army Against Japan)
IRRI	International Rice Research Institute
JUSMAG	Joint US-RP Military Advisory Group
KMP	Kilusang Magbubukid ng Pilipinas (Peasant Movement of the Philippines)
KMU	Kilusang Mayo Uno (First May Movement)
KPMP	Katipunan Pambansa ng mga Magbubukid ng Pilipinas
NEDA	National Economic Development Authority
NDF	National Democratic Front
NGO	Non Governmental Organization
NPA	New Peoples Army
PCA	Philippine Coconut Authority
PCARR	Philippine Council for Agriculture and Resource Research
PCGG	Presidential Commission on Good Government
PKP	Partido Komunista ng Pilipinas
PO	Peoples Organization
PNB	Philippine National Bank
RA	Republic Act
RP	Republic of the Philippines
UCAP	United Coconut Association of the Philippines

<sup>1</sup> Changed to the Philippine Coconut Producers Association Inc. in 1974.

UCPB  
UNICOM  
TFDP

United Coconut Planters Bank  
United Coconut Mills  
Task Force Detainees of the Philippines

## Glossary of non-english words

The field work was conducted in an area where Tagalog is the most common language. Tagalog derives from a malay-language, but has several Spanish or Spanish-like words. The pronunciation of Tagalog words is fairly easy for Europeans, since it is very similar to the pronunciation of Mexican Spanish. In words with two consonants, both are normally pronounced with equal weight, as in *tapasaan*; *tapasa-a-n*.

<i>baliktad</i>	“Turned around”, a sharing system giving 70 per cent of gross output to the tenant
<i>barangay</i>	Village community
<i>bolo</i>	Long-bladed knife
<i>buko</i>	Young, green coconut
<i>cabezas de barangay</i>	Head of the barangay. Local official
<i>cantina</i>	Eating-place provided for the sugar-plantation workers
<i>carabao</i>	Water buffalo
<i>contratista</i>	Recruiter of sacadas
<i>coprahan</i>	Place where the copra is made
<i>creoles</i>	See insulares
<i>dumaan</i>	Tenant at sugar plantation
<i>encomienda</i>	Formally state owned tenant-based plantation
<i>hacienda</i>	Privately-owned tenant-based plantation
<i>haciendero</i>	Owner of hacienda
<i>harabas</i>	A 10-12 meter long pole with a sickle at the end. Used for nut-picking. Also called kawit
<i>ilustrados</i>	Middle-class Filipinos during the colonial period
<i>indio</i>	Old name for a Filipino native
<i>inquilinos</i>	Overseer and representative of the haciendero for the tenants
<i>insulares</i>	Philippine-born Spaniards (“islanders”)
<i>jeepney</i>	Vehicle modeled after American military jeeps present in the Philippines during the second world war. The most common car for both private and public transportation

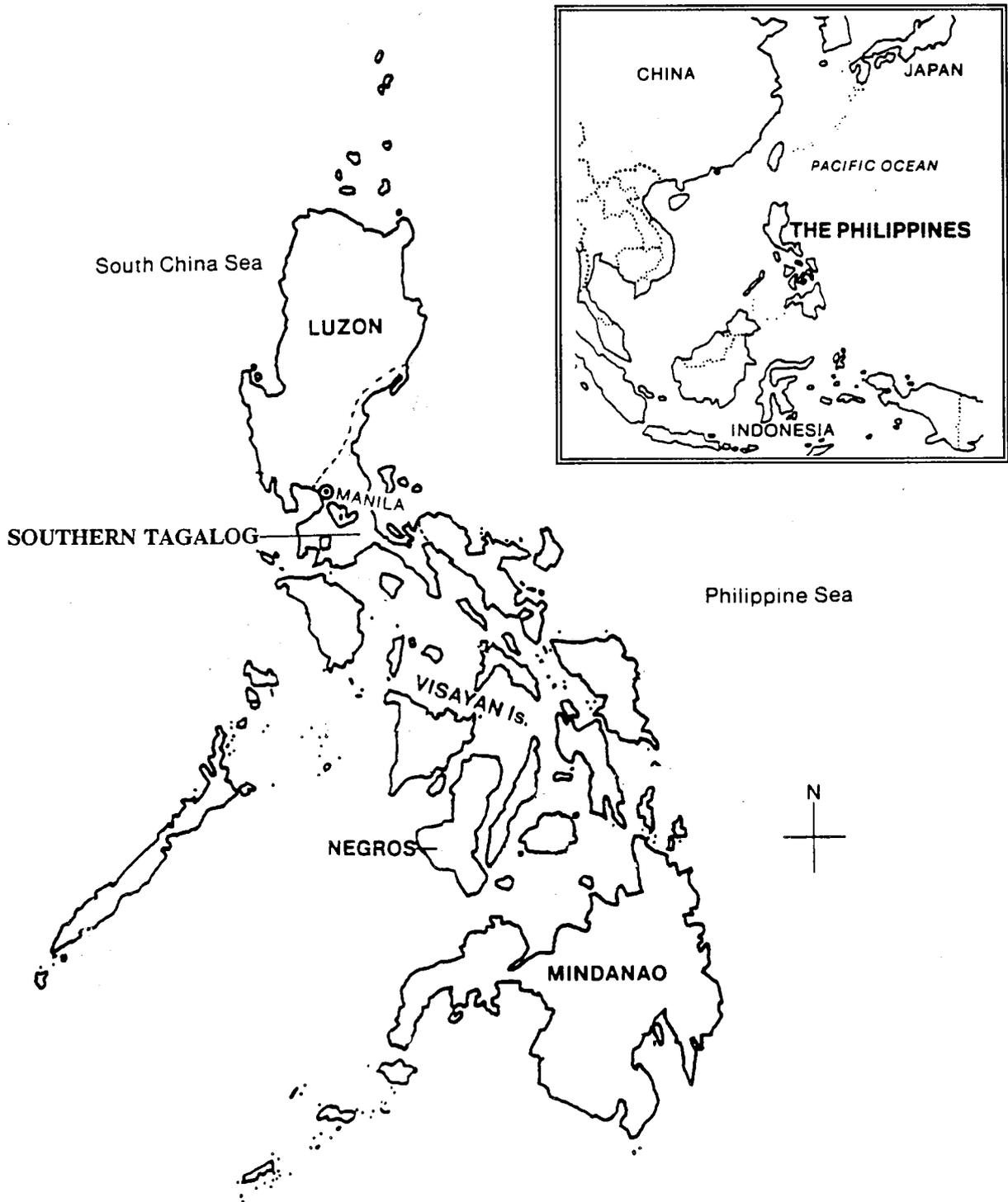
<i>kaingin</i>	Slash-and-burn agriculture
<i>kariton</i>	Cart for horse
<i>kasama</i>	Used as a term for tenants. The literal meaning is comrade, as well as together.
<i>katiwala</i>	Overseer, local Candelarian word
<i>kawit</i>	See harabas
<i>lambanog</i>	Coconut liquor
<i>langisan</i>	Old-fashioned oil mill
<i>mestizo</i>	Mixed race Filipino, most commonly Chinese and Spanish mestizo
<i>palay</i>	Un-husked rice
<i>pakiaw</i>	Wage-payment per piece, per kilo or per 1000
<i>pangayaw</i>	Casual worker in the sugar producing sector
<i>pangipon</i>	1-1.5 meter long stick with a hook at the end. Used for collecting coconuts
<i>paragas</i>	A very simple cart with no wheels but with skies or rails underneath. Drawn by a carabao
<i>peninsulares</i>	Iberian-born Spaniard
<i>principales</i>	Indigenous notable in the Spanish colonial period
<i>sacada</i>	Migrant sugarcane harvester. Farm worker
<i>sari-sari store</i>	Small variety store. Very common in the Philippines
<i>suki</i>	Commercial transaction where the market-mechanisms are imperfect. Leads normally to lower prices but more stable markets. On the farm level
<i>tapahan</i>	Old-fashioned coprahan
<i>tapasaan</i>	A ground-based axe or spear, used for de-husking the coconuts
<i>tawad</i>	A special haggling system, where only half of the final price is directly paid the salesperson
<i>utang na loob</i>	Debt of gratitude

Prices referred to in this thesis are normally referred to in pesos, the currency of the Philippines. The exchange rate to US dollars varied during the stay, but the average exchange rate in 1991 was roughly 25 : 1, i.e; 25 pesos per US dollar.

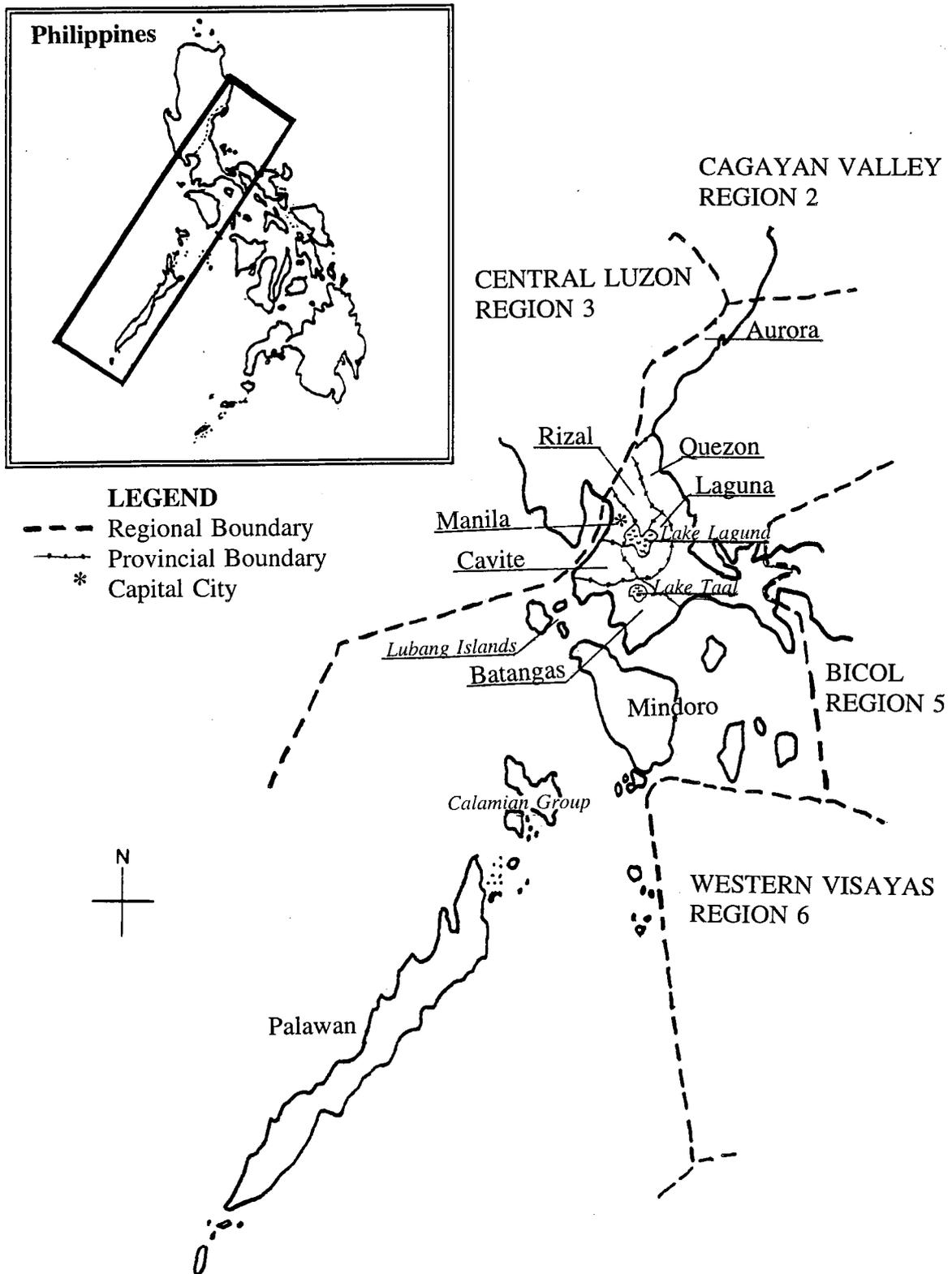
The terms *Filipino* and *Philippine* are used as they do in the Philippines; when something “personalized” (as a person, a folk-culture) the term *Filipino* used, otherwise; *Philippine*.



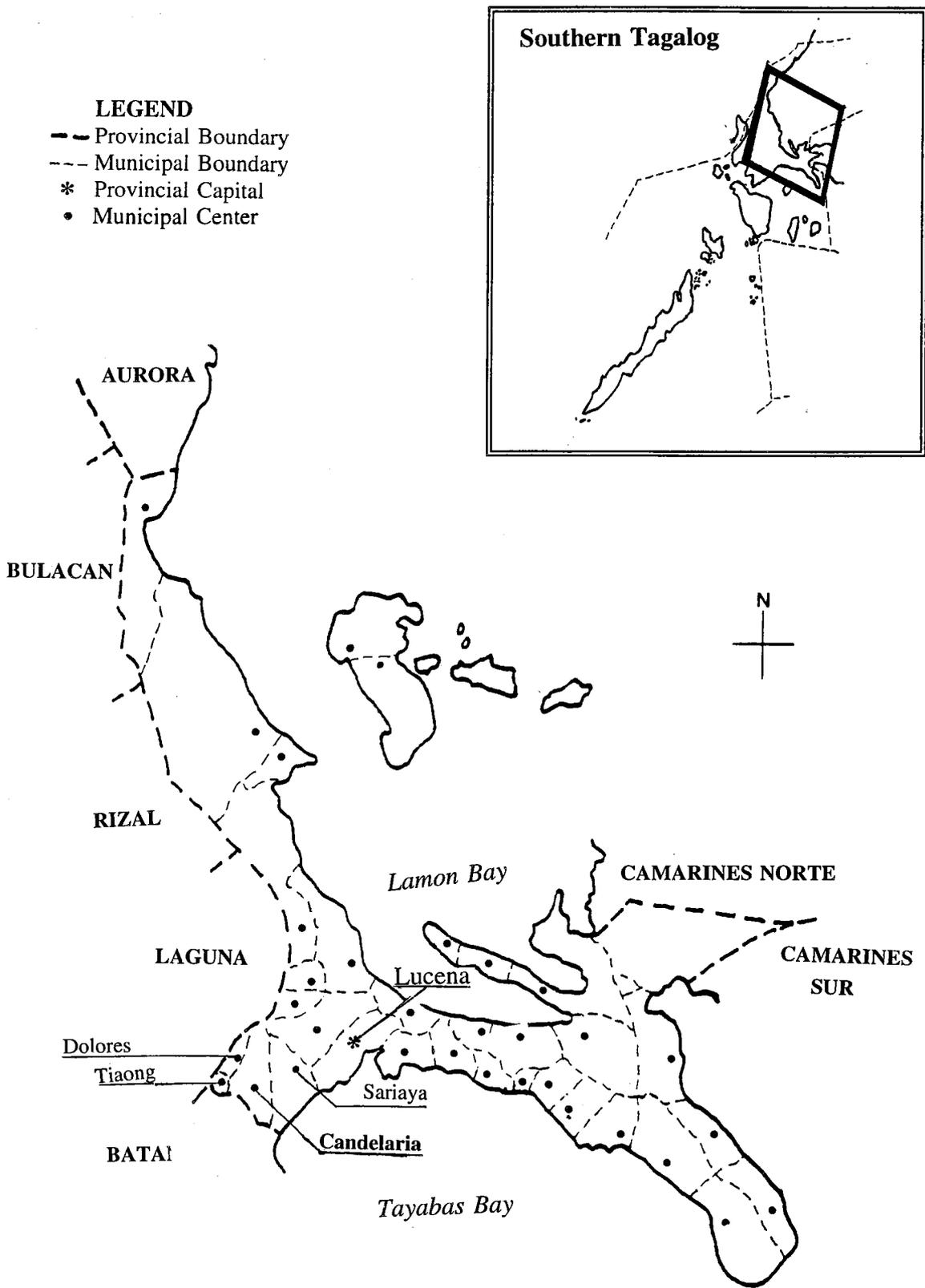
# Map 1 The Philippines



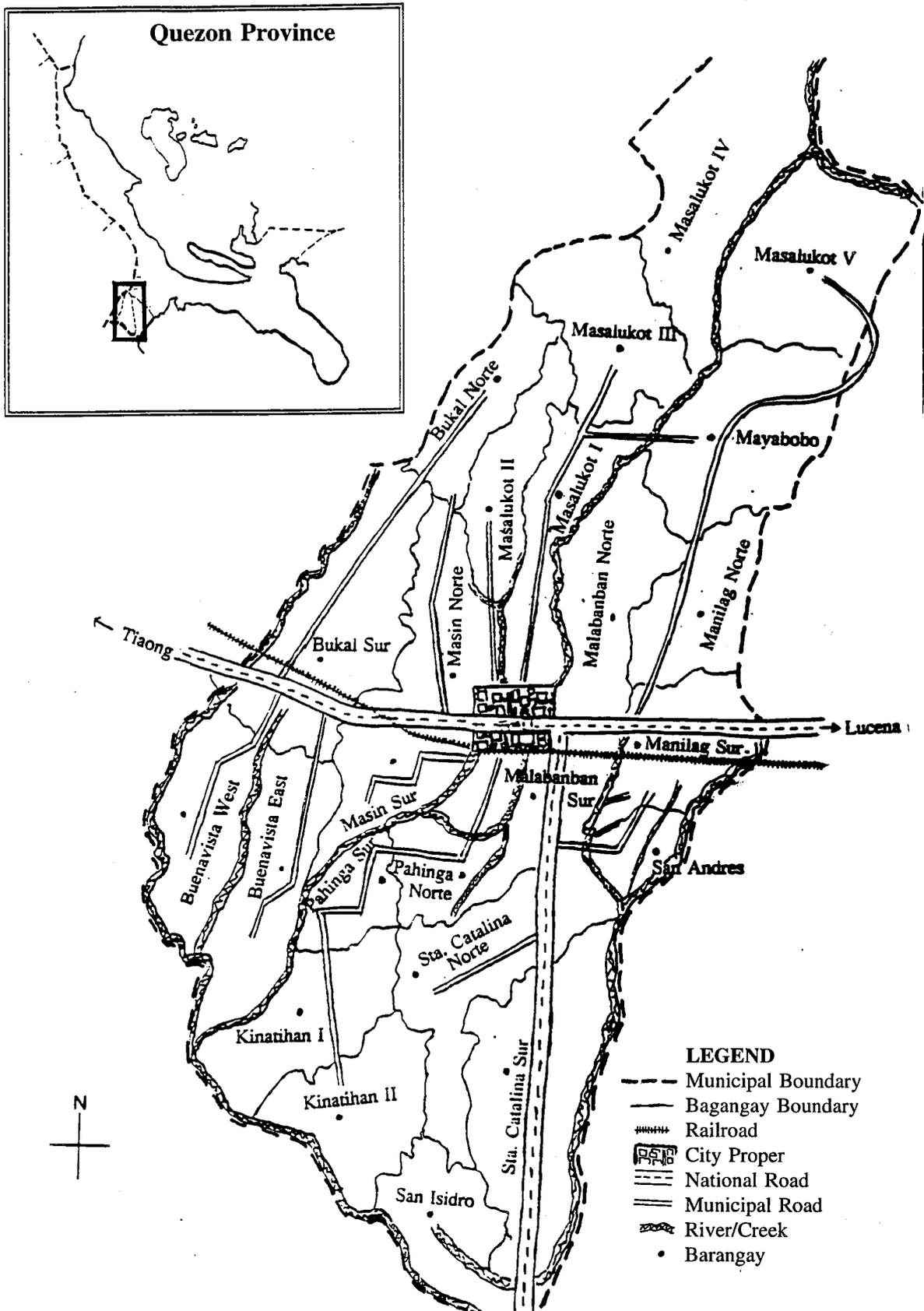
Map 2 Southern Tagalog, Region 4



# Map 3 Quezon Province



Map 4 Candelaria



# 1. The Philippines, the coconuts and the peasantry

## 1.1 Coconuts in the Philippines

On January 22, 1987, approximately one year after President Aquino came to power, impatient peasants marched in the streets of Manila to protest the lack of land reforms, which had been promised by President Aquino as well as by former presidents. They were answered with gunshots from the military's M-16s, killing twenty-two peasants in front of the Presidential palace at the Mendiola bridge. Several of these peasants were coconut producers. About 1/3 of those engaged in agricultural production in the Philippines, produce coconuts.

The land reform law was presented the following year. According to the largest peasant organization in the country, *The Kilusang Magbubukid ng Pilipinas* (KMP), the land reform offer no positive impact on the peasantry. The payments for land, demanded from the beneficiary peasants are either too big to handle for poor peasant families, or the loopholes in the law are so demonstratively large that any landlord easily can exempt his land from the land reform bill (KMP 1988).

A study tour to a variety of provinces in the Philippines in 1989 left me with a similar conclusion. The peasants were poor as they always had been in the Philippines and most of the respondents, representing all the major agricultural sectors were as landless as always. More importantly, the insurgency in the country, which should be seen as a result of the desperate economic situation for the majority of the people, seemed persisting, recruiting widely among the peasants to fight the present regime with all possible means.

It is not only in the Philippines that the agrarian sector suffers from a seemingly constant economic and political crisis. Peasants throughout the third world are denied the resources needed in order to create a decent life with democratic rights. A peasant family, at least in the Philippines, works extremely hard to obtain their necessary means of livelihood. The problem is that they hardly receive anything for their efforts in providing both the domestic and international market with agricultural goods. In order to understand this, it is necessary to look into the arrangement of the work

performed, and the relation the peasants have to production. This is the entry point for this research on coconut production in the Philippines.

The coconuts in the Philippines are important both in terms of the national income derived from the coconuts and also for employment. The national economy has over the last ten years been facing severe problems because of declining international prices on coconuts. The Philippines is the largest coconut exporter in the world (Lactao 1990 b). This export item constituted approximately 7 per cent of the total export income in 1989 (Republic of the Philippines 1990), and is the single largest export item in terms of value in the Philippines. Of the ten principal export articles, which in 1989 counted for 36 per cent of the total export value, three are major coconut products, i.e; copra, coconut oil and desiccated coconuts (Republic of the Philippines 1990). At least 20 million people depend on coconut production for a living. Their living standard has not improved with better international prices. They were poor when the prices were relatively good and are poor today. Perhaps they are made even poorer from a higher cost of living.

Development research should always be done as an effort to understand and improve the situation for the poor. The study of fluctuations in international prices is not the major factor for this thesis. Rather, the poverty of the coconut producing peasantry is assumed to be rooted in the production sphere itself. This production governs the social, political, economical and cultural relations, i.e; a total social formation. By analyzing this social formation, it should be possible to identify the causes for poverty and thus create a necessary basis for change.

## **1.2 The Philippines**

The Philippines is an archipelago in South East Asia, bounded by the Pacific Ocean, the Chinese Sea and the Celebes Sea (Map 1). The country, approximately 300,000 square kilometres in size, consists of 7,100 islands, about 100 of which are inhabited. The people counted around 62 million in 1990, with an annual growth-rate of 2.3 per cent. The Filipinos communicate in more than 100 different languages and dialects. The national language, Filipino, is based on the dialect Tagalog which is a language derived from ancient Malay and influenced by Spanish.

The Philippines is rich in natural resources. Iron, gold, copper, nickel, chrome and other minerals are found in substantial amounts. A mountainous terrain with rich water supplies and a tropical climate makes the country suitable for agriculture during the whole year. The rainforest, once significant in size has been reduced by 80 per cent. The rate of

deforestation is 5.4 per cent yearly (George 1992). Many of the mountains are volcanic. The Philippines lies on the border of the Philippine plate and experiences both earthquakes and volcanic activities. This thesis will reveal that the dramatic events in the mountains are not only caused by the core mantle activity but also by the happenings on the surface of the land. A civil war is going on in the Philippines. This is a war between those who have and those who have not. The majority of those who have nothing are peasants.

To understand contemporary Filipino society, particularly contemporary social formations, it is necessary to investigate its social history. The Philippines have been under colonial rule for more than 400 years. In the period after independence in 1946, the economy has been characterized by the export of raw materials or light manufactured agricultural goods and a stagnant domestic-oriented manufacturing sector. The ties to the former colonial empire is still tight, through American dominance and control of Philippine economy and therefore also Philippine culture.

At this point it is useful to emphasise that the Philippines is a nation of contrasts. The majority of the population are poor. This economic situation has led to a massive flight away from the countryside to the urban centres and shanties as well as abroad. Women flee unpaid work on the farm or elsewhere, to work abroad as maids, entertainers and prostitutes, but also as educated employees. However, they do not flee their family responsibilities. The main reason for going abroad is not their personal happiness. It is a search for funds to their family at home. The women sell themselves on the altar of family-responsibility. Almost 500,000 Filipinos were registered to work abroad in 1989 and of these 34 per cent are characterized as service workers, i.e.; maids and so-called entertainers (Republic of the Philippines 1990).

Not only individuals but also entire families migrate. The new homes of the former peasants can be seen along the highways in Manila. The urban shanties are made of paper, corrugated sheets and cardboard while the rural version is made of nipa and other plant material. Manila, the capital city, has an infrastructure designed for only two million people, but a population of more than eight million people (Putzel 1992). When it rains, it floods. When it floods the poor lose the houses of cardboard and perhaps their lives as well.

On the other side there are those Manileños who do not share the reality of their urban poor. They have their own gardens, sometimes with golf-links and often with swimming pools. Their houses are well guarded, and unbreakable walls with broken glass and barbed wires on top secure them from the reality outside. A large proportion of the spending of these rich

families is on imported luxury goods. Many of these rich families drain the capital from the coconut production.

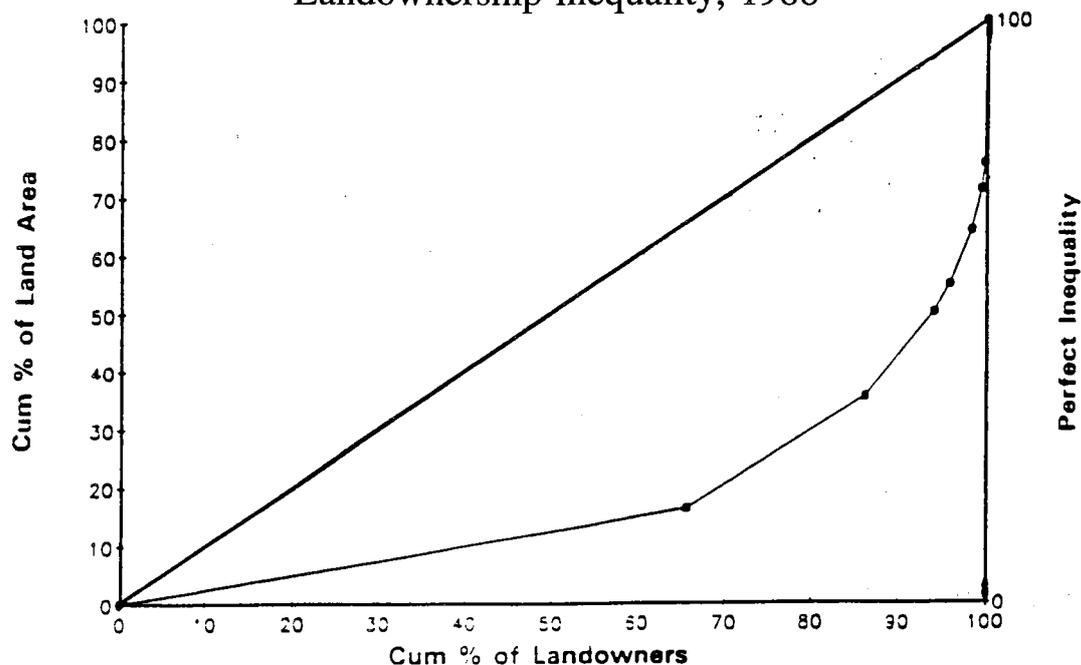
The Philippines received the attention of the world media in 1986. The long time dictator Ferdinand Marcos was ousted by millions of mobilized civilians. His period as a President was recognized as dictatorial, supporting a patronage system the world has seldom seen so unmasked, so blatantly self-centred. The new President Aquino was the widow of Benigno Aquino, the head of a family dynasty that opposed Mr. Marcos. She had seemingly the support of a whole world when she entered the national stage as a president with the agenda of creating democracy in the Philippines. It is still fair to claim that 60-100 families rule the country, as before. A total of 83 per cent of the new members of Congress in 1986 were familiar political faces, or close relatives of those dynasties ruling the country during the Spanish period, the American period and the period of Mr. Marcos (Gutierrez 1992). None of the majority of the people, the peasants and the workers, were represented in the legislative body of the state.

In the beginning, the new regime made certain gestures to democracy. The President released several political prisoners and initiated peace talks with the leftist underground movement — the National Democratic Front (NDF). However, in 1987 the government changed its strategy. The unrest in the countryside, which earlier was to be solved through land reform, was now to be solved through “total war” against what the government considered to be a subversive movement. The country became increasingly militarized and human rights were violated. After 1987, the regime of President Aquino violated human rights more intensely and more frequently than had been done by the government of President Marcos, even during the period of martial law.<sup>2</sup> The basic cause of social unrest, the problem of unequal distribution of land, remained unsolved.

Even though land is not the only determinant of economic wealth and power, Figure 1.1 reveals the striking inequality in land ownership in the Philippines. A perfectly equal distribution of land would render a coefficient of 0.0 and a curve which followed the diagonal from 0. A perfectly unequal distribution would arrive at a coefficient of 1.0 and its curve would follow the x and y axis. The curve shows a high degree of inequality, with a gini coefficient of 0.647 (Putzel 1992).

<sup>2</sup> Interviews with organizations like KMU, TFDP and KMP 1990.

Figure 1.1  
Landownership inequality, 1988



Source: Putzel 1992.

The Philippine state has shown itself to be incapable of carrying out effective land reforms to increase the peasant productivity and raise the living standards of the majority of the people and thereby remove a major reason for the insurgency in the country. One possible reason for this is that the majority of the legislature are also big landholders. Former President Aquino herself is one of the largest landowners in the country, owning a 6000 hectare sugar plantation (Hacienda Luisita) in Central Luzon. The Philippine state and policy making bodies have been practising a form of “elitist democracy”. (Rocamora 1993) “Elitist democracy” is to be understood as politics dominated by patron-client relationships, and permeated by the “ilustrado syndrome”, which relies on “bossism” and “warlordism” (see among others Gutierrez 1992, Rocamora 1993, Anderson 1988). The Philippine state and politics have been studied by several researchers, like Carl Lande (1965), J. Clark Soriano (1987), and Edicio de la Torre (1988). A common general conclusion is that strong *vertical dyadic ties* exist between patrons (landlords and employers) and clients (tenants, workers and employees) (Gutierrez 1992). For the client, the patron is commonly the only source of means of production, food and credit, and for the patron, the client represents cheap labour power and loyal defenders. In that sense the relationship is dyadic – and expresses a continuing relationship in which the patron and client interact upon each other. This is also true for the coconut sector.

### 1.2.1 External trade and policy linkages

The Philippines' external trade is still dominated by the historically strong linkage with the United States. Recently, Japan has become a major source of foreign investments as well as an important trading partner (Villegas 1990, Rocamora 1993, Republic of the Philippines 1990). Whereas the United States was the one major receiver of exported goods throughout the 1980s, Japan became the most important source of imported goods in 1989. Philippines' export trade still depends largely on the American market, while Japan is the second largest importer of Philippine raw materials and other light manufactured goods. A substantial share of the exports are also sold within the European Unity. Countries in the Middle East, on the other hand, export substantial quantities of goods to the Philippines, but import less than 2 per cent of the value of Philippine export goods (Table 1.1).

Table 1.1 reveals opposite trends for exports and imports for the different areas during the 1980s. Whereas US, Japan, EC and the Middle East counted for more than 70 per cent of the imports in 1981, their market share on the import side was less than 60 per cent in 1989. On the other side, approximately 65 per cent of the export earnings in 1981 were derived from markets in the US, Japan, EC and the Middle East. By 1989, this percentage had grown to almost 75 per cent. The market for export articles have thus been increasingly concentrated, while the sources for imported goods are more diversified.

Table 1.1  
Percentage share of value of import and export trade for the most important foreign trade-partners, 1981-1989

Area Year	US		Japan		EEC		Middle East		Of total	
	Imp	Exp	Imp	Exp	Imp	Exp	Imp	Exp	Imp	Exp
1981	22.5	27.6	18.8	20.0	10.3	16.2	21.3	1.7	72.9	65.5
1982	22.1	31.4	20.0	22.8	10.6	14.5	19.0	1.8	71.7	70.5
1983	23.2	36.0	16.9	20.3	11.7	16.3	19.4	1.6	71.7	74.2
1984	26.8	37.2	13.4	19.3	11.1	12.7	16.1	1.2	67.4	70.4
1985	24.9	35.0	14.4	18.9	8.3	13.6	12.4	1.5	60.0	69.0
1986	24.8	34.1	17.2	17.6	11.3	18.9	10.2	2.0	63.5	72.6
1987	22.0	34.5	16.6	17.2	11.6	19.0	12.4	1.7	62.6	72.4
1988	21.0	34.4	17.4	20.0	12.7	17.7	9.7	1.4	60.8	73.5
1989	19.0	35.8	19.6	20.3	11.3	17.0	9.7	1.6	59.6	74.7

Source: Republic of the Philippines 1990

