

# Feudalism in Philippine Industrial Relations

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## Introduction

Today, as technological advances shrink product and labor markets into easy and convenient access between people—whether among workers and employers in the field, workplace, firm or shop level, or among sellers, buyers, suppliers, consumers and other stakeholders at the local, national or international levels—is it still relevant to talk about feudalism in the context of Philippine industrial relations system?

This paper aims to discuss why and show how feudalism and its attendant nuances and meanings still create impact on contemporary Philippine industrial relations.

## Industrial Relations

When we talk of “industrial relations” we refer to the dynamics of employment relations that involve people making decisions and interacting in the workplace given certain internal motivations and external influences such as the complex social, political, economic and technological factors in the community or society. People at work, in all multidimensional social settings and various other complex outcomes, fall within the ambit of industrial relations. More fundamental in understanding industrial relations are the dynamics and outcomes resulting from the decisions, actions,

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responses and counteractions among the main actors of the industrial relations system, namely: (1) government through its instrumentalities and official agencies; (2) businessmen and their management representatives, including their organizations; and (3) the labor sector. Given human condition, we likewise cannot discount the involvement of the other stakeholders in society, such as non-government organizations, people's organizations, the media, the academe, and other civil society groups. The relational dynamics among the key actors and other stakeholders especially within the boundaries of a country are supposed to bring not only economic, social and political stability, but also general prosperity for the people and the nation.

As a noted industrial relations scholar puts it,

Industrial relations is the multidisciplinary study of the employment relationships, with particular emphasis on the relations between employers and workers. It seeks to understand the forces of an economic, social, political, psychological, and organizational nature that affect the employment relationship, the goals, behaviors, practices, and organizations of employers and workers, the causes and consequences of imperfections and maladjustments in the employment relationship that adversely affect economic efficiency, workplace equity, and individual well-being; and the practices and policies that can resolve these problems. (Kaufman, 1993)

Where and how does feudalism come into the picture?

## **Feudalism**

The term "feudalism" was first used in the context of the European mode of production and social relations prevalent particularly in Germany and England. University of Kansas Emeritus Professor of Medieval History Lynn Harry Nelson's definition in his article, "The Rise of Feudalism, ca. 850 - 1000 AD," is worth mentioning.

**Feudalism** is a term invented in the sixteenth century by royal lawyers—primarily in England—to describe the decentralized and complex social, political, and economic society out of which the

modern state was emerging. The term "feudalism" came from the German *vieh*, or "cow," the measure of wealth among the early Germans, a term that gave rise to the medieval word *fief*. Fief simply meant "something of value." In the agricultural world of the time, "something" of value was usually land. But the sixteenth-century lawyers pictured this land as having been under the control of a powerful king who distributed much of it to his followers, men of distinction whose breeding and upbringing particularly fitted them for governing and giving battle. (Nelson, 2004)

Nelson adds that there is essentially no effective central government in a feudal society. He outlines the key characteristics of feudalism: (1) "a decentralized organization arises when central authority cannot perform its functions and when it cannot prevent the rise of local powers;" (2) "civil and military powers at the local level are assumed by great landowners or other people of similar wealth and prestige;" (3) the "local leaders and their retainues begin to form a warrior class distinct from the people of their territory;" (4) the "distinction between private rights and public authority disappears, and local control tends to become a personal and even hereditary matter;" (5) the "feudal leaders often take over responsibility for the economic security of their territories over some activities...(strengthening) their presence at the local level and also makes their possessions even more valuable;" and (6) the "feudal aristocracies are usually organized on the basis of private agreements, contracts between individuals."

Given this framework, Nelson contends that American feudalism actually grew. He draws strong parallelisms in the nature and characteristics of the development of feudalism in Western Europe between the 9th and 10th centuries, and America during the first half of the 20th century. He cites how American society had to cope with complex social, economic and political problems—from the First World War to the rise of neighborhood gangs notorious for "turfings" and extorting "protection money" in the 1920s. At that time, gangs control "alcohol, gambling and prostitution" in their territories, expanding their operations into their families in major cities (hence, the term "syndicates") and over certain aspects of production and distribution. This era saw the likes of Al Capone in Chicago and the rise of the "Godfathers."

Specifically, for example, Professor Nelson notes how "in a feudal society, civil and military powers at the local level are assumed by great landowners or other people of similar wealth and prestige."

Much as churchmen assumed government authority with the fall of the Roman Empire in the West, local leaders, such as Count Robert of Paris, assumed the role previously exercised by government officials at the local level. Other individuals in other areas gathered retinues of fighting men and took over the role of the government in those territories they could control. Often enough these were imperial officials whom the imperial government could no longer keep in check, but others also emerged as local leaders. (Nelson, 2004)

He points out the strong similarity of the situation in America in the 1920s when neighborhood gangs dominated by Italians, Irish, and other ethnic groups claimed jurisdiction over their turfs and collected "protection money" for the services they performed.

### **A Feudal Structural Framework**

The gist of the article is that a feudal setup emerges at the local level when central government becomes ineffective and big landowners and their "elite" pawns practically hold the economic and political power to bind their fellow citizens into a strong sense of "homage and fealty." These elites at the local government levels could fully control employment relations from the lowest level of government bureaucracy to the local businesses.

According to public administration scholar Raul P. De Guzman, in a typical Philippine locality,

...the archetypal *lider* (leader) in Filipino politics is still he who gets the most jobs for his followers, increases his income when his faction is in power (while paying less income taxes), and gives the most help in various forms to his followers' families. This is the relationship between a Mafia don and his "soldiers." (De Guzman, 1993)

Such a social setup, along with its economic and political ramifications, fits snugly into Nelson's framework of a feudal society,

in which the "distinction between private rights and public authority disappears, and local control tends to become a personal and even hereditary matter," where "the feudal leaders often take over responsibility for the economic security of their territories over some activities...(strengthening) their presence at the local level and also makes their possessions even more valuable," and the "feudal aristocracies are usually organized on the basis of private agreements, contracts between individuals."

Feudalism, therefore, may be described as a political, economic and social situation within a circumscribed geographical and jurisdictional locality or society where the dominant personality—given his overwhelming private properties, wealth or "something of value" (e.g., land, money)—reigns over economically, politically and socially. Strictly speaking, the jurisdictional parameters of feudalistic relations in the context of Europe during the medieval ages comprise the land or the territorial boundaries of a given kingdom ruled by a monarch. The king was expected to provide his "subjects" or people under his control basic needs such as livelihood, employment, social protection, as well as peace and order. Moreover, what necessarily emerges in the dynamics of such social context is a feudal culture that prevails for a generation or two, or even longer.

In what sense and to what extent, therefore, can we say that feudal relations characterize Philippine industrial relations today?

### **Feudal Relations in Society**

At the dawn of the new millenium in an age of so-called "borderless world," it is interesting to note how contemporary Filipinos, especially in the provinces, take for granted the feudal relations between landlord and his farmhands.

Institute for Food and Development Policy's Joseph Collins who studied the Philippines' condition after the 1986 People Power Revolution captures through his personal interview with a retired planter (landlord) of a hacienda in Bacolod City, Negros, how work is understood in terms of feudalism:

Maybe my grandparents practiced what they call feudalism. In fact, the word that we are using locally, in our own dialect, is *cacique*—it's the same

as a feudal lord—he says you do this, and you do it, he says, do not do this, and you dare not do it.

Maybe my grandfather was a *cacique*. But I never saw him really beating the farm people. He scolded them, but they deserved it. He reasoned with them...Feudalism, as it is practiced here now is more what they call paternalism. (Collins, 1989)

As did the kings and lords of the past, the landowning class with their wealth and power consider themselves "high and mighty" over subjects and workers under their "paternal" care.

It may be appropriate at this point to see how a staunch ideological observer of Philippine society looks at the country's current political, economic and social situation. Communist Party of the Philippines (CCP) chair Jose Maria Sison, the man behind the longest-running insurgency in Southeast Asia, in a book co-authored with wife Julieta De Lima defines "semi-feudal" in terms of today's prevailing mode of production.

The term semi-feudal stresses the fact that as far as the local production system is concerned, the comprador big bourgeoisie is linked more to feudalism historically and currently than to industrial capitalist development, which is blocked so long as the economy is an appendage of US imperialism and remains the orbit of the world capitalist system.

Semifeudalism can be used in two senses:

- (1) To sum up the economy that is shackled by two moribund forces—imperialism and feudalism; and
- (2) To refer to the dominance of the comprador big bourgeoisie and the kind of production it promotes (primarily raw material production-for-export....)

The landlord class is the standard bearer of the persistent feudal relations of production...it owns vast tracts of land and collects rent from the great mass of tenants on assigned plots. It uses other methods of exploitation, such as the hiring of farm workers, usury, merchant operations, renting out

of farm equipment and draft animals and the like which may be called semi-feudal forms of exploitation...Feudalism is an indubitable fact even if we conservatively estimate that 40 percent of all the Philippine farms are tenanted. (Sison & De Lima, 1998)

Talking about feudalism in this age of globalization could be misleading because, as two scholars (viewing the dominant forces at work during the last century of Spanish rule in the Philippines as "not feudal but most decidedly capitalist") put it, the "term feudalism represents a specific *pre-capitalist* mode of production best typified by the economies of various European states during the Middle Ages" (Fast & Richardson, 1979).

However, in the context of contemporary Philippine society where majority live in the provinces, feudalism as an "institution of the aristocracy" prevails in employment relations. Thus, where there is overdependence by workers on a wealthy and powerful businessman, political leader, or both, such relation may be understood using various terms—patron-client system, patronage politics, cronyism, nepotism, oligarchy, elitism, *bata-bata* system, bossism, *palakasan* system, *padrino* system, or simply, feudalism. Interestingly, whatever feudal characteristics remain today, especially those in employer-employee arrangements, may be traced to the country's colonial past. More than three hundred years of Spanish rule and almost five decades of American colonization undoubtedly left an indelible mark on Philippine industrial relations systems.

### **Work Relations under the Spanish Colonial Rule**

A brief look at Philippine history shows that feudalism and its vestiges in work relations today has had its beginnings in the introduction of Spanish colonial bureaucracy. Teodoro Agoncillo, one of the country's pioneering historians, offers a description of the Spanish rule.

The Spanish colonial administrators established in the Philippines a highly centralized government revolving around the person of the governor and captain-general, who was appointed...by the monarch of Spain. As vice-royal patron, the governor was the extension of the king's personality

and authority and therefore exercised broad executive, and some legislative and judicial powers...One of the crucial factors which weakened Spanish colonial administration in the Philippines and which ultimately resulted in the deterioration of the national economy, was the instability of the bureaucracy...The shortness of the governor's tenure and the constant *rigodon* of employees owing to changes in the chief executive, resulted in confusion and lack of national policies not only in the administrative process, but also in financial and economic matters. All these wrought havoc on agriculture, commerce and trade, and the natives, being the ones affected by the confusion and stupidity of the setup, silently suffered the injuries inflicted upon them. (Agoncillo n.d.)

The Spanish colonial government, exploiting the natural and human resources of the country, implemented a "development" approach that deprived the early Filipinos of their basic source of livelihood —land. With an ineffective central government, the landed elites dictated the nature of work relations. It is feudal because it worsened dependence of those without lands on those who held economic power in their respective territories.

Describing how Philippine society was restructured for political and economic purposes, noted scholar-historian Onofre Corpuz gives a view of the Philippines in the middle of the 16th century.

The fragmented mid-sixteenth century native barangays were consolidated into a single political dominion by the Spanish conquest. The result was their unification, for the first time, into a single economic system. Within this system the old rights of the conquered natives to property in land were extinguished by the feudal rule that "everything of value" in the colonies formed part of the estate of the king of Castilla. Production in the new economic system was entirely the output of native labor, with all the conquered families reduced to a single class of small farmers working family-size parcels of field assigned by the king to each family. Their produce beyond their subsistence requirements was extracted from them by the new regime. Since the



land belonged to the king, the natives held only a limited usufructuary right to the lands they worked. (Corpuz, 1997)

Thus did Spanish colonialism brought with it the emergence of feudal relations after declaring all tillable lands as under the Crown and adhering to a capitalist concept of property. This led to the disintegration of native communalism and the appointment of a communal leader who not only served as trustee to collect tribute for the authorities but would later on become the private owner of the communal landholding (Magallona, 1982). The native *cabeza* headed the *barangay*, while the *gobernadorcillo* served as head of the *pueblo*. They were tasked to deliver the tributes to the Spanish *alcalde* or provincial governor. This new system carried with it some features of the European feudal rules, that is, the natives held the *pueblo* lands "by assignment from the king" (Corpuz, 1997). This landholding arrangement prevailed up to the end of the Spanish regime. The extensive tracts of lands awarded by the king to the church, friar orders, pious organizations and conquistadores evolved into *hacienda* agriculture, specifically, the *haciendas* of the friar orders.

The system of land ownership and land use introduced by the Spanish colonizers, therefore, is best characterized as feudalistic. This meant an inequitable, exploitative, and oppressive social relations of production geared towards more wealth and more profits for the local landowners at the expense of the laborers or peons who till the land for their very subsistence and survival. With the launching of the Manila-Acapulco galleon trade in the mid-18<sup>th</sup> century and commerce intensifying at the turn of the 19<sup>th</sup> century, new agrarian relations emerged whose focus was on the export markets. This paved for the beginning of capitalist agriculture. The *encomienda* system began to decline and was abolished eventually due to abuses, but "feudal landlordism based on private ownership of lands was already institutionalized" (Ofreneo, 1980).

The opening of the colony to world trade encouraged the development of agricultural specialization for crops like sugar, indigo, coffee, hemp and tobacco, on top of rice and corn which were staple food at home. This focus on foreign markets led the colonizers and the local elites—which included the *principalia*, *encomenderos* and Chinese *mestizos*—to acquire and grab more lands at the expense of tillers and the traditional small Filipino landowners. The resulting concentration of large tracts of lands

on a "privileged" few gave rise to the *haciendas*, the *inquilinato* system, and the share tenancy or *kasamā* system. Ofreneo makes a significant comment about this *kasama* system (in the context of what he mentions as an "early capitalist development in Philippine agriculture" intermeshed with "feudal and tribal forms of agriculture...in a colony infused for more than three centuries with feudal values and beliefs by a quasi-feudal and mercantilist Spain").

This was feudalistic, the most widespread and pernicious. Major factors that contributed to the reduction of many peasants to share tenancy were the rampant landgrabbing and the inequitous *pacto de retro* system. Accordingly, the *kasama* system that evolved under Spanish rule included the arrangement wherein the landlord provided the land and capital, and the tenant, the labor, farm animals and tools. The lion's share of the harvest always went to the landlord or *inquilinato*, who usually held the tenants in perpetual dependence through usurious loans extended to the latter. Such loans kept on accumulating and in many cases were inherited by the tenants' descendants. (Ofreneo, 1980)

For a clearer picture of the economic conditions prevailing near the end of the 19th century before the United States took over from the Spanish colonizers, Corpuz gives a brief summary.

In 1884 the tribute was replaced by fees paid for an identity document, the *cedula personal*. The growth of export agriculture was the principal trend, sparked by the sugar cane industry in Negros island, with two significant features: cultivation of large tracts from the realengas; and a seasonal wage system instead of the sharecropper system in the Luzon rice sector.

At the close of the Spanish era 70.4 per cent of all agricultural lands were shrunken fields less than two hectares in size. Landholdings fifty hectares and larger were only 0.7 per cent of the agricultural area but 21 per cent of the cultivated area; these large holdings belonged to the elite. In the absence

of a strong manufacturing and industry sector, agriculture and land dualized the society and economy into the poverty sector of subsistence farmers and the rich class of the landed gentry. (Corpuz, 1997)

### **The American Regime: Continuing Feudal Relations**

These social relations in the agricultural areas were carried over and sustained, if not intensified, with the imperialist intervention of the Americans at the turn of the 20th century. With the passage of the Payne-Aldrich Act by the US Congress in 1909, free trade policy assured the unrestricted entry of American goods into the country while its natural and human resources were being exploited. This brought about uneven economic development as big landlords and other local elites amassed more lands and drove agriculture-based workers to optimize production for the export markets. In the sugar lands of Negros, for example, most plantation owners, millers and traders were Americans, Spaniards and Chinese *mestizos*. Since they had thousands of *sacadas* (seasonal laborers) working for them in haciendas administered by equally exploitative *contratistas* or *cabos*, they "played a crucial role in the election of almost every Filipino President" and effectively perpetuated themselves in power in their respective localities and provinces (Ofreneo 1980).

Two contemporary researchers describe the general employment situation more sharply.

The hacienda system that evolved in Negros was built on sharecropping and debt relations. The rich sugar families, all of Spanish roots, created a classic *hacendero* system much like the Latin American model. They took paternalistic care of "their" people pretty much from cradle to grave, serving as godparents, paying their medical bills, and occasionally bailing them out of jail. In return, they demanded and received complete subservience based on sharecropping and the 'company store' model. (Daenekindt & Manato, 2003)

Since the beginning of the twentieth century when the American "occupation forces" established their reign in the country, feudal

relations in various degrees and forms characterized the social, economic and political dimensions of Philippine society.

Corpuz succinctly sums up the main agenda of the Americans as they began the occupation of the islands.

The principal item on the agenda of the insular government since 1900 was the expansion of American trade in the Philippines. The strategy was to make the Philippines a market for US exports on the one hand, and a source of cheap raw materials for US industry on the other...It is not strange that the American officials and observers came to view the Philippine economy simply as an adjunct of the American economy. (Corpuz, 1997)

This strategy had dire consequences especially for the Filipinos. It became clear that the Americans' claim of "benevolent assimilation" of Filipinos beginning in the early 1900s up to their "grant of independence" in 1946 was simply a holdover, if not a deepening, of the feudal practices instituted by the Spaniards. While recognizing the importance of land reform, the American colonial administration "adopted a modern land law but ensured, through its prerequisites to land titling, that it would be almost impossible for small farmers to title their parcels. At the end of the United States occupation regime, the small farmers were in the same condition they were in during the Spanish era" (Corpuz, 1997). "The percentage of land worked by tenants—a measure of dispossession of peasants—rose from 19 percent in 1903 to 38 percent at the time of Philippine independence in 1946" (Collins, 1989). This was the dominant set up that characterized the economy—land as the base for the wealthy Filipinos and foreigners to further entrench themselves deeper and gain control of business, particularly the export of sugar, coconut, tobacco and hemp. The landless farmers had no choice but to suffer as tenants and sharecroppers or as mere laborers to their rich landlords' businesses.

### **Labor Struggles**

Isabelo de los Reyes collaborated with workers in Manila to establish the Union Obrera Democratica (UOD), the country's first trade union, at the dawn of the 20th century. Their counterparts in the provinces, however, were themselves organizing for a long drawn

out fight to destroy the exploitative system of governance by the Americans and their local lackeys. The agriculture-based population, in particular, had to face the reality of eviction and becoming tenant-sharecroppers in an inequitable land registration system that was easily manipulated by large landowners at the expense of illiterate farmers. The rich and educated classes easily managed to have their landholdings certified and titled. With land ownership as their economic base, political power was likewise assured to the local elites by the insular government.

Socioculturally, this wealthy landowning sector of the American regime would consequently inculcate ("brainwashed" perhaps may be the more accurate term) an overpowering colonial consciousness over the majority of the population. Renowned scholar-historian Renato Constantino offers a description of the impact of American intervention.

Together with the English language, the public school system, and the fairly rapid Filipinization of the bureaucracy, colonial politics became a vehicle for the political education of the Filipinos as a colonial citizen at the same time that it successfully coopted into the American colonial establishment a new generation of leaders to succeed the ilustrado collaborationists. By a shrewd system of political favors granted or withheld, the colonizer kept a firm though concealed hold on this leadership. Philippine politics became a colonial version of American ward politics and featured a perpetual scramble for position and patronage which the colonial power satisfied as a reward for acquiescence to its own political and economic objectives. (Constantino, 1978)

Feudal relations, thus, remained dominant in Philippine society. This was even recognized in the latter half of the 1930s by then Commonwealth President Manuel L. Quezon, commenting that agrarian unrest was "the fruit of social injustice, declaring that the tenants of parcels in the haciendas purchased by the government were seldom able to acquire ownership of the parcels they had long worked and lived upon" (Corpuz, 1997). Livelihood or employment for the predominantly rural population meant dependence on, if not effective subservience to, the local elites.

This economic situation unfavorable to the masses was maintained as the colonizers gave primary attention to trade and export agriculture, neglecting domestic agriculture in the process. The price of rice, the staple Filipino food, was kept artificially low as annual rice imports had to be made until 1935. By the end of the American occupation, the small farmers were in the same sorry condition as during the Spanish regime. Constantino explains how the peasants had to cope with the system of control by the Americans and their Filipino administrators at the local levels.

Their (peasants') principal occupation was exploitation by landlords—and these were Filipinos. Whenever violence erupted, the peasants were confronted either by the landlords' private armies, the provincial police, or the Constabulary all Filipinos. And the government officials who enacted the laws that by and large favored the landlords were all Filipinos too... As producers of export crops for the American market and as local mainstays of order, they became the principal local beneficiaries of colonial rule and for this reason, reliable allies. (Constantino, 1978)

Thus did the local landed classes—the Filipino-Chinese mestizos and the rich secular Spaniards—control landownership and maintained the system of renting parcels of land to tenants. It was not surprising why the Americans chose them as counterparts in local administration and provided the necessary support to ensure their continued loyalty. Consequently, landlord-tenant conflicts and agrarian unrest erupted, resulting to actual peasant uprisings by such groups as the *Colorums* in northeastern Mindanao, *Tagbulans* in Pangasinan, and the *Sakdalistas* in Laguna (IBON, 1988).

### **Feudal Industrial Relations under Filipino Leaders**

However the word feudalism is interpreted, what holds true today is that in the Philippine setting the term has been taken to mean liberally as a relationship in which one powerful personality or corporate entity has authoritative political, economic and social dominance over people who, in turn, pay back in terms of service or labor, loyalty, and even money, in accordance with some informal or formal mutual gain arrangement. Inherent in the term is formal

employment relations and its production and rewards-sharing aspects, hence, the reality of feudal industrial relations.

While government as the most dominant actor in the industrial relations system has attempted to legislate land reform to spread a balanced distribution of employment opportunities and wealth since President Quezon's watch, the peasant masses have found these highly inadequate, or even deceptive.

IBON Databank Phils., Inc., (1988) in *Land Reform in the Philippines* cites, among others, the more significant related laws and their inadequacies.

- (1) The Rice Share Tenancy Act of 1933, the first law to regulate landlord-tenant relationships legalized a 50-50 sharing contract where the "tenant's share was exempted from repayment claims of debt to landlords." But this "took effect only in 1946... (and) could only be implemented when the municipal councils, which were dominated by big landlords, requested for its implementation."
- (2) The Magsaysay administration's Land Reform Act (RA 1400, 1955), dubbed the "Land to the Landless" Program, supposedly guaranteed the expropriation of all tenanted landed estates and setting a retention limit of 300 hectares and 600 hectares for corporate-owned estates. With the lobbying efforts of landlords, the resulting implementation was a dismal seven-year (1955-1966) record of "only 41 estates out of a total 300 estates...purchased by government."
- (3) The Land Reform Code (RA 3844, 1963), passed under president Diosdado Macapagal, "explicitly envisaged the transfer of ownership of land to tillers," but this covered only rice and corn lands, and was hardly implemented. This was later amended by RA 6389 in 1971 under president Ferdinand E. Marcos, creating the Department of Agrarian Reform, but insufficient funds allocated by government for the program spelled only unfulfilled expectations for the landless farmers (Ibon, 1988).

The net result, according to the IBON study, has been: an increase in the number of landless farmers; consolidation of land ownership in the hands of a few families and private corporations, including foreign-owned ones; and heightened peasant unrest.

No significant changes for the benefit of agriculture-based laborers took place even after Marcos declared the entire country a land reform area under his New Society martial law amendments (see e.g. Presidential Decrees 2, 27, and 1066). Records cited by IBON indicate very few beneficiaries:

- 4.4% of the agricultural workforce;
- 6.6% of all tenants and farmworkers;
- 19.8% of all tenants;
- 7.9% of total physical crop area; and
- 14.3% of all rice and corn lands.

Instead, at "the end of Marcos' rule, vast tracts of land were all the more concentrated in the landlord class and transnational corporations...Big landlords, those owning 50 hectares and above, control 20.79% of total landholdings. They, however, represent a mere 0.46% of the total landowning population. Small landowners, those owning three hectares and below, on the other hand, number 66.78% of the total landowning population. They occupy 18.56% of total landholdings. The peasantry, on the other hand, was kept in feudal and semifeudal bondage by the Marcos agrarian reform programs. Their destitution was preserved so that the landlord-comprador class and transnational corporations can continue to amass profit by exploiting their labor power" (Batara, 1996).

### **Contemporary Philippine Society**

The 1986 People Power revolution which toppled Marcos' dictatorship and ushered President Corazon C. Aquino's ascendancy did not alter the land distribution landscape significantly enough to create a more agricultural labor-friendly impact on the industrial relations system in the Philippines.

Republic Act 6657 or the Comprehensive Agricultural Land Reform Law (CARL) enacted on June 10, 1988 instituted the Comprehensive Agrarian Reform Program (CARP) and became the "centerpiece program" of the Aquino administration. This came about, however,



only after the January 22, 1986 incident in which demonstrating peasants were massacred in front of Malacañang palace. The state, represented by landlord-dominated legislative bodies such as the Congress and the Senate, has traditionally been reactive to incidents threatening its survival. In his review of CARP implementation, one observer notes that,

In the Philippine case, the historical trajectory of land reform programs were motivated by the need for political legitimization of whoever was in power. Hardly were they conceived to accommodate the specific demands of intended beneficiaries; rather, they were intended to introduce palliatives (such as tenancy reforms) in order to contain agrarian unrest or to re-allocate vast land resources through resettlement while ensuring that political elites get the bigger share of available space. (Quitoriano, 2002)

Quitoriano's assessment of the current implementation of the CARP under President Gloria Macapagal-Arroyo indicates that a number of challenges remain unhurdled.

Substantial progress had been made in agrarian reform during the last decade. CARP's gains were tangible enough to emphasize its correctness as a national agenda. Over 5 million hectares of land had been redistributed and over 3 million new owners have been given new hopes...

But the road ahead is full of challenges and pitfalls. Opponents of reform have not given up the fight. They put up barriers that range from exploiting the loopholes of the agrarian reform law to howling against the lack of substantial gains relative to costs and longevity of the program. (Quitoriano, 2002)

Moreover, the prospect of CARP being implemented thoroughly does not look bright at present as it has been diluted by a number of Administrative Orders (AOs) issued by no less than the Department of Agrarian Reform:

- (1) AO 9, issued on December 1998, and further outlined in AO 2 of 1999, which "provided guidelines for

Agribusiness Ventures including contract growing, lease arrangements, management contracts, build-operate-transfer schemes and joint-venture arrangements." It strengthened the rights of landlords since farmers get shares of stocks and eventually lose their right to own land; and

- (2) AO 2 on January 16, 2003, which "upheld the landlords' rights to retain land while reiterating that tenants who choose to stay on retained land will be reduced to lessees and lose their status as agrarian reform beneficiaries. Farmers who choose to leave will have to negotiate with landlords, either for another piece of land or for a 'disturbance compensation.' Either way, farmers face the unenviable choice of becoming an agricultural worker or becoming landless." (IBON, 2003)

Recent statistics from the Department of Agrarian Reform show that as of June 2002, CARP had distributed only 5.7 million hectares or 71% of its total scope. The Department of Labor and Employment, on the other hand, place the number of agriculture-based labor at 11.1 million or 37%, majority being workers in rice, corn, and coconut farms; landless farmworkers; and fishers. This is significant because about half of the country's population reside in rural areas where two-thirds depend on agriculture for their livelihood (Almazan, 2000).

While admittedly the government through its programs has envisioned a new social structure based on a more equitable sharing of wealth, the effects have been to the farmers' disadvantage since the control of and benefits from such arrangements have favored transnational and elite local agribusiness firms. Through contract-growing setups where corporations provide the technology, inputs and markets, and finally buy crops at dictated prices, the farmers bear all the risks in producing farm outputs. Worse, it does not contribute to government's long term modernization thrusts since little or no technology transfer is actually carried out for the farmers under the contract (IBON, 2003).

What can be gleaned from this current scenario is that agricultural productivity and the resulting wealth creation, if at all, is lopsidedly in favor of local businesses and big international corporations to the detriment of small farm laborers. Land as the basis of money

value and its ramifications in producing more wealth for the landowner serves to sustain feudalism in Philippine industrial relations.

### **Feudalism in the Philippine Bureaucracy**

This inequitable setup for the farmers is further aggravated by the non-involvement or misdirected efforts of leaders at the local level. "Many LGUs are still susceptible to narrow interests of clientelist politicians who give priority to their longevity in office than to the development of their territory. Hence, they tend to focus on tactical financial gains than on long-term development objectives and people's participation in governance (Quitoriano, 2002).

Employment relations and access to work opportunities in government is grounded, more often than not, in having the right connections with government bureaucrats:

Access to government resources has become an essential means to maintaining a strong and dyadic patron-client bond and in consolidating elite power...Local elites especially are able to do without the need for programmatic parties by nurturing a patron-client relationship with voters and supporters coming from the lower classes. (Co, Tigno, Lao, & Sayo, 2005)

The reality is that government has been acting as an employment agency in spite of its already "puffed up" bureaucracy because the nature of politics would have leaders repay their political debts—a setup best described as "bureaucracy treated as a political plum" (Esplanada, 2006, p. A1). Political patronage is in place where there should be rational, stable and effective employment relations in government, resulting to inefficiency and lack of professional services to the public. This is aggravated by the practice of hiring political supporters up to the highest level of the bureaucracy despite their lack of qualification.

Worse, local politicians, particularly in the provinces, maintain so-called Partisan Armed Groups (PAGs) who serve as pawns protecting their political and economic power. The PAGs also serve as assassins. Killing their political rivals would ensure their electoral

victory in what should have been a mechanism for democratic participation (Paredes, 2004).

A noted columnist commenting on postwar elections said that the central government weakened, resulting in the emergence of local warlords.

Much of the electoral violence owed to the experience of the war, and quite directly to the proliferation of guns after it. Many landlords swiftly turned into warlords, building private armies presumably to fight off marauding Huks. In fact, the private armies were used to expel the peasants who had occupied the lands the landlords abandoned during the war..

Not all the warlords, like Vincent "Bingbong" Crisologo, burned villages but most resorted to murder, assassination, and even massacre. The violence naturally escalated when two warlords feuded, like the Crisologos and Singsons of Ilocos. Apart from them, the more famous landlords during the postwar period were Justiniano Montano of Cavite, Ramon Durano of of northeastern Cebu , Mohammad Ali Dimaporo of Lanao, and Rafael Lacson and Armando Gustilo of Negros Occidental. They were famous not just for their political acumen, which was considerable, but for the body count that they racked up in the course of their drive for power. (De Quiros, 1997)

These powerful political families or clans are referred to collectively as "an octopus." A political dynasty "simply means a succession of public office holders who are members of the same family and who pass municipal or legislative seats from one generation to another" (Makabenta, 2004). Some of the most durable names date as far back as the turn of the century such as the Aquino-Cojuangco clan of Tarlac and the Duranos of Danao City. Others such as the Ortegas of La Union, the Villafuertes of Bicol, the Osmeñas of Cebu, the Agbayanis of Pangasinan, the Padillas of Nueva Vizcaya, the Marcoses of Ilocos, and the Valeras of Abra, remain as influential as they were three or four generations back. The Dys of Isabelita may be worth mentioning because they were recently toppled by a polio-stricken but gutsy "unknown" who won the governorship. The Philippine Center for Investigative Journalism's study, "The Rule Makers: How the Wealthy and Well-born Dominate Congress," points out that four out of 10

representatives in all post-Marcos Congresses have been relatives of previous legislators, and only 42% of the members of the 11th Congress of 1999 were not from political families.

### **Conclusion: The Feudal Character of Philippine Work Relations**

The political, economic and sociocultural influence of certain landowning wealthy individuals and big business enterprises are indeed overwhelming such that people depending on them cannot but remain "loyal" and ready to render various personal and official services. This explains why 80% of the nation's wealth are controlled and enjoyed by a mere 20% of the Filipino population. The implication is that the elites control the livelihoods of majority of the population—a feudal industrial relations in the agri-based workplaces and in the elites' businesses at the local and national level. As Nelson suggests, with an ineffective central government, "civil and military powers at the local level are assumed by great landowners or other people of similar wealth and prestige," and the "feudal leaders often take over responsibility for the economic security of their territories over some activities...(strengthening) their presence at the local level and also makes their possessions even more valuable."

The past should remind us how some powerful individuals have caused, and continue to cause, so much suffering, especially in provinces far from the megacities: (1) the Luisita Hacienda labor-management conflict resulting in seven dead and countless others injured—a landownership issue about a 6,400-hectare real estate owned and operated as a corporation by "dynastic" owners and declared "land reformed" by a landlord-dominated Congress through a stock distribution scheme for its 4,000 plantation workers; (2) the landslides and flashfloods in Quezon, Aurora and Nueva Ecija in the wake of typhoons Unding, Violeta, Winnie and Yoyong causing death, hunger and injuries to thousands of rural-based masses, as well as millions worth of losses in shelters, farms, and other properties; and (3) the rampant killing of journalists—13 victims in just one year. Disappointed by the fact that their killers remain at large, a former dean of the University of the Philippines commented that "It's a cultural thing. At the local level, the justice system is weak. Prosecutors might be afraid. Or they may be acting on behalf of powerful people. There have been many cases of police collusion. And there are a lot of loose, unlicensed guns ...non-functioning courts...drug lords, gambling lords, lack of

ethics. It's a lethal combination." Carlos Conde, Secretary-General of the National Union of Journalists of the Philippines, adds that "In many parts of the country it is almost feudal with warlords controlling everything from drugs and gambling to illegal logging" (Conde, 2004). How many more disasters of inestimable proportions must take place due to exploitative and oppressive national policies and practices initiated by the "high and mighty" in their respective territories?

Feudal industrial relations probably describes present-day employment relations best. It makes sense considering that 47.4% of the rural population are poor; those who till the soil remain landless; rice, corn, and coconut plantation workers, landless farmworkers, and fishers comprise majority of the 37% employed in the rural workforce; the incidence of child labor stands at 4.02 million as of 2001; and poverty incidence as of 2000 stands at 34% (Almazan, 2003). This prevailing situation is the result of past agrarian relations dating back to the Spanish era when unjust production relations have "created and nurtured political institutions that stunted economic growth in rural areas and promoted a culture of patronage in social relations and politics" (Quitoriano, 2002).

This means that in Philippine industrial relations the elites or those with power and authority—the big landlords, the wealthy businessmen, the power-hungry politicians and the powerful transnational corporations—were able to preserve their "feudal aristocracies...organized on the basis of private agreements." Even the national government, which recognizes the need to alleviate the country's widespread poverty, is at odds on how to secure its own stability as a "strong republic." Like the feudal lords of old, the elites have to maintain the loyalty of their constituents by providing them jobs and livelihood, or some sort of service or benefit, in a paternalistic manner. The feudal character of employment relations, therefore, should be transformed into one where there is balance among the three actors of the industrial relations system.

Not until majority of our agricultural workers, including the indigenous people, enjoy landownership and real empowerment, and the elites accept their role as responsible employers and leaders willing to share their wealth with the needy, can we claim that feudal relations have ceased to exist in Philippine industrial relations. To rid the system of its feudal character, however, is to call on all Filipinos not only to pursue the noble struggle for

social justice, industrial democracy, industrial productivity, industrial peace, and industrial growth in the workplace; but to strive for genuine economic, political and social development for the country.

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